

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

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2024

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-40125



LOCAL BOUNTI CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of Incorporation or Organization)

83-3686055

(I.R.S Employer Identification No.)

490 Foley Lane Hamilton MT 59840

(Address of Principal Executive Offices, Including Zip Code)

(800) 640-4016

(Registrant's Telephone Number, Including Area Code)

400 W. Main St. Hamilton MT 59840

(Former name or former address, if changed since last report.)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value of \$0.0001 per share	LOCL	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the voting stock held by non-affiliates of the registrant was approximately \$ 14.9 million as of June 30, 2024 (the last business day of the registrant's most recently completed second fiscal quarter) based upon the closing sale price on The New York Stock Exchange reported for such date. Shares of common stock held by each officer and director and by each person who may be deemed to be an affiliate have been excluded. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

The number of outstanding shares of Local Bounti Corporation's common stock was 10,633,947 at March 31, 2025.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement for the registrant's Annual Meeting of Stockholders to be held on June 11, 2025, are incorporated by reference into Part III of this Annual Report on Form 10-K.

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Cautionary Note Regarding Forward-Looking Statements

This Annual Report on Form 10-K and the information incorporated herein by reference contain certain statements that constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. In some cases, you can identify these forward-looking statements by the use of terms such as "expect," "anticipate," "believe," "continue," "estimate," "intend," "may," "plan," "project," "forecast," "seek," "should," "target," "will," or similar expressions, and variations or negatives of these words, but the absence of these words does not mean that a statement is not forward-looking. These forward-looking statements include, without limitation, statements regarding our ability to raise capital in the future, future financial performance, business strategies including future acquisitions, expansion plans including construction of future facilities, future results of operations, estimated revenues, losses, projected costs, prospects, plans and objectives of management. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. These forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance, or achievements to differ materially from results expressed or implied in this Annual Report on Form 10-K. The following factors, among others, could cause actual results to differ materially from those described in these forward-looking statements:

- Local Bounti's ability to continue as a going concern and the risk that Local Bounti will fail to obtain additional necessary capital when needed on acceptable terms or at all;
- Local Bounti's ability to generate significant revenue;
- restrictions and covenants contained in Local Bounti's debt facility agreements with Cargill Financial Services International, Inc. ("Cargill Financial") and Local Bounti's ability to comply therewith;
- the risk that Local Bounti may never achieve or sustain profitability;
- the risk that Local Bounti could fail to effectively manage its future growth;
- Local Bounti's ability to complete the build out of its current or additional facilities in the future;
- Local Bounti's reliance on third parties for construction, the risk of delays relating to material delivery and supply chains, and fluctuating material prices;
- Local Bounti's ability to scale its operations and decrease its cost of goods sold over time;
- the potential for damage to or problems with Local Bounti's facilities;
- the impact that current or future acquisitions, investments or expansions of scope of existing relationships have on Local Bounti's business, financial condition, and results of operations;
- unknown liabilities that may be assumed in acquisitions;
- Local Bounti's ability to attract and retain qualified employees;
- Local Bounti's ability to develop and maintain its brand or brands;
- Local Bounti's ability to achieve its sustainability goals;
- Local Bounti's ability to maintain its company culture or focus on its vision as it grows;
- Local Bounti's ability to execute on its growth strategy;
- the risk of diseases and pests destroying crops;
- Local Bounti's ability to compete successfully in the highly competitive markets in which it operates;
- Local Bounti's ability to defend itself against intellectual property infringement claims or other litigation;
- Local Bounti's ability to effectively integrate the acquired operations of any CEA or similar operations which it acquires into its existing operations;
- changes in consumer preferences, perception, and spending habits in the food industry;
- the risk that seasonality may adversely impact Local Bounti's results of operations;
- Local Bounti's ability to repay, refinance, restructure, or extend its indebtedness as it comes due;
- Local Bounti's ability to comply with the continued listing requirements of the New York Stock Exchange ("NYSE") or timely cure any noncompliance thereof; and
- the other factors discussed in Item 1A, "Risk Factors" of this Annual Report on Form 10-K and any updates to those factors set forth in Local Bounti's subsequent Quarterly Reports on Form 10-Q or Current Reports on Form 8-K.

The forward-looking statements contained herein are based on our current expectations and beliefs concerning future developments and their potential effects on our business. There can be no assurance that future developments affecting our business will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, the Risk Factors identified in Part I, Item 1A of this Annual Report on Form 10-K. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time and it is not possible for us to predict all such risk factors, nor can we assess the effect of all such risk factors on our business or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statements. Should one or more of these risks or uncertainties materialize, or should any of the assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements.

In light of these risks and uncertainties, there is no assurance that the events or results suggested by the forward-looking statements will in fact occur, and you should not place undue reliance on these forward-looking statements. The forward-looking statements made by us in this Annual Report on Form 10-K speak only as of the date made. Local Bounti undertakes no obligation, other than as required by applicable law, to update or revise its forward-looking statements, whether as a result of new information, subsequent events, anticipated or unanticipated circumstances or otherwise.

Additional Information

Unless the context indicates otherwise, references in this Annual Report on Form 10-K to the "Company," "Local Bounti," "we," "us," "our" and similar terms refer to Local Bounti Corporation (f/k/a Leo Holdings III Corp ("Leo")) and its consolidated subsidiaries (including Local Bounti Operating Company LLC or "Legacy Local Bounti"). References to "Leo" refer to our predecessor company prior to the consummation of the business combination of Local Bounti and Leo on November 19, 2021 (the "Business Combination").

PART I

Item 1. Business

Our Mission and Vision

Our mission is to revolutionize agriculture, ensuring accessibility to fresh, sustainable, locally grown produce to nourish communities everywhere for generations to come. Our vision is to reimagine freshness. We envision a future where transformative innovation and technology combine to enable us to locally grow produce with minimal food miles, ensuring the freshest and most sustainable offerings for communities everywhere. We believe that happy plants make happy taste buds, and we are committed to reimagining the standards of freshness. We also believe that local is the best kind of business, and we are committed to helping communities thrive for generations to come. We are committed to building empowered local teams. Together, we believe we are capable of extraordinary achievements in sustainable agriculture.

Company Overview

Local Bounti is a controlled environment agriculture ("CEA") company that produces sustainably grown produce, focused primarily on living and loose leaf lettuce, arugula, spinach, and basil. Founded in 2018, and headquartered in Hamilton, Montana, Local Bounti utilizes its patented Stack & Flow Technology[®] to grow healthy food sustainably and affordably. Our proprietary process is a hybrid growing approach, utilizing vertical farming in early plant growth, followed by greenhouse farming for final grow out. We designed our Stack & Flow Technology[®] to give our products exactly what they need at every step of their growth cycle. Our goal is to grow in an environmentally sustainable manner that not only increases harvest efficiency and enhances unit economics, but also limits water usage and reduces the carbon footprint of the production and distribution process. Controlling the environmental conditions in both the 'Stack' and 'Flow' components of our growing system helps to ensure healthy, nutritious, and consistent products that are non-genetically modified organisms ("non-GMO"). We use 90% less water, 90% less land, and significantly less pesticides and herbicides than traditional outdoor agriculture operations.

Our first facility in Hamilton, Montana (the "Montana Facility") commenced construction in 2019 and reached full commercial operation by the second half of 2020. In 2022, we acquired California-based complementary greenhouse farming company Hollandia Produce Group, Inc. and its subsidiaries, which operated under the name Pete's (the "Pete's Acquisition"). Through the Pete's Acquisition, we significantly increased our growing footprint to include two then-existing facilities in California and one under-construction facility in Georgia. The Georgia facility initially became operational in July 2022 and was significantly expanded in 2023. In 2024 we completed construction of two new facilities in Washington and Texas, bringing our total facility count to six.

We distribute our products to approximately 13,000 retail locations across 35 U.S. states, primarily through direct relationships with blue-chip retail customers, including Albertsons, Sam's Club, Kroger, Target, Walmart, Whole Foods, Brookshire's, H-E-B, Sprouts, and AmazonFresh. Our primary products include living butter lettuce – for which we are a leading provider with an approximate 80% share of the CEA market within the Western U.S. – as well as packaged leafy greens and cress. We recently introduced new Grab & Go Salads and additions to our baby leaf portfolio with several high-velocity offerings, including Spinach, Arugula, and Basil. In addition, we introduced 50/50 blend and power greens in the third quarter of 2024. We signed an offtake agreement with Sam's Club in October 2022 for our leafy greens production initially from our Georgia facility and now including both our Georgia and Texas facilities. The offtake agreement provides for the sale of defined minimum quantities of leafy greens from our Georgia and Texas facilities and runs through September 2028.

We intend to continue to increase our production capacity and expand our reach to new markets, new geographies, and new customers through building of new facilities, the expansion of existing facilities, or the acquisition of existing greenhouse facilities, which we would evaluate to update with our Stack & Flow Technology®. We conduct an ongoing build-versus-buy analysis whenever we decide to build a new facility or acquire an existing facility. We also continue to explore expanding our product offerings to new varieties of fresh greens, herbs, berries and other produce. Additionally, we evaluate commercial opportunities as part of these expansion efforts on an ongoing basis.

Business Summary

Our differentiation is rooted in our focus on unit economics, and is compounded by our modular and locally distributed facility strategy, brand and product diversity, and a strong focus on sustainability.

Our focus on unit economics shapes our execution strategy, which supports our value proposition and increases value for all stakeholders. Our customers receive more value for their money and decrease their food waste, capital providers experience a lower risk profile, and we promote greater sustainability for both people and the planet. Through yield, resource efficiency and sustainability, cost reduction, and logistics savings, we provide enhanced value for all stakeholders.

Our hybrid facility design is at the core of our focus on unit economics and serves as a platform intended to grow margins through investment in technology and yield improvement. In our facility configuration, we grow plants during their early development period "stacked" in a space and energy efficient vertical nursery. This configuration reduces facility square footage and increases returns on invested capital. This vertical nursery produces a stock of young plants to fill growing space in our controlled environment greenhouses, where young plants accelerate growth when exposed to a specified set of conditions involving natural light, temperature, humidity, carbon dioxide, nutrients, pH balance, and other key elements. With this approach, we believe that once Stack & Flow Technology® is fully commissioned at a facility, the facility will yield 1.5 to 2.0 times more produce than traditional CEA greenhouse farms. This is evidenced in our Georgia facility, whereupon the commissioning of our Stack & Flow Technology®, we doubled run-rate production. For example, at our Texas and Washington facilities, we are observing yield rates that are 1.5 to 2.0 times better than CEA greenhouse industry performance.

We use flexible, modular facility designs to enable rapid expansion near major population centers. We regularly assess our pipeline of future farm locations to leverage our national distribution footprint. Key considerations include meeting known demand from key existing customers within the network, as well as optimizing freight routes to ensure that transportation is optimized to limit cost while enhancing customer service with consistent delivery schedules. Our approach is to build or acquire geographically distributed production facilities so we can provide our customers with locally and sustainably grown produce delivered at peak freshness on a year-round basis. We plan to use substantial pre-engineered, pre-fabricated and standardized components when building our modular facilities in order to reduce execution risk for facilities where we build from the ground up. For pre-existing facilities like those acquired with the Pete's Acquisition, we may update facilities, where appropriate, using our Stack & Flow Technology®. We are working to develop key partnerships with agricultural and equipment vendors to ensure efficient construction. As a result, we believe we can build, scale and commission a facility within 15 months of acquiring the underlying land, which we believe is significantly faster than our competitors. This strategy enables us to reduce the distance of our farms to our customers by more than 50% of the distance that is standard in the industry, mitigate supply chain risk, simplify transportation logistics and reduce food spoilage and waste.

Local Bounti products are currently sold at approximately 13,000 retail locations across 35 U.S. states, primarily through direct relationships with blue-chip retail customers, including Albertsons, Sam's Club, Kroger, Target, Walmart, Whole Foods, Brookshire's, H-E-B, Sprouts, and AmazonFresh. Our stock keeping unit ("SKU") assortment at the end of 2024 includes 32 SKUs across living and loose leaf lettuce, spinach, arugula, basil, organic and conventional, cress and value add product lines. In the future, we seek to co-locate with nationally recognized distributors to leverage their existing networks and thereby further decrease the carbon footprint of duplicative distribution, and we are currently evaluating the implementation of this strategy through our existing distribution network.

We expanded our product assortment in 2024 by introducing several high-velocity offerings, including Arugula, Spinach, Spring Mix & Spinach Blend, Power Crisp, and Basil. We began shipping our entire assortment to customers during the third quarter of 2024 and added additional distribution with retailers in the mass and grocery channels in the fourth quarter. We continued to rollout Grab & Go Salads to customers throughout the Pacific Northwest and Southern United States in 2024. The Grab & Go Salads assortment includes four unique flavor offerings: Artisanal Chicken Caesar, Memphis Inspired Chicken, Sweet Poppy Power, and Modern Green Style. In the second quarter of 2025, we plan expand our product assortment further, with the launch of new, built-in-house salad kits, adding more optionality for our end consumers. We believe the power of our brand and the quality of our products allow customers and consumers to associate Local Bounti produce with freshness and sustainability, and choose our products to enhance their diets while safeguarding the environment. Paired with our geographically distributed production, we believe that our branding and SKU diversity will allow us to capture greater market share with

customers and consumers who seek a diversity of leafy green produce and are oriented to locally produced, sustainable food.

Sustainability is at the core of our business focus, and our business prioritizes 12 of the 17 United Nations ("U.N.") Sustainable Development Goals. Our farming practices use 90% less land and water than traditional farming, and our usage of pesticides and herbicides is significantly lower as compared to field grown lettuce. Compared to field-grown loose leaf lettuce, our lettuce and herbs contain 10 to 1,000 times less bacteria than conventional farming, leading to a longer shelf life, which greatly reduces waste for both customers and consumers. Our local production facilities enable lower greenhouse gas emissions associated with transportation and provide greater access to fresh produce. We believe that our production methods also yield significantly greater worker welfare compared to traditional farming methods due to the type of farming inherent with the use of CEA technology (i.e., indoors). This is also central to our commitment to grow our people, which is as critical to us as growing our produce.

Market Overview

According to the U.N., the world's population is projected to keep growing over the next 50 to 60 years, reaching a peak of approximately 10.3 billion people in the mid-2080s, up from 8.2 billion in 2024. The majority will reside in urban areas, which creates challenges related to energy, transportation, housing, and food availability. Additionally, consumer demands are pushing agricultural businesses to produce food in safer, more transparent, personalized, and sustainable ways.

Expanding Global Agriculture Crisis. The world is facing a rapidly expanding global agriculture crisis. According to a report released by the U.N. and its partners in 2020, we will need significantly more capacity to produce approximately 70% more food to feed the world's population by 2050, but there will not be enough arable land and water for traditional agriculture to meet these needs. According to studies from The University of Sheffield, the world has lost more than 30% of its arable land in just the last 40 years, and approximately 60% of total global cropland has been depleted from irrigation usage. Significant enhancements in food production are also needed in the near term as the U.N. Food and Agriculture Organization estimates that a quarter of the world's population is "food insecure," which means it lacks consistent access to enough food for an active, healthy life. According to the international relief agency Mercy Corps, approximately nine million people die annually from hunger while approximately 10% to 30% of agricultural produce spoils before it is sold to consumers.

Increasing focus on healthy eating. Over the past few decades, there has been a growing consumer focus on healthy eating. Individuals are increasingly conscious of their diets and are opting for more fresh vegetables and produce. According to the International Food Information Council's 2023 Food and Health Survey of American Consumers, about 74% of Americans believe that the foods and beverages they consume have a significant or moderate impact on their overall well-being.

Demand for fresh and local produce. We believe consumers are increasingly drawn to local and sustainably grown food due to the freshness of the product, the taste, and a sense of supporting the local economy and environment. However, weather and geography limit the ability for traditional agriculture methods to provide most geographies with sufficient locally grown food year-round, or at all. For example, the majority of leafy vegetables grown in the United States are sourced from Salinas Valley in northern California and Yuma County in southwest Arizona, which is hundreds (often thousands) of miles from where much of this food is ultimately consumed.

CEA Overview

CEA is a technology-oriented approach towards plant-based food production and employs enclosed structures to grow plants in a protected environment where optimal growing conditions are maintained. Drivers for growth of CEA include scarcity of resources, such as arable land, water and suitable climate, as well as changing climatic conditions putting increased stress on conventional farming practices. CEA involves increased control over variables which optimizes the plant growing conditions, resulting in higher plant quality and larger production volume while ensuring resource efficiency. These variables include temperature, humidity, carbon dioxide, light, nutrient concentration, and nutrient pH. With a stable control of the plant environment, CEA can provide secure, high quality produce, year-round production of previously seasonal produce and higher production volume compared to conventional farming on the same size land. Moreover, CEA allows for a more efficient use of land and fresh water (up to 90% less water and land than soil-based agriculture), reduced need to use fertilizer or pesticides, reduced carbon emissions as CEA allows operations to be located closer to end-users, reduced food waste, and avoidance of chemical runoff from broad applications of fertilizer and pesticides/ herbicides associated with field-based agriculture.

CEA growers employ various permutations of growing environments and growing methods to meet customer, operational and other metrics that are important determinants of the CEA operation.

CEA can offer the food industry resiliency and dependability beyond what traditional agriculture can offer. CEA can produce a broad array of products consistently, year-round, despite weather or other adverse growing conditions. CEA can also be implemented locally, which reduces the supply-chain risk associated with distanced or international suppliers. Recent events, including the COVID-19 pandemic, have forced grocers, restaurants, and other food providers to reconsider their supply chain risk and seek reliable and less variable suppliers. Additionally, the food

industry has faced increasing challenges related to product recalls and contamination issues in traditional agriculture, often linked to factors such as soilborne pathogens, pesticide exposure, and inconsistent quality control. CEA minimizes these risks by providing a controlled, sterile environment that reduces exposure to contaminants, enhancing food safety and reducing costly recalls. We believe that CEA represents an attractive alternative for industry players seeking greater reliability and will lead to further adoption.

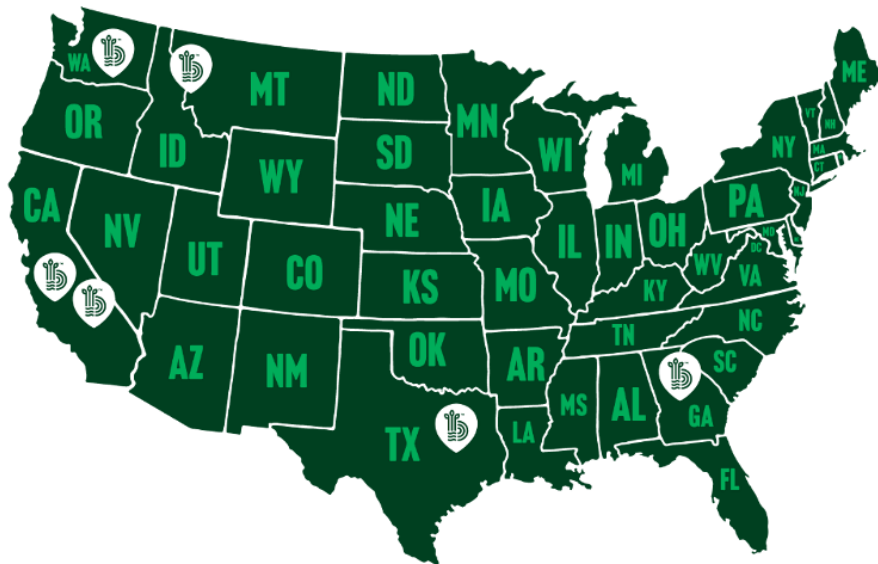
On a more global basis, CEA addresses 12 of the 17 total U.N. Sustainable Development Goals, including:

<u>U.N. Sustainable Development Goal</u>	<u>CEA Benefit</u>
2) Zero Hunger	The flexibility of Local Bounti's locations enables access to fresh, local food
6) Clean Water and Sanitation	Drastic reduction in water usage in Local Bounti facilities conserves resources and controls all aspects of water withdrawal, consumption, and discharge
7) Affordable and Clean Energy	Local Bounti facilities can be designed to be energy-efficient and sited with near renewable energy supply in the community and/or on-site, as well as take advantage of natural sunlight
8) Decent Work and Economic Growth	Local Bounti provides full time, full year, indoor jobs versus outdoor and seasonal labor in traditional agriculture
9) Industry, Innovation and Infrastructure	Local Bounti spurs investment in sustainable and innovative infrastructure and technology, and provides jobs for local communities
11) Sustainable Cities and Communities	Local Bounti locates facilities in and near urban environments, increasing jobs, taxes, and investment in cities
12) Responsible Consumption and Production	Due to reduction in transportation distance and controlled growing conditions, Local Bounti increases product shelf life and reduces food waste throughout the agricultural supply chain, as well as uses less land and fertilizer to grow more
13) Climate Action	Distributed, regional production potential of Local Bounti drastically reduces emissions from food supply chain transportation
14) Life Below Water	Local Bounti controls all aspects of water withdrawal, consumption, and discharge and is actively working cross industry to increase recycling and the use of recycled content to reduce pollution
15) Life on Land	Local Bounti utilizes 90% less land and locates facilities in areas identified by local communities that have been used previously for industrial or agricultural functions, reducing the impact on wildlife and the environment
16) Peace Justice and Strong Institutions	Local Bounti's company policies and values include anti-discrimination, human rights, and anti-bribery commitments
17) Partnerships for the Goals	Local Bounti participates in the UN Global Compact and is a member of the GRI Community and International Fresh Produce Association ("IFPA")

Large and growing market opportunity for CEA.

According to publicly available research in October 2024, the U.S. market for fruit and vegetables has an estimated total addressable market of greater than \$100 billion. Local Bounti initially focused on the Western half of the United States, where we continue to see the Mountain and West regions as attractive target markets given their historical struggles with food scarcity and the greenfield opportunity for us to be the first large-scale CEA operator in many parts of this region. With the completion of our Texas and Washington facilities in 2024, Local Bounti now operates six facilities, spread across the Northwest, West, South and Southeastern United States, allowing us to capture a greater portion of the U.S. TAM. Our location selection analysis suggests that we will be able to build distributed, regional facilities that each serve multiple regional population centers, giving leverage to local production on a regional basis. Additionally, we target initial addressable market facility expansion in states with favorable conditions for growth in light industrial production, including favorable state and local processes for facility siting, permitting, construction and operation. Additionally, we may target existing greenhouse or CEA operations for acquisitions if they are strategically located and meet our other business criteria, including, for example, the Pete's Acquisition.

Local Bounti Facility Locations



Controlled Environment Agriculture “CEA”
Is Disrupting Conventional Agriculture

Key Advantages to CEA

 <p>Lower Residue Pesticides / Herbicides</p>	 <p>Up to 90% Reduction in Land Usage</p>	 <p>Waste Reduction with Shelf Life of Up to 5 Weeks</p>	 <p>Year-Round Production</p>
 <p>10x-1,000x Less Bacteria, Leading to Less Spoilage</p>	 <p>Up to 90% Reduction in Water Usage</p>	 <p>Consistent Yield and Supply to Retailers</p>	 <p>Improved Worker Welfare</p>
 <p>Lower Greenhouse Gas Emissions During Transit</p>	 <p>Shorter Transit Time to Retailer</p>	 <p>More Cost-Competitive than Traditional Agriculture</p>	 <p>Improved Taste, Texture and Flavor</p>

Our Solution

We believe Local Bounti is positioned as a disruptor to loose leaf lettuce, living lettuce and other produce production by changing the way food is grown by focusing on driving profitable unit economics and capitalizing on our patented Stack & Flow Technology®.

Our approach combines the features that we found most attractive from vertical farming and traditional CEA greenhouse growing to grow plants during their early development in our "stack" phase. This reduces facility square footage, drives capital expenditure and operating expenditure efficiency, increases the annual turns of the farm, and ultimately leads to increased returns on invested capital. The vertical nursery produces a stock of young plants to fill growing space in our controlled environment greenhouses, where young plant growth is accelerated when exposed to a specified set of conditions, including natural light, temperature, humidity, carbon dioxide, nutrients, pH balance and other key variables.

We believe that we are well-positioned to redefine sustainability standards for indoor agriculture while delivering the freshest and highest quality produce to local communities with minimal carbon footprint. The key components to Local Bounti's strategy are set forth below.

Unit economics focus with technology-driven approach. Local Bounti utilizes its proprietary Stack & Flow Technology®, which combines the best of vertical and greenhouse growing technologies, enabling superior unit economics and efficiencies across the production cycle. Plants spend early development in a stacked nursery design, reducing facility square footage. When the plants reach targeted maturity, they are transported to CEA greenhouses, which are arranged on horizontal planes with natural sunlight and other controlled environmental variables, resulting in optimal growth conditions specified for each type of plant as well as space and energy efficiency. With less land requirement and fewer days in the greenhouse, our technology enables lower capital expenditure, lower operating expenses, higher labor efficiency and higher yield, and retrofit potential that others lack compared to results published by greenhouse farms and other CEA operations.

Modular and distributed production. Local Bounti uses a modular building system, which reduces time and cost of construction. Facilities are designed for automation and efficiency without being capital intensive. Pre-engineered, off-the-shelf construction and in-house developed technologies are used, which help to lower risks of execution for building and commissioning new production facilities (or updating existing facilities). For pre-existing facilities like those acquired with the Pete's Acquisition, we may update facilities, where appropriate, using our Stack & Flow Technology®. Our approach is to build geographically distributed production so we can provide customers with locally grown, lower pesticide and herbicide produce delivered at peak freshness on a year-round basis. The Montana Facility was built in 2019 and reached full commercial operation by the second half of 2020. The Montana Facility underwent an expansion, which was completed in the third quarter of 2021 and was fully commissioned in the fourth quarter of 2021. Our Georgia facility was acquired as part of the Pete's Acquisition during its first phase of construction. The first phase of this facility became operational in July 2022 and was further expanded in 2023. During the fourth quarter of 2023, we also implemented our patented Stack & Flow Technology® at the Georgia facility, which doubled run-rate production. In the second quarter of 2024, we commenced operations at both our Texas and Washington facilities and began shipping product. We were able to scale these facilities in less than one-third of the time that it took to scale Georgia given the advantages of purpose-built design and other efficiencies that were integrated. The Texas facility fortifies our distribution for Sam's Club, which expands our service from three distribution centers to six. The Washington facility bolsters our distribution capabilities with new and existing customers in the Pacific Northwest to serve our expanding customer base.

We regularly assess our pipeline of future farm locations to maximize our national distribution footprint. Key considerations include meeting known demand from key existing customers within the network, as well as optimizing freight routes to ensure that transportation is optimized to limit cost while enhancing customer service with consistent delivery schedules. Our approach is to build or acquire geographically distributed production facilities so we can provide our customers with locally and sustainably grown produce delivered at peak freshness on a year-round basis. Additionally, we are developing a control center technology suite to enable remote monitoring of our operations to efficiently collect and analyze information to drive yields and grow better products.

Branded product with SKU diversity. Local Bounti products are currently sold at approximately 13,000 retail locations across 35 U.S. states, primarily through direct relationships with blue-chip retail customers, including Albertsons, Sam's Club, Kroger, Target, Walmart, Whole Foods, Brookshire's, H-E-B, Sprouts, and AmazonFresh. We believe that customers and consumers will associate our brand with high quality, locally grown produce with better taste, freshness, and significantly longer shelf life. Our modular, distributed model and Stack & Flow Technology® allows for high SKU diversity. At the end of 2024, Local Bounti offered 32 SKUs across living and loose leaf lettuce, spinach, arugula, basil, organic and conventional, cress and value add product lines, and intends to continue to expand

its SKUs to meet customer demand. We believe that SKU diversity in these markets will allow us to capture more in-store real estate and will result in consumer loyalty across multiple regional markets.

Select Local Bounti Product Offerings

Local BOUNTI | Large and Growing Product Portfolio

~13,000
Retail doors and growing!

- ✓ Sustainably Greenhouse Grown
- ✓ Long-Lasting Freshness
- ✓ Local
- ✓ Cleaner
- ✓ Delicious

OUR BRAND PROMISE

- NON-GMO
- Greenhouse fresh & Clean™
- Sustainably grown
- 90% Less Land & Water
- Fresher, longer

Montana Facility. Our Montana Facility was built in 2019 and reached commercial operations in the second half of 2020. The Montana Facility incorporates our patented Stack & Flow Technology®, including five operational greenhouses, a cold storage room for finished goods and a packaging room with processing equipment to transform freshly harvested produce into packaged goods that are ready for retail shelves. By leveraging our flexible modular approach, we completed an increase to the capacity of the Montana Facility by approximately 140% to 12 hydroponic ponds in the third quarter of 2021, which is now operational, and was fully commissioned in the fourth quarter of 2021. In the third quarter of 2024, we completed the transition of our Montana facility from a research and development focus to a commercially oriented focus growing produce for sale to customers. This transition follows the capacity enhancements brought about by the completion of the Georgia facility and the commencement of operations at both the Texas and Washington facilities and is expected to help drive toward our goal of achieving positive adjusted EBITDA.

Carpinteria Facility. Our Carpinteria Facility was originally built in 1976, with many additions happening over 30 years, the latest in the mid-2000s. The Carpinteria Facility incorporates nutrient film technique growing channels across 66 greenhouses totaling 15.2 acres (which does not include an additional 1.5 acres of propagation greenhouses in Carpinteria) and multiple harvesting and packaging rooms and uses proprietary packaging technology that transforms freshly harvested produce into packaged goods ready for retail sale.

Oxnard Facility. Our Oxnard Facility was built in 2011 and 2012. The facility sits on 41.5 acres, including 12.8 acres under glass. The Oxnard Facility uses multiple growing methods, including 77 greenhouses with ponds and 10 greenhouses using growing channels. The facility uses both conventional and organic growing methods and has a centralized harvesting and packaging room that transforms freshly harvested produce into packaged goods ready for retail sale.

Georgia Facility. Our Georgia Facility began operations in mid-2022. The facility sits on 30.4 acres of land and initially included 3 acres under glass with 14 lines of channel growing systems, which have been expanded with an additional 3 acres under glass with 14 lines during 2023 including our patented Stack & Flow Technology®. The facility also includes a cold storage room for finished goods and a packaging room with processing equipment to transform freshly harvested produce into packaged goods that are ready for retail shelves. The Georgia site is laid out for potential future expansion.

Washington Facility. Our Washington facility began operations in the second quarter of 2024. The facility sits on 28.3 acres of land and includes 3 acres under glass with 8 lines of channel growing systems paired with our patented Stack & Flow Technology®. The facility was built with future expansion capabilities in mind, and also includes a cold storage room for finished goods and a packaging room with processing equipment to transform freshly harvested produce into packaged goods that are ready for retail shelves.

Texas Facility. Our Texas facility began operations in the second quarter of 2024. The facility sits on 50 acres of land and includes 6 acres under glass with 16 lines of channel growing systems paired with our patented Stack & Flow Technology®. The facility also includes a cold storage room for finished goods and a packaging room with

processing equipment to transform freshly harvested product into package goods that are ready for retail shelves. The Texas facility is designed and laid out for potential future expansion.

Development Pipeline. We regularly assess our pipeline of future farm locations to maximize our national distribution footprint. Key considerations include meeting known demand from key existing customers within the network, as well as optimizing freight routes to ensure that transportation is optimized to limit cost while enhancing customer service with consistent delivery schedules. Plans remain in place to build additional capacity across our network of facilities enabled with our Stack & Flow Technology®. The planned expansion are designed to provide additional capacity and allow for our growing product assortment to meet existing demand from our direct relationships with blue-chip retailers and distributors. The timing and scope of these projects, which includes plans to expand into the Midwest, remain under review pending ongoing discussions with retailers to optimize those facilities for specific products in support of retail commitments and strategies to expand distribution.

Grown with Fewer Pesticides and Herbicides. Local Bounti produce is grown with significantly less pesticides and herbicides than traditional field-grown produce, is non-GMO, and is certified with Harmonized Good Agricultural Practices under a Global Food Safety Initiative ("GFSI") benchmarked program.

Cargill Relationship. We have entered into credit agreements with Cargill Financial, as described in Note 7, *Debt*, of the Consolidated Financial Statements included in Item 8. Financial Statements and Supplementary Data, of this Annual Report on Form 10-K

Our Competitive Strengths

We believe the following competitive strengths will enable us to capitalize on the expanding opportunity for CEA and locally grown produce.

Ability to drive production yield and lower costs. We design and build our facilities by focusing on driving profitable unit economics and capitalizing on our patented Stack & Flow Technology®. We are developing a centralized monitoring system which collects, organizes and analyzes data from distributed facilities. Our sophisticated data analytics enable us to continually improve the operations of our facilities and to centrally control key variables such as temperature, humidity, carbon dioxide, light, nutrients and pH balances. We have also implemented additional innovations that shorten growing cycles, improve production yield and lower costs, such as optimizing plant density to increase greenhouse production capacity. We have further identified a clear roadmap for margin expansion and product diversification with significant visibility into reduced labor cost opportunities and improved profitability.

Branded products that are strategic for retailers and trusted by consumers. We expect Local Bounti branded products to generate strong customer loyalty by offering affordable, high-quality produce that is locally grown and sustainably sourced. We believe that consumers choose our products because the Local Bounti brand is a promise that the food they eat is sustainably and locally grown, non-GMO, healthy, and at the peak of freshness because it is at the retailer's distribution centers within 24 to 48 hours from harvest. Our produce has weeks of freshness and lasts longer than traditionally grown produce, which leads to substantially less waste and, in turn, cost savings for grocers as well as consumers. In addition to cost savings from reduced spoilage, we are an increasingly important supplier for our retail grocer customers given our diverse and quality product offerings and reliability. Our CEA methods enable year-round crop production and consistent supply regardless of the local climate or weather conditions.

Highly scalable turnkey platform. Local Bounti's facilities are designed to use pre-engineered, pre-fabricated and standardized components to enable efficient expansion with low execution risk or added costs. Our facilities have been purposely designed for rapid expansion, allowing us to potentially build and commission a facility within 15 months of land acquisition. For pre-existing facilities like those acquired with the Pete's Acquisition, we may update facilities, where appropriate, using our patented Stack & Flow Technology®, which would then benefit from the same baseline platform.

Growth Strategies

We intend to leverage our competitive strengths to continue to optimize our production and distribution to meet the rising demand for our products through the growth strategies set forth below.

Continue to improve unit economics through technology focus and design improvements. CEA is an emerging industry that is continually benefiting from technological advancement and development. We intend to continue to optimize our facilities through design and materials improvements and by leveraging computer vision, artificial intelligence and robotics to optimize energy and labor usage. We also believe we can continue to drive profitability with identified opportunities to reduce input costs and with an increasingly efficient cost structure as we gain economies of scale.

Scale our platform by adding additional capacity and new facilities near our customers. We use flexible, modular facility designs to enable rapid expansion near major population centers. We regularly assess our pipeline of future farm locations to maximize our national distribution footprint. Key considerations include meeting known product demand from key existing customers within the network, as well as optimizing freight routes to ensure that transportation is optimized to limit cost while enhancing customer service with consistent delivery schedules. Our

approach is to build or acquire geographically distributed production facilities so we can provide our customers with locally grown, lower pesticide and herbicide produce delivered at peak freshness on a year-round basis. We plan to use substantial pre-engineered, pre-fabricated and standardized components when building our modular facilities in order to reduce execution risk for facilities where we build from the ground up. For pre-existing facilities like those acquired with the Pete's Acquisition, we may update facilities, where appropriate, using our patented Stack & Flow Technology®. We are working to develop key partnerships with agricultural and equipment vendors to ensure efficient construction. As a result, we believe we can build, scale and commission a facility within 15 months of acquiring the underlying land, which we believe is significantly faster than our competitors. This strategy enables us to reduce the distance of our farms to our customers by more than 50% of the distance that is standard in the industry, mitigate supply chain risk, simplify transportation logistics and reduce food spoilage and waste.

Continue to develop our brand to further our differentiation and customer and consumer loyalty We believe we are innovating within the living and loose-leaf lettuce and herbs produce category, and we intend to further establish our Local Bounti branded line of products as synonymous with fresh, delicious, locally and sustainably grown food. We plan to develop and foster these brand associations to accelerate customer adoption, increase brand loyalty and gain greater share of customer grocery spend. As an early CEA mover in our markets, we believe we are capturing customer mind share for locally sourced produce through our quality products, lively packaging, and marketing initiatives. We actively market our brand in partnership with our retailers through retail activation strategies, including in-store displays, circular advertisements, point-of-purchase signage, and promotions. We intend to continue to support the customer experience via media strategies—both traditional and digital media—supported by our local-minded approach we will geo-target consumers serving up messaging and awareness at every touchpoint. This will further strengthen brand awareness and loyalty. We believe that our attractive and recyclable packaging will also contribute to the success of our products and we intend to invest in developing even more appealing and sustainable packaging over time. We believe that strategic branding and marketing efforts will be critical to growing our market presence, expanding within our customers as we grow our product line, and building consumer loyalty.

Expand our product line. Utilizing our advanced design and technology features, including strategic partitioning and environment control technology, we intend to leverage our proven ability to efficiently accommodate greater product diversity at our facilities. We believe our differentiated hybrid technology will yield greater product diversity over a reduced footprint. At the end of 2024, we offered 32 SKUs across living and loose leaf lettuce, spinach, arugula, basil, organic and conventional, cress and value add product lines. We expanded our product assortment in the third quarter of 2024 by introducing several high-velocity offerings, including Arugula, Spinach, Spring Mix & Spinach Blend, Power Crisp, and Basil. We began shipping our entire assortment to customers during the third quarter of 2024 and added additional distribution with retailers in the mass and grocery channels in the fourth quarter. We continued to rollout Grab & Go Salads to customers throughout the Pacific Northwest and Southern United States in 2024. The Grab & Go Salads assortment includes four unique flavor offerings: Artisanal Chicken Caesar, Memphis Inspired Chicken, Sweet Poppy Power, and Modern Green Style. In the second quarter of 2025, we plan to expand our product assortment further, with the launch of new, built-in-house salad kits, adding more optionality for our end consumers.

Continue to develop and diversify our sales channels and geographies We intend to expand our sales channels where we can enhance our brand and maximize the efficiency of our distribution. We focus on the retail channel and complement our distribution with foodservice. In the future, we seek to co-locate with nationally recognized distributors in order to leverage their existing distribution networks and thereby decrease further the carbon footprint by not adding additional distribution, and we are currently evaluating implementation of this strategy through our existing distribution network. We believe that in time, our leading technology and brand will enable licensing and franchising opportunities to other indoor agriculture operators, with minimal capital investment from us. Lastly, global regions with geographic constraints to traditional agriculture, such as the Middle East and parts of Asia have expressed interest in expanding CEA capabilities and represent potential significant opportunities for us to monetize our technology and expertise through international expansion, should we decide to expand into those markets.

Continue to invest in research and development and develop genetics and advanced technology. We believe further investment in research and development, advanced technology, and automation is critical to our plan to expand margins and increase SKU diversity in the future. Investment in plant science can enable greater yield optimization, creating plants that are bred for optimal growth in facility environments. Plant science and breeding for optimal growth does not mean our plants are genetically modified, but rather they are purposefully grown under specific conditions using innovative farming techniques.

Leverage our industry leading focus on sustainability. We believe that the CEA space is inherently sustainable. Many of our competitors do not have the commitment to an aggressively transparent process, disclosing the good and bad. Local Bounti is committed to improving our business using the benefits of a consistent, business wide focus on our stakeholders (employees, consumers, customers, communities and investors) and their growing interest in how our actions and products impact them. Our sustainability efforts are already generating tremendous business value with employee engagement, community commitment and reduction of valuable process inputs. See "Local Bounti Sustainability Plan" below for further information on our Sustainability Program.

Product shelf-life tests have demonstrated our product lasts longer than competing offerings. We believe our unique technology and process provides customers with longer lasting freshness, higher nutritional content, and less bacteria, mold and yeast due to our controlled indoor environment. We have performed product shelf-life tests

which demonstrated that our loose-leaf lettuce lasts longer in the consumer's refrigerator (assuming purchased on the day of delivery to the purchase point) than one of our organic loose-leaf lettuce competitors. Research reports attribute much of this shelf-life extension to the reduced bacteria, mildew and mold achieved using CEA production, as compared to traditionally grown products (even post-harvest washed).

Sustainability

Conventional agriculture faces challenges due to climate change, population growth, and geopolitical shifts. Events like the COVID-19 pandemic, the war in Ukraine and the conflict in Israel and the Gaza Strip, coupled with escalating costs in traditional agriculture, strain global food supply systems. This necessitates a shift toward sustainability in agriculture practices to meet growing demands for cleaner, healthier produce. We believe growing healthy vegetables is good business, and our growing technology delivers clean produce with safer growing methods, which we believe benefits all stakeholders and differentiates us from traditional agriculture. We expect that consumer demand for clean, nutritious, locally grown, and high-quality products will increase over time.

Our compact, efficient, and local farms provide fresh produce with minimum transportation distances. Combined with our advanced technologies and the location of our facilities in proximity to retail partner distribution centers and communities with available supporting resources such as adequate water and renewable energy, we believe Local Bounty has the potential to be among the most sustainable produce suppliers in the nation.

Our sustainability program is foundational to our business. Through our sustainability program, we monitor sustainability metrics, including human capital elements. We continue to enhance the sustainability of our daily practices, reduce our GHG emissions, and provide an exceptional working environment for our employees across our operations. As a signatory of the United Nations ("UN") Global Compact on human rights, labor, environment and anti-corruption, we embrace the UN Global Compact's Ten Principles as part of the strategy, culture and daily operations of our company. We actively engage with our stakeholders, internally and externally, to encourage input on the materiality of various sustainability issues to Local Bounty and incorporate input into our strategic planning and sustainability reporting. We disclose our impacts in our annual sustainability reports (using the Global Reporting Initiative ("GRI") and Sustainability Accounting Standards Board ("SASB") frameworks) and other disclosures including Carbon Disclosure Project ("CDP") and the UN Global Compact.

Our annual sustainability reporting and key metrics are aligned with the priorities we have set on human capital, professional development, health & safety, and ethics. We report on human capital metrics, including gender balance, racial and ethnic diversity in our workforce, employee engagement and professional development. We have supplier programs that integrate sustainability in the procurement of goods and services. We have reported annually on GHG emissions since our first full year of commercial production. More information on our key sustainability programs, goals, commitments, and metrics can be found in our most recent sustainability report, which is available on our website. Information contained on our website or connected thereto does not constitute part of, and is not incorporated by reference into, this Annual Report on Form 10-K.

While we believe our sustainability goals align with our long-term growth strategy and financial and operational priorities, they are aspirational and may change, and there is no guarantee or promise that they will be met.

Environment: We are committed to minimizing our impact on the environment. Our Board of Directors (the "Board") has adopted an Environmental Policy, which documents our policies relating to the environment, including the following:

- Water Stewardship: We are committed to monitoring, reducing, and reusing water resources.
- Climate Protection: We are committed to being carbon neutral by 2050.
- Sustainable Packaging: We are committed to using an average of 30% recycled content or responsibly sourced biobased content in consumer-facing packaging by the end of 2025.
- Sustainable Sourcing: Our Board has approved a Supplier Code of Conduct, which address the standards of business conduct we expect from our suppliers.

The value of local CEA facilities extends beyond our environmental goals. The short transport distances to our customers reduce food miles and transportation emissions. Delivering fresher and higher quality product reduces food waste in the supply chain and lowers consumer food waste. Additionally, we use significantly less pesticides, and currently use recycled polyethylene terephthalate ("rPET") for the majority of our packaging.

Social – Employees: Being local and producing year-round not only allows for competitive produce prices and the opportunity for more consumers to access high quality produce, but it also allows our facilities to offer full time, indoor jobs to members of the community, potentially offsetting the seasonal work offered by more traditional agriculture businesses. We strive to hire locally and promote employees internally by investing in internal and community training programs. All full time Local Bounty employees receive benefits within their first month of work. To keep up with the evolving market, we survey all employees throughout the year regarding various aspects of their employment experience.

Social – Community: We prioritize communities where our facilities are located and as a corporation are and will continue donating produce to our communities. These investments are supported by large on-going local purchases and significant employment. We will continue to consider opportunities for community engagement in future site selection process as well.

Governance: Local Bounti sees sustainability as a competitive advantage and strives to be fully supportive of these endeavors at all levels of the Company. This alignment and focus will aid us in steering our long-term corporate actions in the right direction.

Climate-Related Issues: Local Bounti contributes to carbon dioxide emissions predominantly due to the use of fuel combustion and electrical consumption. Additional emissions come from processing products to be ready for human consumption, including cleaning, packaging, and on-site storage. Each of these activities generates waste. Traditional leafy produce has its largest carbon dioxide emission during the distribution process. Local Bounti, with its dispersed farming model, dramatically reduces the carbon impacts of the distribution process, although we are not yet able to fully eliminate the carbon footprint from distribution. The Nominating and Corporate Governance Committee of our Board of Directors is responsible for reviewing, evaluating, and making recommendations to the Board of Directors regarding our programs, policies and practices relating to sustainability issues and impact to support the sustainable growth of our businesses. The Nominating and Corporate Governance Committee periodically reviews our carbon and water data and provides oversight for climate-related risks and opportunities to operations.

In 2023, the Company conducted a climate change scenario based approach to its work to identify and assess climate-related risks and opportunities. A series of conversations across all aspects of the business occurred as the Company identified short-term (0-24 months), Medium Term (2-10 years), and Long Term (10+ years) impacts that have a substantive financial or strategic impact on the business. Five primary climate-related issues have been identified, as described below:

- **Weather:** Local Bounti sees the increase in more extreme weather patterns as primarily an opportunity as field-based leafy production becomes less dependable. The Company has seen early indications of increasing demand from customers for our products, as they provide a more consistent supply and quality despite weather variations. The Company expects this opportunity to expand as extreme weather patterns increase in the medium term.
- **Utility Systems:** We would expect to be impacted by any price increases, supply constraints, and evolving complexities in utility systems. In the short term (0-24 months), water shortages and energy price fluctuations are forecasted.

In the past five years, the western half of the United States has experienced water shortages that are increasing in severity. This has led to restricted usage, increased regulation, rising costs, and other restrictive measures as local jurisdictions work to manage the shortages. In the short-term future, Local Bounti anticipates these water shortages will continue. With over 90% of U.S. leafy greens grown in California and Arizona, demand for alternative production of year-round leafy greens is expected to rise. Local Bounti employs techniques that allow for a 90% reduction in water usage compared to field-based production. Local Bounti also maintains facilities geographically located across the U.S., allowing for potential flexibility in production as water shortage challenges increase. To stay ahead of evolving water conservation measures, the Company is actively investigating additional water-saving measures while conducting ongoing water use monitoring.

Local Bounti has experienced electricity and gas price fluctuations. The Company has a diversified energy portfolio and plans to continue developing redundancies at operational locations to help mitigate the impacts of price increases.

- **Supply Chain:** The Company relies on suppliers for key elements of operations and could be negatively impacted by any disruptions in the supply chain due to climate-related issues. The Company is actively working to mitigate this risk by ensuring adequate supply is on hand. Additionally, the Company strives to have multiple suppliers for key elements of operations to provide flexibility if there is a disruption. As a further fortification, the Company has an ongoing work stream to explore variations of key inputs to allow for operational and production adjustments in the event of a source material disruption.
- **Workforce:** Local Bounti has several business practices in place that are designed to allow it to adapt to changing workforce dynamics. These include offering its employees year-round, full-time employment with benefits working in an indoor environment and competitive, living wage career opportunities. In addition, the Company has ongoing investments in automation and technologies that are designed to increase production capacity at our facilities. While population shifts and community health evolve, the Company is well-positioned to respond within existing systems and expand on continuity planning and community investment activities.
- **Regulatory:** In the United States and globally, there is a growing amount of regulatory action in response to climate change. Recently, we have seen increased regulation relating to climate-smart investments and

sustainability disclosures. When Local Bounti builds new facilities, it explores climate-smart programs that could be appropriate for the business. In addition, Local Bounti references independent international standards when developing sustainability disclosures. The Company expects that, while increased regulation may require increasing investments in these areas, funding to support the adaptation of these efforts may also increase.

Please refer to Item 1A, *Risk Factors*, for further discussion regarding climate-related risks.

Competition

Local Bounti's competition includes greenhouse operators and other CEA operators such as vertical farming operators. Greenhouse operators grow crops within a sheltered structure on a horizontal plane, while vertical farming operators grow crops in vertically stacked layers indoors.

Large-scale greenhouse operators have the largest market position and own and operate hundreds to thousands of acres of greenhouse. Most of the companies have the major portions of their operations in Mexico and Canada, but all are either looking to develop, are developing, or have already developed U.S.-based high-tech greenhouses. These companies include Mastronardi Produce Ltd. and Pure Flavor.

We potentially compete with traditional greenhouse producers, as well as CEA companies using high technology greenhouses such as Bright Farms, Revol Greens, Gotham Greens, and Little Leaf Farms. We also potentially compete against vertical farming operators, including AeroFarms and Plenty.

We believe that our patented Stack & Flow Technology[®], modular and distributed approach, and local branded product diversity provide competitive advantages over our peers as the mainstream facility formats in CEA present a challenging trade-off between yield and operating/capital costs. Each method, independently, brings key challenges, including (a) inability to maximize revenue without consistent yield; (b) poor profitability with high costs; (c) limited retail relationships and lack of product diversity; and (d) inability to scale quickly and effectively. Local Bounti leverages a hybrid of vertical and greenhouse growing formats, which efficiently unites the best aspects of both technologies, resulting in increased volumes and year-round production. In addition, this model results in 1.5 to 2.0 times the yield of comparable greenhouse farms.

Government Regulation

Local Bounti is subject to laws and regulations administered by various federal, state and local government agencies in the United States, such as the United States Food and Drug Administration ("FDA"), Federal Trade Commission ("FTC"), Environmental Protection Agency ("EPA"), Occupational Safety and Health Administration ("OSHA") and USDA. These laws and regulations apply to the production, packaging, distribution, sale, marketing, labeling, quality, safety and transportation of our products, as well as occupational safety and health practices.

Among other things, the facilities in which our products are grown and packed must comply with regulatory requirements including the FDA's Standards for the Growing, Harvesting, Packing and Holding of Produce for Human Consumption. Local Bounti may be required to register with the FDA, depending on specific processing operations, in which case Local Bounti would have to comply with Current Good Manufacturing Practice, Hazard Analysis, and Risk-Based Preventive Controls for Human Food, as applicable. Our facilities must comply with FDA and USDA labeling and marketing requirements and could be subject to the Organic Food Production Act, among other laws and regulations implemented by the FDA, the USDA, and other regulators. Certain regulations under the FDA's Food Safety Modernization Act are still being developed and implemented, including recently adopted product traceability requirements for various products including leafy greens. The FDA and USDA generally have the authority to inspect our facilities and require that certain information appear on our product labels and, more generally, that our labels and labeling be truthful and non-misleading. Similarly, the FTC requires that Local Bounti's marketing and advertising be truthful, non-misleading, not deceptive to consumers and not otherwise an unfair means of competition. Local Bounti is also restricted by the FDA and USDA from making certain types of claims about our products, including nutrient content claims, health claims, organic claims and claims regarding the effects of our products on any structure or function of the body, whether express or implied, unless Local Bounti satisfies certain regulatory requirements.

Local Bounti is subject to state and local food safety regulation, including registration and licensing requirements for our facilities, enforcement of standards for our products and facilities by state and local health agencies and regulation of our trade practices in connection with selling our products.

Local Bounti is subject to labor and employment laws, laws governing advertising, privacy laws, safety regulations and other laws, including consumer protection regulations that regulate retailers or govern the promotion and sale of merchandise. Our operations, and those of our distributors and suppliers, are subject to various laws and regulations relating to environmental protection, water usage and discharge, water conservation and worker health and safety matters.

Trademarks and Other Intellectual Property

Local Bounti owns patents, trademarks and other proprietary rights that are important to our business, including our principal trademarks for "Local Bounti" and "Stack & Flow Technology." As appropriate, our trademarks are registered with the United States Patent and Trademark Office ("USPTO") and select trademarks have been extended to multiple international markets. Our trademarks are valuable assets that reinforce the distinctiveness of our brand to customers and shoppers. In February 2024, the USPTO granted a patent covering our Stack & Flow Technology. Local Bounti has several additional patents submitted to the USPTO relating to its operations and technology. We believe the protection of our patents, trademarks, copyrights and domain names are important to our success and we intend to aggressively protect our intellectual property rights.

Employees and Human Capital Resources

As of December 31, 2024, we had 333 full-time employees. This includes 214 non-exempt and 119 exempt employees. Our employees are not represented by any labor union, and we have never experienced a work stoppage or strike. We believe that our employee relations are good.

Our human capital resources objectives include, as applicable, identifying, recruiting, retaining, incentivizing and integrating our existing and new employees, advisors, and consultants. The principal purpose of our equity incentive plan is to attract, retain and reward personnel through the granting of stock-based compensation awards, in order to increase stockholder value and the success of Local Bounti by motivating these individuals to perform to the best of their abilities and achieve our objectives.

Available Information

Our website is localbounti.com. The information on our website or social media channels is not part of, or incorporated by reference into, this Annual Report on Form 10-K or any other report we file with, or furnish to, the SEC. Under the "Investors" tab of our website, we make available free of charge a variety of information for investors. Our goal is to maintain the Investors portion of our website as a portal through which investors can easily find or navigate to pertinent information about us, including:

- Our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to those reports, as soon as reasonably practicable after we electronically file that material with or furnish it to the SEC at SEC.gov.
- Information on our business strategies, financial results, and metrics for investors.
- Announcements of investor conferences or other events at which our executives may talk about our product, service, and competitive strategies. Archives of these events are also available.
- Press releases on quarterly earnings, product and service announcements, or other business updates.
- Corporate governance information including our governance guidelines, committee charters, and code of business conduct and ethics.
- Other news and announcements that we may post from time to time that investors might find useful or interesting.
- Opportunities to sign up for email alerts to have information pushed in real time.

Investors and others should note that we routinely announce material information to investors and the marketplace using filings with the SEC, press releases, public conference calls, presentations, webcasts, and our website. We also intend to use certain social media channels as a means of disclosing information about Local Bounti and our products to our customers, investors and the public (e.g., @Local Bounti and #LocalBounti on X). While not all of the information that we post to our website or social media accounts is of a material nature, some information could be deemed to be material. Accordingly, we encourage investors, the media, and others to sign up for and regularly follow our social media accounts. Users may automatically receive email alerts and other information about Local Bounti by signing up for email alerts under the Investors tab of our website.

Executive Officers

Below is biographical information about our executive officers as of March 30, 2025:

Name	Age	Position
Craig M. Hurlbert	62	Chief Executive Officer and Director
Kathleen Valiasek	61	President and Chief Financial Officer
Margaret McCandless	52	General Counsel and Corporate Secretary

Craig M. Hurlbert. Mr. Hurlbert has served as our Chief Executive Officer since December 2023 and as a member of our Board since November 2021. He previously served as our Senior Vice President of Strategy from June 2023 to December 2023 and our Co-Chief Executive Officer from November 2021 to June 2023. Mr. Hurlbert co-founded Local Bounti in August 2018. Mr. Hurlbert also co-founded BrightMark Partners, LLC, a growth equity and management firm providing capital and resources to venture, growth phase and middle-market businesses, and served as a Managing Partner from January 2014 to March 2021. Previously, Mr. Hurlbert served in various leadership roles at TAS Energy, a leading provider of high efficiency and modular cooling and energy systems for the data center, commercial, industrial, and power generation markets, including President, Chief Executive Officer, and Chairman of the Board. Mr. Hurlbert also held leadership roles at General Electric Company (NYSE: GE) and North American Energy Services. Mr. Hurlbert is currently the Chairman of the Board at Clearas Water Recovery, a company utilizing patented, sustainable, and proprietary technology to solve high nutrient wastewater challenges in the municipal and industrial water markets. Mr. Hurlbert earned his B.S. in Finance from San Diego State University and his M.B.A. from California State University-Long Beach.

Kathleen Valiasek. Ms. Valiasek has served as our President since June 2024 and our Chief Financial Officer since November 2021. She also served as Chief Financial Officer from January 2017 to June 2019 and Chief Business Officer from June 2019 to March 2021 at Amyris, a science and technology leader in the research, development and production of sustainable ingredients for the clean health and beauty and flavors and fragrances markets. Prior to Amyris, Ms. Valiasek served as Chief Executive Officer of Lenox Group, Inc., a finance and strategic consulting firm she founded in 1994, and, in this capacity, she worked closely with the senior management teams of fast-growing companies including start-ups, venture-backed, and Fortune 500 companies such as Albertsons, CVS, Gap, Kaiser Permanente, and Softbank. At Lenox Group, Ms. Valiasek was typically engaged for critical roles on multi-year assignments including M&A transactions, debt and equity financings, IPOs, and spin-offs. Ms. Valiasek holds a B.B.A. from the University of Massachusetts at Amherst.

Margaret McCandless. Ms. McCandless has served as our General Counsel since February 2022 and our Corporate Secretary since March 2022. Before joining Local Bounti, Ms. McCandless was Chief Compliance Officer, Assistant General Counsel, and Corporate Secretary of Royal Gold, Inc. (Nasdaq: RGLD), a precious metals streaming and royalty company, from January 2020 to January 2022. Previously, she served as Vice President, General Counsel, and Secretary from January 2015 to December 2019 and Assistant General Counsel and Assistant Secretary from January 2012 to January 2015 of Intrepid Potash, Inc. (NYSE: IPI), a potash and specialty plant-nutrient company. From 2004 through 2011, Ms. McCandless served as Associate General Counsel – Securities, Disclosure, and Corporate Governance for CenturyLink, Inc. (NYSE: CTL) and Qwest Communications International Inc. (NYSE: Q). Prior to joining Qwest, Ms. McCandless was an associate at the law firms of Hogan Lovells LLP and Cooley LLP. Ms. McCandless holds a J.D. from the University of Wisconsin Law School and a B.S. in Accounting from the University of Colorado at Boulder.

Board of Directors

Below is information about the members of our Board of Directors as of March 30, 2025:

Name	Age	Position
Craig M. Hurlbert	62	Co-Founder and Chief Executive Officer
Travis M. Joyner	42	Co-Founder
Pamela Brewster	55	Principal at Orange Strategies LLC
Jennifer Carr-Smith	53	President of JCS Advisory Services, LLC
Edward C. Forst	64	Former Chairman and Partner of Lion Capital
Mark J. Nelson	56	Former Chief Financial Officer and Treasurer of Beyond Meat, Inc.
Matthew Nordby	45	Managing Partner of Flume Ventures

Item 1A. Risk Factors

RISK FACTORS SUMMARY

Our business is subject to a number of risks, including risks that may prevent us from achieving our business objectives or may adversely affect our business, operating results and cash flows. Risks that we deem material are described under "Risk Factors" in Item 1A of this report. These risks include, but are not limited to, the following:

- Local Bounti is an early-stage company with a history of losses and expects to incur significant expenses and continuing losses for the foreseeable future. Local Bounti has only recently started to generate revenue and its ability to continue to generate revenue is uncertain given Local Bounti's limited operating history. Local Bounti may never achieve or sustain profitability. Local Bounti's business could be adversely affected if it fails to effectively manage its future growth.
- Local Bounti will require additional financing to achieve its goals, and a failure to obtain this necessary capital when needed on acceptable terms, or at all, may force Local Bounti to delay, limit, reduce or terminate its operations and future growth. If we are unable to secure additional financing in the future, we will not be able to continue as a going concern. If additional financing is available, financing terms may lead to significant dilution of our stockholders' equity (deficit).
- Local Bounti currently relies on a limited number of facilities for its operations.
- Local Bounti has been operating facilities at commercial capacity for less than five years, which makes it difficult to forecast future results of operations.
- The build-out of new facilities and retrofitting of acquired facilities will require significant expenditures for capital improvements and operating expenses and may be subject to delays in construction and unexpected costs due to governmental approvals and permitting requirements, reliance on third parties for construction, delays relating to material delivery and supply chains, and fluctuating material prices.
- Local Bounti has entered into agreements with Cargill Financial for term loan credit facilities. The credit facilities are secured by all of the Company's and its subsidiaries' assets, including their intellectual property. If we are unable to meet certain conditions precedent, we may not be able to draw down funds available under the facilities, which could materially and adversely affect our business and operations. Additionally, if there is an occurrence of an uncured event of default, Cargill Financial has the right to foreclose on all of the Company's and its subsidiaries' assets, and securities in the Company could be rendered worthless.
- Local Bounti's ability to decrease its cost of goods sold over time is dependent on its ability to scale its operations and Local Bounti may not be able to achieve such decreases due to factors outside of its control such as inflation or global supply chain interruptions.
- Any damage to or problems with Local Bounti's CEA facilities could severely impact Local Bounti's operations and financial condition.
- There can be no assurance that future acquisitions, investments or expansions of scope of existing relationships will have a beneficial impact on Local Bounti's business, financial condition and results of operations.
- Local Bounti may acquire additional greenhouses or other indoor farming operations, which may divert our management's attention and result in additional dilution to our stockholders. We may be unable to integrate additional acquired businesses and technologies successfully or achieve the expected benefits of such acquisitions.
- Local Bounti depends on employing a skilled local labor force, and failure to attract and retain qualified employees could negatively impact its business, results of operations and financial condition.
- If Local Bounti fails to develop and maintain its brand, its business could suffer.
- Local Bounti's estimates of market opportunity and forecasts of market growth may prove to be inaccurate, and even if the market in which it competes achieves the forecasted growth, Local Bounti's business could fail to grow at similar rates, if at all.
- If Local Bounti cannot maintain its company culture or focus on its vision as it grows, Local Bounti's business and competitive position may be harmed.
- Local Bounti may be unable to successfully execute on its growth strategy.

- Local Bounti's operating costs to grow and sell its products may be higher than expected, which could impact its results and financial condition.
- If Local Bounti's estimates or judgments relating to its critical accounting policies prove to be incorrect, its results of operations could be adversely affected.
- If Local Bounti fails to continue to maintain an effective system of internal control over financial reporting, it may not be able to accurately report its financial results in a timely manner, which may adversely affect investor confidence in Local Bounti.
- Local Bounti's ability to use its net operating loss ("NOL") carryforwards to offset future taxable income may be subject to certain limitations.
- Local Bounti faces risks inherent in the CEA business, including the risks of diseases and pests.
- Local Bounti may not be able to compete successfully in the highly competitive natural food market.
- Local Bounti's ability to generate and grow revenue is dependent on its ability to increase the yield in each of the anticipated product lines it intends to grow. If Local Bounti is unable to increase the yield in each or most of these product lines, Local Bounti's projection may not be achieved on currently anticipated timelines or at all.
- Local Bounti may need to defend itself against intellectual property infringement claims, which may be time-consuming and could cause Local Bounti to incur substantial costs.
- The loss of, or failure to achieve, any registered patent, trademark, or other intellectual property rights could enable other companies to compete more effectively with Local Bounti.
- Local Bounti relies on information technology systems and any inadequacy, failure, interruption or security breaches of those systems may harm its ability to effectively operate its business.
- Local Bounti could be adversely affected by a change in consumer preferences, perception and spending habits in the food industry, and failure to develop and expand its product offerings or gain market acceptance of its products could have a negative effect on Local Bounti's business.
- Demand for lettuce, herbs, and other greens is subject to seasonal fluctuations and may adversely impact Local Bounti's results of operations in certain quarters.
- Our failure to meet the NYSE's continued listing requirements could result in the suspension of trading of our common stock and a subsequent delisting of our common stock.
- Public health crises could have an adverse effect on Local Bounti's business, operating results and cash flows.

Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business, financial condition, results of operations and cash flows.

RISK FACTORS

Investment in our stock involves a high degree of risk. You should consider carefully the risks described below, together with other information in this Annual Report on Form 10-K and our other filings with the SEC, before making investment decisions regarding our stock. If any of the following risks and uncertainties, or if any other risks and uncertainties, actually occurs, our business, financial condition, or operating results could differ materially from the plans, projections, and other forward-looking statements included in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this Annual Report on Form 10-K and in our other public filings. In addition, if any of the following risks and uncertainties, or if any other risks and uncertainties, actually occurs, our business, financial condition, or operating results could be harmed substantially, which could cause the market price of our stock to decline, perhaps significantly. Moreover, the risks described below are not the only ones that we face. Additional risks not presently known to us or that we currently deem immaterial may also affect our business, operating results, prospects or financial condition.

Risks Related to Local Bounti's Business

Local Bounti is an early-stage company with a history of losses and expects to incur significant expenses and continuing losses for the foreseeable future. Local Bounti has only recently started to generate revenue and its ability to continue to generate revenue is uncertain given Local Bounti's limited operating history. Local Bounti may never achieve or sustain profitability. Local Bounti's business could be adversely affected if it fails to effectively manage its future growth.

Local Bounti has only recently started to generate revenue and given that it has limited operating history, Local Bounti's ability to continue to generate revenue is uncertain. Local Bounti believes it will continue to incur net losses for the foreseeable future as it continues its facility expansion and commercial sales of its products. Local Bounti expects to expend substantial resources as it:

- operates its existing facilities;
- identifies and invests in future growth opportunities, including expansion into new markets, development of new or expanded facilities, introduction of new products, and commercialization of new crops;
- invests in creating and protecting intellectual property; and
- incurs additional general administration expenses, including increased finance, legal and accounting expenses, associated with growing operations.

Supporting the growth of Local Bounti's business will place significant demands on its management and operations teams and will require resources, financial and otherwise, which may not be available in a cost-effective manner. If Local Bounti does not effectively manage its growth strategy, execute on its business plan, respond to competitive pressures, take advantage of market opportunities, or satisfy customer requirements, there could be adverse effects on Local Bounti's business, financial condition and results of operations.

These expenditures alternatively may not result in the growth of Local Bounti's business, which could adversely affect Local Bounti's financial condition and results of operations.

Local Bounti will require additional financing to achieve its goals, and a failure to obtain this necessary capital when needed on acceptable terms, or at all, may force Local Bounti to delay, limit, reduce or terminate its operations and future growth. If we are unable to secure additional financing in the future, we will not be able to continue as a going concern. If additional financing is available, financing terms may lead to significant dilution of our stockholders' equity (deficit).

The CEA business is extremely capital-intensive and Local Bounti expects to expend significant resources to scale its production capacity and invest in its technology platform, capabilities, and new products. These expenditures are expected to include costs of constructing and commissioning new facilities, costs associated with growing plants for sale, such as electricity and packaging, working capital, costs of attracting and retaining a skilled local labor force, and costs associated with research and development in support of future commercial opportunities.

Local Bounti expects that its existing cash on hand, projected cash generated from product sales, as well as the PIPE Financing as disclosed in Note 18_{Subsequent Events}, of the Consolidated Financial Statements will be sufficient to fund its planned operating expenses and capital expenditure requirements through at least the next 12 months. Our access to funding sources and other credit arrangements in amounts adequate to finance or capitalize our current and projected future business operations could be significantly impaired by factors that affect us, the financial institutions with which we have arrangements directly, or the financial services industry or economy in general.

Additionally, Local Bounti's operating plan may change because of factors currently unknown, and Local Bounti may need to seek additional funds sooner than planned, through public or private equity or debt financings or other sources, such as strategic collaborations. Such financings may result in dilution to stockholders, issuance of securities with priority as to liquidation and dividend and other rights more favorable than common stock, imposition of debt covenants and repayment obligations, or other restrictions that may adversely affect Local Bounti's business. In addition, Local Bounti may seek additional capital due to favorable market conditions or strategic considerations even if it believes that it has sufficient funds for current or future operating plans. There can be no assurances that financing will be available to Local Bounti on favorable terms, or at all. Failure to raise capital as and when needed could have significant negative consequences for our business, financial condition and results of consolidated operations.

Local Bounti currently relies on a limited number of facilities for its operations.

In 2024, Local Bounti completed construction on two new facilities in Texas and Washington, bringing its total facility count to six. Adverse changes or developments affecting Local Bounti's facilities could impair Local Bounti's ability to produce its products. Any shutdown or period of reduced production, which may be caused by regulatory noncompliance or other issues, as well as other factors beyond Local Bounti's control, such as severe weather conditions, natural disaster, fire, power interruption, work stoppage, disease outbreaks or pandemics (such as COVID-19), equipment failure or delay in supply delivery, would significantly disrupt Local Bounti's ability to grow and deliver its produce in a timely manner, meet its contractual obligations and operate its business. Local Bounti's greenhouse equipment is costly to replace or repair, and its equipment supply chains may be disrupted in connection with pandemics, trade wars or other factors. If any material amount of Local Bounti's machinery were damaged, Local Bounti would be unable to predict when, if at all, it could replace or repair such machinery or find co-manufacturers with suitable alternative machinery, which could adversely affect Local Bounti's business, financial condition and results of operations.

Local Bounti has been operating facilities at commercial capacity for less than five years, which makes it difficult to forecast future results of operations.

The Montana Facility began commercial operations in the second half of 2020, marking the beginning of Local Bounti's first growing season. As a result, Local Bounti's ability to accurately forecast future results of operations is limited and subject to a number of uncertainties, including its ability to plan for and model future growth. In future periods, revenue growth could slow or revenue could decline for a number of reasons, including slowing demand for Local Bounti's products, increasing competition, a decrease in the growth of the overall market, or Local Bounti's failure, for any reason, to take advantage of growth opportunities. If Local Bounti's assumptions regarding these risks and uncertainties and future revenue growth are incorrect or change, or if Local Bounti does not address these risks successfully, its operating and financial results could differ materially from Local Bounti's expectations, and its business could suffer.

The build-out of new facilities and retrofitting of acquired facilities will require significant expenditures for capital improvements and operating expenses and may be subject to delays in construction and unexpected costs due to governmental approvals and permitting requirements, reliance on third parties for construction, delays relating to material delivery and supply chains, and fluctuating material prices.

Local Bounti's build out of new or expanded CEA facilities will be dependent on a number of key inputs and their related costs including materials such as steel, concrete, glass, electrical and mechanical components, and other supplies, as well as electricity and other local utilities. Local Bounti intends to use substantial pre-engineered, pre-fabricated, and standardized components when building our modular facilities. We have developed key partnerships with agricultural and equipment vendors for construction of future CEA facilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact Local Bounti's business, financial condition and operating results. Moreover, volatile economic conditions may make it more likely that our suppliers and manufacturers may be unable to deliver supplies on time or at all, and there is no guarantee that we will be able to locate alternative suppliers of comparable quality on time and at an acceptable price. In addition, international supply chains may be impacted by events outside of our control, including but not limited to pandemics or other public health crises, the conflict between Russia and Ukraine and the conflict in Israel and the Gaza Strip, and limit our ability to procure timely delivery of supplies or finished goods and services. At times, we rely on local contractors for the building of our CEA facilities, which could make us susceptible to local economic risks. If Local Bounti or its contractors encounter unexpected costs, delays or other problems in building any CEA facility, Local Bounti's financial position and ability to execute on its growth strategy could be negatively affected. Any inability to secure required materials and services to build out such facility, or to do so on appropriate terms, could have a materially adverse impact on Local Bounti's business, financial condition and operating results. Local Bounti may also face unexpected delays in obtaining the required governmental permits and approvals in connection with the build-out of its planned facilities which could require significant time and financial resources and delay its ability to operate these facilities.

The costs to procure such materials and services to build new or expanded facilities may fluctuate widely based on the impact of numerous factors beyond Local Bounti's control including, international, economic and political trends, foreign currency fluctuations, expectations of inflation, global or regional consumptive patterns, speculative

activities and increased or improved production and distribution methods. For example, COVID-19 and its variants in the past impacted worldwide economic activity. Constrained access to materials and services required for Local Bounti to construct and commission new facilities could lead to increased costs or delays that could materially and adversely affect Local Bounti's business.

Global demand on shipping and transport services may cause Local Bounti to experience delays in the future, which could impact Local Bounti's ability to obtain materials or build its facilities in a timely manner. These factors could otherwise disrupt Local Bounti's operations and could negatively impact its business, financial condition and results of operations. Logistical problems, unexpected costs, and delays in facility construction, which cannot be directly controlled by Local Bounti, can cause prolonged disruption to or increased costs of third-party transportation services used to ship materials, which could negatively affect Local Bounti's facility building schedule, and more generally its business, financial condition, results of operations and prospects. If Local Bounti experiences significant unexpected delays in construction, it may have to delay or limit its production depending on the timing and extent of the delays, which could harm Local Bounti's business, financial condition and results of operation.

Local Bounti's ability to decrease its cost of goods sold over time is dependent on its ability to scale its operations and Local Bounti may not be able to achieve such decreases due to factors outside of its control such as inflation or global supply chain interruptions.

Local Bounti's future profitability will depend on, among other things, its ability to scale its operations and continuously reduce its cost of goods, enabling Local Bounti to remain cost competitive. Despite Local Bounti's efforts to scale its operations, Local Bounti may not be able to decrease its costs of goods due to factors outside of Local Bounti's control, such as inflation or global supply chain interruptions. Periods of inflation or expectations of inflation could increase Local Bounti's costs of doing business, which is typically an expense recovered through increased product prices. Furthermore, Local Bounti's reliance on third parties to procure certain raw goods from supplier partners exposes Local Bounti to risks including reduced control over product costs, product supply and delivery delays. Supply chain interruptions may make it difficult for suppliers to ship their goods due to reduced capacity at distribution facilities and transportation networks, which may cause an increase in shipping costs. The loss or disruption of supply arrangements and inflation are factors outside of Local Bounti's control which could materially affect Local Bounti's ability to decrease its costs for goods over time.

Any damage to or problems with Local Bounti's CEA facilities could severely impact Local Bounti's operations and financial condition.

If Local Bounti is unable to attain reliable performance of its facilities, there could be severe adverse impact on its business. Local Bounti faces risks including, but not limited to, the following:

- **Production Scale.** In 2024, we completed construction on two new facilities in Texas and Washington, bringing our total facility count to six. Our newer facilities are much larger than our initial Montana Facility. Local Bounti may encounter unexpected challenges as it operates larger facilities, which could cause it to be unable to operate larger facilities reliably. The inability to operate larger facilities would have a material negative impact on Local Bounti's business and financial condition.
- **Channel Mix.** Local Bounti relies on making assumptions about the expected channel mix of its facilities. Demand for Local Bounti's products fluctuates due to changes in customer orders which typically do not work on long-term contracts in the produce industry. If Local Bounti is not correct in forecasting demand by channel to achieve its expected results, it may experience a reduced average sales price or a supply-demand imbalance, which could negatively affect its financial performance. Demand for loose leaf lettuce products may also be subject to some degree of seasonality due to consumer behavior. As a result, comparisons of Local Bounti's sales and operating results between different periods may not necessarily be meaningful comparisons. If Local Bounti is unable to operate facilities to reliably achieve the target channel mix on average, there could be material adverse effects on its business, operational results, and financial performance.
- **Energy Interruption.** Local Bounti grows plants with and without sunlight, thus requiring lighting technology and adequate power supply as primary factors of production. Local Bounti considers the reliability of utilities and related infrastructure as a key factor in its site selection criteria for facility locations. Local Bounti may use generators to maintain energy supply in the case of an outage, but there is no guarantee that power can be maintained or that generators will provide full or redundant coverage to maintain normal operations in the event of a power outage, which could result in reduced crop yield, negative effects on crop quality, or more generally adverse impact to Local Bounti's results of operations.
- **Labor.** Local Bounti depends on the know-how of its employees and farm operations teams, their experience, and their oversight of the operations of its facilities. Local Bounti relies on access to competitive, local labor supply, including skilled and unskilled positions, to operate its facilities consistently and reliably. Any issues affecting Local Bounti's access to or relations with workers could negatively affect facility operations or financial condition.

- **Food Safety and Quality Assurance.** Local Bounti is subject to food and safety standards set forth by its own internal practices and by regulatory authorities, including the USDA as Harmonized Good Agricultural Practices (GAP Plus+). The Company is also subject to FDA requirements, including requirements being implemented pursuant to the Food Safety Modernization Act ("FSMA"). Local Bounti's ability to operate facilities reliably may be interrupted for some period of time, or permanently, by any widespread food safety or quality issues involving loose leaf lettuce or other fresh produce, even if not involving Local Bounti's facilities or products at all. Such events could erode consumer confidence in and demand for Local Bounti's products, which could impact its ability to operate facilities reliably, and could generally cause serious adverse effects to Local Bounti's business and financial condition.
- **Weather.** Local Bounti's ability to operate facilities reliably may be adversely affected by severe weather including hurricanes, tornados, lightning strikes, wind, snow, hail and rain. Such weather events could cause damage or destruction to all or part of Local Bounti's facilities, could interrupt the supply of labor or other inputs necessary to operate the facility, and could affect the customers or distribution channels. The frequency and scale of severe weather events may also make it more difficult or more expensive to obtain property and other insurance at certain facilities. In connection with the impact of unpredictable natural disasters, Local Bounti could experience significant delays in or stoppage of production. Severe weather events or natural disasters could result in significant losses and seriously disrupt Local Bounti's business.
- **Community Actions.** Local Bounti's failure to engage with and align with communities could lead to community actions that impact facilities access and operations. Such actions could impact individual or even groups of facilities.
- **Other Factors Affecting Reliability of Facility Operations.** In general, if Local Bounti is unable to grow and harvest product to its internal yield targets and quality standards, package and distribute product, sell at competitive prices, or maintain consistent access to the supply inputs necessary to operate facilities reliably, its operational performance and financial condition could be materially and negatively affected.

In addition, Local Bounti may experience unexpected delays in future building or expansions of facilities for a variety of reasons, including limited labor due to any pandemics or other public health crises or other factors, unexpected construction problems or supply chain disruptions, all of which could harm Local Bounti's business, financial condition and results of operation.

There can be no assurance that future acquisitions, investments or expansions of scope of existing relationships will have a beneficial impact on Local Bounti's business, financial condition and results of operations.

Local Bounti at times has acquisitions and investments with third parties that its management believes will complement or augment Local Bounti's existing business. Local Bounti's ability to complete acquisitions is dependent upon, and may be limited by, the availability of suitable candidates and capital. In addition, acquisitions, including the Pete's Acquisition, could present unforeseen integration obstacles or costs, may not enhance its business, and/or may involve risks that could adversely affect Local Bounti, including significant amounts of management time that may be diverted from operations to pursue and complete such transactions. Acquisitions, investments or expansion of scope of existing relationships could result in the incurrence of additional debt, costs and contingent liabilities, and there can be no assurance that Local Bounti's acquisitions, investments or expansion of scope of existing relationships will achieve the expected benefits to its business. Any of the foregoing could have material adverse effects on Local Bounti's business, financial condition and results of operations.

Local Bounti may acquire additional greenhouses or other indoor farming operations, which may divert our management's attention and result in additional dilution to our stockholders. We may be unable to integrate additional acquired businesses and technologies successfully or achieve the expected benefits of such acquisitions.

We may evaluate and consider potential strategic transactions, including acquisitions of greenhouses or other indoor farming operations, and other assets in the future. We also may enter into relationships with other businesses to expand our business.

Acquisitions or business relationships may result in unforeseen operating difficulties and expenditures. In particular, we may encounter difficulties assimilating or integrating the business strategy, sales plans, technologies, products, distribution channels, personnel, or operations of the acquired companies, particularly if the key personnel of the acquired company choose not to work for us, their facilities are not easily adapted to work with our technology, or we have difficulty retaining the customers of any acquired business due to changes in ownership, management, customers' experience with the acquired company prior to acquisition, or otherwise. Acquisitions may also disrupt our business, divert our resources, and require significant management attention that would otherwise be available for development of our existing business. Moreover, the anticipated benefits of any acquisition or business relationship may not be realized or we may be exposed to unknown risks or liabilities.

Negotiating these transactions can be time-consuming, difficult, and expensive, and our ability to complete these transactions may often be subject to approvals that are beyond our control. Consequently, these transactions, even if announced, may not be completed. For one or more of these transactions, we may:

- issue additional equity securities that would dilute our existing stockholders;
- use cash that we may need in the future to operate our business;
- encounter difficulties retaining key employees of the acquired company or integrating diverse facility operations or business cultures;
- incur large charges or substantial liabilities;
- incur additional debt on terms unfavorable to us or that we are unable to repay;
- divert our resources to understand and comply with new jurisdictions if such acquired company is in a new country; and/or
- become subject to adverse tax consequences, substantial depreciation, or deferred compensation charges.

Local Bounti depends on employing a skilled local labor force, and failure to attract and retain qualified employees could negatively impact its business, results of operations and financial condition.

Local Bounti's operations require significant labor, and the growing season for indoor farming is year-round. There is competition for skilled agricultural labor and even if Local Bounti is able to identify, hire and train its labor force, there is no guarantee that Local Bounti will be able to retain these employees. Any shortage of labor or lack of regular availability could restrict Local Bounti's ability to operate its facilities profitably, or at all.

In addition, Local Bounti's success and future growth depend largely upon the continued services of its executive officers as well as other key team members. These executives and key team members have been primarily responsible for determining the strategic direction of the business and executing Local Bounti's growth strategy and are integral to Local Bounti's brand, culture and reputation with distributors and others in the industry. From time to time, there may be changes in Local Bounti's executive management team or other key team members resulting from the hiring or departure of these personnel. The loss of one or more of executive officers or key team members, or the failure by the executive team and key team members to effectively work together and lead the Company, could harm Local Bounti's business. Local Bounti's earlier growth stage may result in less management depth with less established succession planning than may be found in later-stage companies.

In addition, efforts by labor unions to organize Local Bounti's employees could divert management attention away from regular day-to-day operations and increase its operating expenses. Labor unions may make attempts to organize Local Bounti's non-unionized employees. Local Bounti cannot predict whether groups of employees, if any, may seek union representation in the future or the outcome of any collective bargaining. If Local Bounti is unable to negotiate acceptable collective bargaining agreements, it may have to wait through "cooling off" periods, which are often followed by union-initiated work stoppages, including strikes. Depending on the type and duration of any work stoppage, Local Bounti's operating expenses could increase significantly, which could negatively impact its financial condition, results of operations and cash flows.

If Local Bounti fails to develop and maintain its brand, its business could suffer.

The Local Bounti brand is recognized for creating clean, nutritious, locally grown and high-quality products, which Local Bounti believes to be differentiated and enabled by its technology platform. Local Bounti's success depends, in part, on its ability to maintain and grow the value of the Local Bounti brand. Promoting and positioning Local Bounti's brand and reputation will depend on, among other factors, the success of its product offerings, food safety and quality assurance, its marketing and merchandising efforts, its continued focus on the environment and sustainability, and its ability to provide consistent, high-quality products to customers. Any negative publicity, regardless of its accuracy, could impair Local Bounti's business.

Use of social and digital media by Local Bounti, its consumers and third parties increases the speed and extent that information or misinformation and opinions can be shared. Negative publicity about Local Bounti, its partners, or its products on social or digital media could seriously damage Local Bounti's brand and reputation. Brand value is based on perceptions of subjective qualities, and any incident that erodes the confidence of Local Bounti's consumers, customers, distributors, or other strategic partners, including adverse publicity or a governmental investigation, litigation or regulatory enforcement action, could reduce the value of Local Bounti's brand and materially damage its business. If Local Bounti does not achieve and maintain favorable perception of its brand, Local Bounti's business, financial condition and results of operations could be adversely affected.

Local Bounti's estimates of market opportunity and forecasts of market growth may prove to be inaccurate, and even if the market in which it competes achieves the forecasted growth, Local Bounti's business could fail to grow at similar rates, if at all.

Market opportunity estimates and growth forecasts, including those Local Bounti has generated itself, are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. Variables that go into the calculation of Local Bounti's market opportunity are subject to change over time, and there is no guarantee that any particular number or percentage of customers covered by these market opportunity estimates will purchase Local Bounti's products at all or generate any particular level of revenue for Local Bounti. Any expansion in Local Bounti's market depends on a number of factors, including the cost and perceived value associated with its product and those of its competitors. Even if the market in which Local Bounti competes meets the size estimates and growth forecasts, Local Bounti's business could fail to grow at the rate it anticipates, if at all. Local Bounti's growth is subject to many factors, including success in implementing its business strategy, which is subject to many risks and uncertainties. Accordingly, the forecasts of market growth, should not be taken as indicative of Local Bounti's future revenue or growth prospects.

If Local Bounti cannot maintain its company culture or focus on its vision as it grows, Local Bounti's business and competitive position may be harmed.

Local Bounti strives to deliver the freshest, locally grown produce. Local Bounti relies on its people, their experience, and their relationships. Any failure to preserve Local Bounti's culture or any loss of focus on the Company's mission could negatively affect its ability to retain and recruit personnel, which is critical to growth and pursuit of its strategic goals. As Local Bounti continues to grow, it may find it difficult to maintain important values. If Local Bounti fails to maintain its company culture or mission, its business and competitive position may be harmed.

Local Bounti may be unable to successfully execute on its growth strategy.

Local Bounti may not be successful in implementing its growth strategy, which includes the expansion of its product lines and technological capabilities, and may include the future development of new commercial facilities.

Expansion of Loose-Leaf Lettuce Product Portfolio. Local Bounti expects to continue to develop and commercialize new varieties of loose-leaf lettuce as a source of revenue growth. Local Bounti's research and development efforts focus on new varieties to expand product offerings, enhance farm unit economics, and create competitive advantages. If Local Bounti does not successfully commercialize new varieties of loose-leaf lettuce products, its business, prospects, financial condition and results of operations could be materially and adversely affected.

Alternatively, even if Local Bounti does succeed in commercializing new varieties of loose-leaf lettuce products, there can be no guarantee that these products would result in overall growth of Local Bounti's business through incremental revenue or economic benefit, which could materially and adversely affect Local Bounti's financial condition and results of operations.

Expansion into Additional Markets and Verticals. In the future, Local Bounti may pursue new markets, new crops, and new product categories, by leveraging its technology platform to target what the Company may see as opportunities to expand its addressable market. For example, Local Bounti has recently expanded into selling salad kits. If it chooses to pursue such opportunities, Local Bounti will need to prioritize which opportunities it plans to develop, and there can be no guarantee that Local Bounti will select or prioritize ones that ultimately prove appropriate for commercialization. Further, Local Bounti may spend time and resources developing opportunities that may never materialize into new commercial business applications, or that may be developed at the expense of other appropriate commercial opportunities, which may ultimately have been a better selection for reasons such as revenue growth, profitability, market expansion, or other financial and strategic considerations.

New Facilities Expansion. The Company's strategy to develop new and expanded CEA facilities has required substantial time and resources. Local Bounti may make significant investments to identify attractive markets, select and control sites, perform engineering design and local permitting, and construct and commission new facilities.

These facilities require sizeable, useable space for agricultural production, including site-specific requirements such as sufficient access to, reliability of, and cost of utilities and other infrastructure; the ability to obtain the appropriate permits and approvals; adequate local labor availability; road access for input supply and distribution of output for sale; and other requirements.

Local Bounti depends on third party contractors to help build its facilities. If Local Bounti does not effectively manage these projects and relationships, new facilities may not be completed on schedule or within allocated budgets. These delays and increased costs could adversely affect Local Bounti's financial results.

Local Bounti may be unsuccessful in identifying available future sites that support its planned growth strategy, and even if identified, Local Bounti may not be able to lease or purchase the land for any number of reasons. Because of the capital-intensive nature of these projects, Local Bounti will need to prioritize which target regions and which sites it plans to develop, and there can be no guarantee that Local Bounti will select or prioritize sites that will ultimately prove to be appropriate for construction or for operation. Further, Local Bounti may spend time and resources developing sites that may never become developed into facilities or may be developed at the expense of other appropriate sites, which may ultimately have been a better selection for reasons such as profitability, operational reliability, or market accessibility.

If Local Bounti does not align production capacity of its new commercial facilities with consumer demand and efficient distribution channels, or if Local Bounti does not maintain competitive pricing, it may have underutilized assets which do not perform to expected operational results or profitability, which could adversely affect its business, financial condition and results of operations.

Local Bounti's ability to compete successfully in new geographies depends on its ability to secure placement of its product with new customers, some of which the Company does not have existing relationships with today. Local Bounti's current strategy for new facility development depends on securing new customers such as food retailers and food service distributors. If Local Bounti does not secure placement of its product with customers that can be supplied from new or expanded facilities, its business, financial condition and results of operations could be adversely affected.

When entering new geographies or markets, Local Bounti may not attract consumers at the same rate, due to factors such as demographics, price, product selection, brand perception or awareness, or other reasons. If Local Bounti does not attract demand for its products in new markets, its business, financial condition and results of operations could be adversely affected.

Local Bounti's strategy for new facility development depends on operating facilities that are at significantly larger production scale than its initial facilities. Local Bounti may encounter unexpected challenges at larger facilities, which may be related to construction, engineering and design, operations and logistics, sales and marketing, ramp-up schedule to full capacity, or otherwise.

If Local Bounti is unable to develop and operate facilities at a larger scale than initial facilities, its business, financial condition and results of operations could be adversely affected.

Local Bounti may not be able to implement its growth strategy successfully. Local Bounti's operating results and financial condition will be adversely affected if it fails to implement its growth strategy or if it invests resources in a growth strategy that ultimately proves unsuccessful.

Local Bounti's operating costs to grow and sell its products may be higher than expected, which could impact its results and financial condition.

If Local Bounti is unable to secure access to inputs on terms consistent with expected costs, there could be material adverse impact on Local Bounti's business. Local Bounti faces operational risks including, but not limited to:

- **Utilities.** Local Bounti is subject to market prices and may experience fluctuating, rising, or volatile energy costs which could negatively affect its business, financial condition, and results of operation. Utility costs may rise as utility companies shift away from natural gas to address climate-change concerns, among other reasons. Increasingly, federal, state, and local regulators, in particular in southern California where we have significant operations, are limiting the use of natural gas. This will require utility companies to invest significant amounts into transitioning their businesses and operations, which could result in increased costs to their customers, including us. Local Bounti may decide to enter into supply agreements to mitigate such risks, where such options are present on favorable terms, but there is no guarantee of cost to operate its facilities.
- **Labor.** Local Bounti relies on access to local labor supply, including skilled and unskilled positions. The Company may face pressure to increase wages to attract and retain appropriate staffing of its facilities. Increases to minimum wages or competitive wages may cause Local Bounti's labor costs to run higher than expected, which could negatively affect its financial performance and cash flows.
- **Packaging Materials.** Local Bounti packages its products in form factors consistent with comparable products to distribute and present on-shelf. If raw material costs increase, or if Local Bounti is unable to achieve its expected packaging materials costs for any reason, its financial performance could be adversely impacted.
- **Depreciation and Useful Life of Assets.** Local Bounti relies on making assumptions about the expected useful life of the assets used to operate its facilities. If the useful life turns out to be materially shorter than expected, the Company may need to invest additional capital to replace these assets, and the corresponding depreciation expense may be greater than expected which would affect the Company's profitability and

financial condition generally. If the cost of maintaining equipment necessary to its operations is greater than anticipated, it could adversely impact the Company's operations and financial results. There also may be future tax implications of Local Bounti's ability to make accurate assumptions about the expected useful life of its assets, and if Local Bounti is unable to correctly forecast such information, its financial condition could be materially and negatively impacted.

- **Seeds and Other Supplies.** Local Bounti may rely on certain seed supplies that may be specifically tailored to grow high-quality plants in its CEA facilities. If there were a field crop failure where Local Bounti would have to depend on an alternative supply of seeds from qualified back-up suppliers, the cost of seeds and its impact on production of Local Bounti's products could be negatively impacted for a period of time. Local Bounti also depends on consistent access of other inputs and supplies to operate its facilities reliably, including water supply, nutrients, growth media, food safety testing, sanitation supplies and packaging materials, among others. If the cost of any of these inputs increases materially, then Local Bounti's financial results could be adversely affected.
- **Distribution of Finished Goods.** Local Bounti may partially rely on third-party distribution and logistics to deliver its products. While the Company believes there to be a competitive market of supply chain service providers, if the cost of such services increases materially due to rising fuel costs, labor costs, or other macroeconomic factors, which may be beyond its control, then Local Bounti's financial results could be materially and negatively impacted.

If Local Bounti's estimates or judgments relating to its critical accounting policies prove to be incorrect, its results of operations could be adversely affected.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("U.S. GAAP") requires management to make estimates and assumptions that affect the amounts reported in Local Bounti's Consolidated Financial Statements and related Notes appearing elsewhere in this Annual Report on Form 10-K. Local Bounti bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, as provided in the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates.*" The results of these estimates form the basis for making judgments about the carrying values of assets, liabilities and equity, and the amount of revenue and expenses that are not readily apparent from other sources. Significant estimates and judgments involve the useful lives of fixed assets, the valuation of instruments issued for financing and stock-based compensation, and income taxes, among others. Local Bounti's results of operations may be adversely affected if its assumptions change or if actual circumstances differ from those in its assumptions, which could cause the Company's results of operations to fall below the expectations of securities analysts and investors, resulting in a decline in the market price of its common stock.

If Local Bounti fails to continue to maintain an effective system of internal control over financial reporting, it may not be able to accurately report its financial results in a timely manner, which may adversely affect investor confidence in Local Bounti.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with U.S. GAAP. In the past, we have identified material weaknesses in our internal control over financial reporting. If we identify material weaknesses in the design or operating effectiveness of our internal control over financial reporting in the future, these weaknesses could result in material misstatements to our annual or interim Consolidated Financial Statements that might not be prevented or detected on a timely basis, or in delayed filing of required periodic reports. If Local Bounti is unable to assert that its internal control over financial reporting is effective, or when required in the future, if the Company's independent registered public accounting firm is unable to express an unqualified opinion as to the effectiveness of the internal control over financial reporting, investors may lose confidence in the accuracy and completeness of Local Bounti's financial reports, the market price of the common stock could be adversely affected and the Company could become subject to litigation or investigations by the NYSE, the SEC, or other regulatory authorities, which could require additional financial and management resources.

Public health crises could have an adverse effect on Local Bounti's business, operating results and cash flows.

In connection with the COVID-19 pandemic, governments in the past implemented significant measures, including closures, quarantines, travel restrictions and other social distancing directives, intended to control the spread of the virus. Companies in the past have also taken precautions, such as requiring employees to work remotely, imposing travel restrictions and temporarily closing businesses. To the extent that these restrictions are reinstated due to a resurgence of COVID-19 or its variants or another public health crisis or additional prevention and mitigation measures are implemented in the future, there could be an adverse impact on global economic conditions and consumer confidence and spending, which could materially and adversely affect Local Bounti's operations and demand for its products. The existence of a public health crisis, such as a resurgence of COVID-19 or its variants, may

result in a wide variety of impacts to Local Bounti, including market turmoil, labor shortages, supply or distribution disruptions, or lower or more volatile customer or consumer demand. Any of these impacts could negatively impact Local Bounti's business, financial condition, and cash flows.

Risks Related to the Natural Food Market

Local Bounti faces risks inherent in the CEA business, including the risks of diseases and pests.

Local Bounti is subject to the risks inherent in an agricultural business, such as insects, plant diseases and similar agricultural risks, which may include crop losses, for which Local Bounti may not be insured. Although Local Bounti's products are grown in climate-controlled, indoor vertical farms, there can be no assurance that natural elements will not affect the production of these products. In particular, plant diseases or pest infestations are possible and have the potential to materially impact production.

Although Local Bounti has taken and continues to take precautions to guard against crop diseases and pests, these efforts may not be sufficient. In addition, diseases and pests can make their way into greenhouses from outside sources over which Local Bounti has limited or no control. Diseases and pests can be inadvertently brought in by employees, from seeds and propagation vendors and from the trucks that transport supplies to the greenhouse. Once a disease or pest is introduced, Local Bounti will need to quickly identify the problem and take remedial action to preserve the growing season. Failure to identify and remediate any diseases or pests in a timely manner could cause the loss of all or a portion of Local Bounti's crop and result in substantial time and resources to resume operations. In addition, Local Bounti's California facilities are only partially enclosed from the outside in certain places, meaning that they may be susceptible to risks associated with outside agriculture, such as weather, diseases, and pests. Crop losses because of these CEA and agricultural risks could negatively impact Local Bounti's business, prospects, financial condition, results of operations and cash flows.

Local Bounti may not be able to compete successfully in the highly competitive natural food market.

Local Bounti operates in the highly competitive natural foods environment. With the importing of crops rapidly increasing, Local Bounti's competition includes large-scale operations in Mexico, Canada and to a lesser extent the western United States. In this market, competition is based on, among other things, product quality and taste, brand recognition and loyalty, product variety, product packaging and package design, shelf space, reputation, price, advertising, promotion, and nutritional or growing-condition claims.

The produce industry generally does not work on long-term contracts and is dependent upon consistent sales targets to be successful. Local Bounti's ability to compete depends in part on its ability to secure placement of its product with customers; moreover, as Local Bounti enters new markets, its ability to compete will depend in part on its ability to secure placement of its products with new customers, some of which Local Bounti does not have existing relationships with today. Similarly, when entering new geographies, Local Bounti may not be able to secure placement of its product with new customers, or its products may not attract end consumers at the same rate, which could materially and adversely affect its results of operations and financial condition.

Local Bounti may not be able to compete against competition from traditional field farm operators, both domestic and abroad, as well as from indoor growers or high-tech agricultural startups that are focused on local production within or near major cities, which would take away potential market share from Local Bounti.

Some of these competitors have products that are well accepted in the marketplace today. Further, Local Bounti cannot be certain that it will successfully compete with competitors that may have greater resources, including financial resources, sales resources, technical resources, or other resources. Competitors also may have lower operational costs, and as a result may be able to offer comparable or substitute products to customers at a lower price. This could put pressure on Local Bounti to lower its prices, resulting in reduced profitability or causing Local Bounti to lose market share if it fails to lower prices. Retailers may also market competitive products under their own private labels, which are generally sold at lower prices, and may change the merchandising of Local Bounti's products such that Local Bounti has less favorable placement.

The CEA business is generally capital intensive but has relatively low barriers to entry, and Local Bounti will not be able to prevent competitors from building and operating their own indoor farming sites.

In addition, Local Bounti's ability to compete successfully depends, in large part, on its ability to implement its growth strategy of building additional CEA facilities and expanding its product line. Local Bounti's financial condition and operating results will be adversely affected if it fails to implement its growth strategy or if Local Bounti invests resources in a growth strategy that ultimately proves unsuccessful.

Local Bounti's ability to generate and grow revenue is dependent on its ability to increase the yield in each of the anticipated product lines it intends to grow. If Local Bounti is unable to increase the yield in each or most of these product lines, Local Bounti's project revenue targets may not be achieved on currently anticipated timelines or at all.

If Local Bounti is unable to grow product to its yield targets and quality specifications, its business, prospects, operational performance, and financial condition could be materially and adversely affected. Local Bounti faces risks including, but not limited to:

- **Mechanical Failure.** Local Bounti relies on its mechanical designs and equipment to provide the physical space and structures in which plants are grown. It also provides the design and controls related to environmental conditions, nutrient delivery, lighting, conveyance, and other elements necessary to grow plants in its systems. If mechanical issues or failures occur, the yield and quality of Local Bounti's products could be diminished for a period of time, which more generally could negatively impact Local Bounti's operations and financial condition;
- **Systems or Software Failure.** Local Bounti relies on integrated controls and computing to optimize and control the growing environments for its produce. A failure in these systems or software could reduce output, lower yield or damage crop quality, which negatively impact operations and financial conditions;
- **Human Error.** Local Bounti relies on the know-how of its operations teams, their experience, and their oversight of the operations of its facilities. If issues are caused by human error during the various phases of seeding, germination, growing, harvesting, or other standard operating procedures, or if Local Bounti employees fail to properly oversee facility operations, then the yield and quality of Local Bounti's products could be diminished, which more generally could have material and adverse effects on Local Bounti's business, operating results, and financial condition; and
- **Seed Supply and Quality.** Local Bounti may rely on certain seed supplies that may be specifically tailored to grow high-quality plants in its CEA facilities. Seeds may originate from field-grown plants, where seeds are harvested, then bred to generate seed inventory. If there were a field crop failure where Local Bounti would have to rely on an alternative supply of seeds from qualified back-up suppliers, the yield or quality of production of Local Bounti's products could be diminished for a period of time. Bad seed lots, low germination rates, and similar issues that affect growing also could result in Local Bounti's inability to achieve proper and consistent product yields or product quality, which could materially and adversely affect performance, and more generally could negatively impact Local Bounti's business, financial condition and operating results.

Risks Related to Local Bounti's Term Loan Facility

Local Bounti has entered into an agreement with Cargill Financial for a term loan credit facility. The credit facility is secured by all of the Company's and its subsidiaries' assets, including their intellectual property. If we are unable to meet certain conditions precedent, we may not be able to draw down funds available under the facility, which could materially and adversely affect our business and operations. Additionally, if there is an occurrence of an uncured event of default, Cargill Financial has the right to foreclose on all of the Company's and its subsidiaries' assets, and securities in the Company could be rendered worthless.

Local Bounti's credit facility with Cargill Financial is secured by all of the Company's and its subsidiaries' assets, including their intellectual property. Additionally, the definitive documentation for the credit facilities states that if Local Bounti defaults on its obligations, Cargill Financial could foreclose on all Local Bounti assets, which would materially harm Local Bounti's business, financial condition and results of operations. The pledge of these assets and other restrictions may also limit Local Bounti's flexibility in raising capital for other purposes. Because all of Local Bounti's assets are pledged under the credit facility, Local Bounti's ability to incur additional secured indebtedness or to sell or dispose of assets to raise capital may be impaired, which could have an adverse effect on Local Bounti's financial flexibility. Further, there are numerous conditions precedent to drawing down amounts available under the credit facility, including that amounts remaining to be drawn are at Cargill Financial's discretion. If we are unable to meet these conditions precedent, we may not be able to draw down funds available under the facilities, which could materially and adversely affect our business and operations. Refer to Note 7, *Debt*, of the Consolidated Financial Statements for more information about the credit facility.

Risks Related to Local Bounti's Technology, Intellectual Property and Infrastructure

Local Bounti may need to defend itself against intellectual property infringement claims, which may be time-consuming and could cause Local Bounti to incur substantial costs.

Local Bounti's defense of intellectual property rights claims brought against it or its customers, suppliers and partners, with or without merit, could adversely affect Local Bounti's relationships with its customers, may deter future customers from purchasing its products, could be time-consuming, expensive to litigate or settle, divert management

resources and attention and force Local Bounti to acquire intellectual property rights and licenses, which may involve substantial royalty or other payments and may not be available on acceptable terms or at all. Further, a party making such a claim, if successful, could secure a judgment that requires Local Bounti to pay substantial damages or obtain an injunction. An adverse determination also could invalidate Local Bounti's intellectual property rights and adversely affect its ability to offer its products to its customers and may require Local Bounti to procure or develop substitute intellectual property that does not infringe, which could require significant effort and expense. Any of these events could adversely affect Local Bounti's business, operating results, financial condition and prospects.

The loss of, or failure to achieve, any registered patent, trademark, or other intellectual property rights could enable other companies to compete more effectively with Local Bounti.

We own patents, trademarks and other proprietary rights that are important to our business. Our operations use intellectual property that is patented, and our trademarks are valuable assets that reinforce the distinctiveness of our brand to consumers. We believe that the protection of our patents, trademarks, copyrights and domain names is important to its success. Local Bounti has also invested a significant amount of money in establishing and promoting its trademarked brand. Since inception, we have filed several patents protecting various features of our growing technology, including a patent that has been issued for our Stack & Flow Technology[®]. We also rely on unpatented proprietary expertise and copyright protection to develop and maintain its competitive position. We believe our continued success depends, to a significant degree, upon our ability to protect and preserve our intellectual property, including patents, trademarks and copyrights.

Local Bounti relies on confidentiality agreements and patent, trademark and copyright law to protect its intellectual property rights. These confidentiality agreements with team members and certain consultants, contract employees, suppliers and independent contractors generally require that all information made known to them be kept strictly confidential.

Local Bounti cannot assure you that the steps it has taken to protect its intellectual property rights are adequate, that Local Bounti's intellectual property rights can be successfully defended and asserted in the future or that third parties will not infringe upon or misappropriate any such rights. In addition, Local Bounti's trademark rights and related registrations may be challenged in the future and could be cancelled or narrowed. Local Bounti's failure to protect its trademark rights could prevent Local Bounti in the future from challenging third parties who use names and logos similar to Local Bounti's trademarks, which may in turn cause consumer confusion or negatively affect consumers' perception of Local Bounti's brand and products. Moreover, intellectual property disputes and proceedings and infringement claims may result in a significant distraction for management and significant expense, which may not be recoverable regardless of whether Local Bounti is successful. Such proceedings may be protracted with no certainty of success, and an adverse outcome could subject Local Bounti to liabilities, force Local Bounti to cease use of certain trademarks or other intellectual property or force Local Bounti to enter into licenses with others. Any one of these occurrences may negatively impact Local Bounti's business, financial condition and results of operations.

Local Bounti relies on information technology systems and any inadequacy, failure, interruption or security breaches of those systems may harm its ability to effectively operate its business.

Local Bounti is dependent on various information technology systems, including, but not limited to, networks, applications and outsourced services in connection with the current and planned operation of its business. A failure of these information technology systems to perform as anticipated could cause Local Bounti's business to suffer. For example, Local Bounti growers are aided in their work by climate and greenhouse operations software. If this software does not perform as anticipated, Local Bounti's operations may be adversely affected resulting in decreased yield or quality, mitigation expenses, waste, additional labor expenses and partial or full loss of the crop.

In addition, Local Bounti's information technology systems may be vulnerable to damage or interruption from circumstances beyond Local Bounti's control, including fire, natural disasters, systems failures, viruses and security breaches. Any such damage or interruption could negatively impact Local Bounti's business.

Local Bounti uses computers, software and technology in substantially all aspects of its business operations. Local Bounti's employees also use mobile devices, social networking and other online activities to connect with other employees, distributors, customers and consumers. Such uses give rise to cybersecurity risks, including security breaches, espionage, system disruption, theft and inadvertent release of information. Cybersecurity incidents are increasing in their frequency, sophistication and intensity and have become increasingly difficult to detect. Local Bounti's business involves sensitive information and intellectual property, including know-how, private information about employees and financial and strategic information about the Company and its business partners. Any cybersecurity incidents, including breaches or attacks, could result in interruptions, delays or cessation of operations and loss of existing or potential suppliers or customers. In addition, breaches of our information technology systems or security measures (including those of our third-party partners) and the unauthorized dissemination of sensitive personal, proprietary or confidential information about our business, our business partners, customers or other third parties could expose us to significant potential liability and reputational harm, materially damage our customer and business partner relationships, and subject us to significant reputational, financial, legal, and operational consequences.

Moreover, any breach or attack could result in litigation against us by customers or other third parties whose data is compromised by any attack.

Additionally, the environmental controls systems (which control temperature, water, humidity and other systems) for our facilities could be subject to such cybersecurity risks and incursions, which could result in loss of entire crops in a short amount of time. The loss of crops as the result of such an incident would materially adversely affect our business, financial condition and results of operations.

While Local Bounti has implemented and plans to implement measures to prevent security breaches and cyber incidents, these preventative measures and incident response efforts may not be entirely effective. The theft, destruction, loss, misappropriation or release of sensitive information or intellectual property, or interference with Local Bounti's information technology systems or the technology systems of third parties on which it relies, could result in business disruption, negative publicity, brand damage, violation of privacy laws, loss of customers and distributors, potential liability and competitive disadvantage all of which could negatively impact Local Bounti's business, financial condition or results of operations.

Risks Related to our Customers

Local Bounti could be adversely affected by a change in consumer preferences, perception and spending habits in the food industry, and failure to develop and expand its product offerings or gain market acceptance of its products could have a negative effect on Local Bounti's business.

The market in which Local Bounti operates is subject to changes in consumer behavior. Local Bounti's performance will depend significantly on factors that may affect the level and pattern of consumer spending in the U.S. food industry market in which Local Bounti operates, including consumer preference, income, confidence in and perception of the safety and quality of Local Bounti's products and competitive products, and shifts in the perceived value for Local Bounti's products relative to alternatives. Such factors include consumer preference, consumer income, consumer confidence in and perception of the safety and quality of Local Bounti products and shifts in the perceived value for Local Bounti products relative to alternatives.

- **Consumer Preferences.** Local Bounti's current products include loose leaf and living lettuce, herbs, and pre-packaged salads. There is no guarantee that these products will continue to be demanded by consumers, or that consumers will prefer the products produced by Local Bounti versus competitors. Consumer trends toward crops with lower yields or at lower price points may adversely affect Local Bounti's financial performance. If Local Bounti expands its product offerings to include other produce, it will similarly be impacted by consumer preferences for such products.
- **Safety and Quality Concerns.** Media coverage regarding the safety or quality of, or diet or health issues relating to, Local Bounti's products or the processes involved in their production, may damage consumer confidence in Local Bounti products. For example, manufacturers and regulatory authorities have issued recalls of loose-leaf lettuce in the past due to issues such as salmonella contamination. Any widespread safety or quality issues of loose-leaf lettuce or other fresh vegetables and herbs—even if not involving Local Bounti—could adversely affect consumer confidence in and demand for such loose leaf lettuce. Further, CEA is a relatively small, new industry, and a food safety incident involving an indoor farming producer other than Local Bounti, including direct competitors, may adversely affect consumer perception of or demand for Local Bounti's products.
- **Consumer Income.** A general decline in the consumption of Local Bounti products could occur at any time as a result of change in consumer spending habits, including an inability to purchase Local Bounti products due to financial hardship, increased price sensitivity, inflationary concerns, or other local or global economic issues.
- **Desire for Sustainable Products.** A general decline in the consumption of Local Bounti products could occur at any time as a result of change in consumer spending habits, including an unwillingness to pay a premium for products that are more sustainable or meet sustainability objectives in a manner more in-line with consumer preferences.
- **Price Compression.** Tomatoes have decreased in price consistently over the past 10 to 15 years due to an increase in production. Loose-leaf lettuce may follow this trend and this could pose a risk to the gross margins of the Company, which could negatively and materially affect the Company's financial performance.

The success of Local Bounti products will depend on a number of factors including Local Bounti's ability to accurately anticipate changes in market demand and consumer preferences, its ability to differentiate the quality of Local Bounti products from those of its competitors, and the effectiveness of marketing and advertising campaigns for Local Bounti products. Local Bounti may not be successful in identifying trends in consumer preferences and growing or developing products that respond to such trends in a timely manner. Local Bounti or its retail partners also may not be able to effectively promote Local Bounti products by marketing and advertising campaigns and gain market

acceptance. If Local Bounti products fail to gain market acceptance, are restricted by regulatory requirements or have quality problems, Local Bounti may not be able to fully recover costs and expenses incurred in its operations, and Local Bounti's business, financial condition or results of operations could be materially and adversely affected.

Demand for lettuce, herbs, and other produce is subject to seasonal fluctuations and may adversely impact Local Bounti's results of operations in certain quarters.

Demand for leafy greens products may be subject to some degree of seasonality due to consumer behavior. As a result, comparisons of Local Bounti's sales and operating results between different periods may not necessarily be meaningful comparisons. If Local Bounti is not correct in forecasting demand and planning its growing seasons accordingly, Local Bounti may experience reduced average sales prices or a supply-demand imbalance, which could adversely impact its results of operations at certain times of the year.

As Local Bounti grows its sales into the retail channel and increase sales through individual retailers, the loss or significant reductions in orders from Local Bounti's top retail customers could have a material adverse impact on its business.

Local Bounti's customers include retailers and food service distributors. A significant portion of our revenue comes from sales to a small number of top retail customers. Local Bounti believes sales to its top retailer customers will continue to constitute a significant portion of its revenue, income and cash flow for the foreseeable future. Local Bounti's inability to resolve a significant dispute with any of its top retail customers, a change in the business condition (financial or otherwise) of any of its top retail customers, even if unrelated to Local Bounti, a significant reduction in sales to any top retail customer, or the loss of any of top retail customer can adversely affect Local Bounti's business, financial condition or results of operations.

Risks Related to Legal Matters and Regulations

Local Bounti may be subject to litigation and government inquiries and investigations involving its business, the outcome of which is unpredictable, and an adverse decision in any such matter could have a material effect on Local Bounti's financial position and results of operations.

From time to time, Local Bounti may be party to various claims and litigation proceedings. Local Bounti will evaluate these claims and litigation proceedings to assess the likelihood of unfavorable outcomes and to estimate, if possible, the amount of potential losses. Based on these assessments and estimates, Local Bounti may establish reserves, as appropriate. These assessments and estimates are based on the information available to management at the time and involve a significant amount of management judgment. Actual outcomes or losses may differ materially from Local Bounti's assessments and estimates. Local Bounti is not currently party to any material litigation.

Even when not merited, the defense of these lawsuits may divert management's attention, and Local Bounti may incur significant expenses in defending these lawsuits. The results of litigation and other legal proceedings are inherently uncertain, and adverse judgments or settlements in some of these legal disputes may result in adverse monetary damages, penalties or injunctive relief against Local Bounti, which could negatively impact its financial position, cash flows or results of operations. Any claims or litigation, even if fully indemnified or insured, could damage Local Bounti's reputation and make it more difficult to compete effectively or to obtain adequate insurance in the future.

Local Bounti's business involves significant risks and uncertainties that may not be covered by indemnity or insurance.

While Local Bounti maintains insurance for certain potential liabilities, such insurance does not cover all types and amounts of potential liabilities and is subject to various exclusions as well as caps on amounts recoverable. Even if Local Bounti believes a claim is covered by insurance, insurers may dispute Local Bounti's entitlement to recovery for a variety of potential reasons, which may affect the timing and, if the insurers prevail, the amount of Local Bounti's recovery. Any settlement or judgment against Local Bounti that exceeds the policy limits or not covered by its policies or not subject to insurance would have to be paid from Local Bounti's cash reserves, which would reduce Local Bounti's capital resources.

Local Bounti's future operations could expose it to the risk of material environmental and regulatory liabilities, including unforeseen costs associated with compliance and remediation efforts, and government and third-party claims, which could have a material adverse effect on Local Bounti's reputation, results of operations and cash flows.

The manufacture and marketing of food products is highly regulated. Local Bounti and its suppliers are subject to a variety of laws and regulations. These laws and regulations apply to many aspects of Local Bounti's business, including the production, packaging, labeling, distribution, advertising, sale, quality, and safety of its products, as well as the health and safety of its employees and the protection of the environment.

Local Bounti is subject to regulation by various government agencies, including the USDA, FDA, FTC, OSHA, and EPA, as well as various state and local agencies. In addition, depending on customer specification, Local Bounti may be subject to certain voluntary, third-party standards, such as Global Food Safety Initiative standards and review by voluntary organizations, such as the Council of Better Business Bureaus' National Advertising Division. Local Bounti could incur costs, including fines, penalties and third-party claims, because of any violations of, or liabilities under, such requirements, including any competitor or consumer challenges relating to compliance with such requirements. The loss of third-party accreditation could result in lost sales and customers, and may adversely affect Local Bounti's business, results of operation, and financial condition. In connection with the marketing and advertisement of its products, Local Bounti could be the target of claims relating to false or deceptive advertising, including under the auspices of the Federal Trade Commission and the consumer protection statutes of some states.

CEA is a relatively new industry lacking a deep body of specific regulations applicable to its operations. As the industry matures, Local Bounti may become subject to new regulations that may adversely affect its business.

The regulatory environment in which Local Bounti operates could change significantly and adversely in the future. Any change in production, labeling or packaging requirements for Local Bounti's products may lead to an increase in costs or interruptions in production, either of which could adversely affect its operations and financial condition. New or revised government laws and regulations could result in additional compliance costs and, in the event of non-compliance, civil remedies, including fines, injunctions, withdrawals, recalls, or seizures and confiscations, as well as potential criminal sanctions, any of which may adversely affect Local Bounti's business, results of operations, and financial condition.

Political issues and considerations, including potential tariffs, could have a significant effect on Local Bounti's business.

There is uncertainty with respect to, among other things, legislation, regulation and government policy at the federal, state and local levels. Specific legislative and regulatory proposals discussed recently that may adversely impact Local Bounti include, but are not limited to, changes to existing trade agreements, import and export regulations, tariffs, customs duties, income tax regulations and the federal tax code, public company reporting requirements, environmental regulations and antitrust enforcement. Any changes in the political issues and considerations may have a negative impact on Local Bounti's business, its financial condition and results of operations could be adversely affected.

Changes in global trade policy could adversely affect our business.

Political leaders in the United States and in other countries have been elected on protectionist platforms, fueling doubts about the future of global free trade. The U.S. government has indicated its intent to alter its approach to international trade policy and in some cases to renegotiate, or potentially terminate, certain existing bilateral or multi-lateral trade agreements and treaties with foreign countries and has made proposals and taken actions related thereto. In addition, the U.S. government has recently imposed tariffs on certain foreign goods, including steel and aluminum and has indicated a willingness to impose tariffs on imports of other products, including a 25% tariff on all imports from Mexico. Some foreign governments, including China, have instituted retaliatory tariffs on certain U.S. goods and have indicated a willingness to impose additional tariffs on U.S. products. Other countries, including Mexico, have threatened retaliatory tariffs on certain U.S. products. Global trade disruption, significant introductions of trade barriers and bilateral trade frictions, together with any future downturns in the global economy resulting therefrom, could adversely affect our financial performance. In particular, the United States, Mexico and Canada renegotiated the North American Free Trade Agreement. Under the successor United States-Mexico-Canada Agreement ("USMCA"), several provisions were renegotiated and the extent to which they will affect the Mexican economy is still uncertain. There can be no assurance that the USMCA will not be renegotiated, or its terms will continue to drive growth in Mexico, or that U.S. and Mexico trade relations will not deteriorate leading to further imposition of trade barriers. Any trade dispute between the United States and Mexico may have negative effects on the Mexican economy, the exchange rate, inflation and economic prospects, which will in turn negatively affect our business and results of operations.

Product contamination, food-safety and foodborne-illness incidents or advertising or product mislabeling may materially adversely affect Local Bounti's business by exposing Local Bounti to lawsuits, product recalls, or regulatory enforcement actions, increasing Local Bounti's operating costs and reducing demand for its product offerings.

The sale of food products for human consumption involves inherent legal and other risks, including the tampering by unauthorized third parties and risk of illness or injury incidents to consumers. Such incidents may result from foodborne illnesses or other food safety incidents caused by Local Bounti products, or involving its suppliers, including the presence of foreign objects, substances, chemicals, other agents or residues introduced during a product's growing, storage, handling or transportation stages. Any such incident could result in the discontinuance of sales of these products or Local Bounti's relationships with such suppliers, or otherwise result in increased operating costs, regulatory enforcement actions or harm to Local Bounti's reputation. Shipment of adulterated or misbranded products, even if inadvertent, can result in criminal or civil liability. Such incidents could also expose Local Bounti to product

liability, negligence, or other lawsuits, including consumer class action lawsuits. Any claims brought against us may exceed or be outside the scope of Local Bounti's existing or future insurance coverage or limits. Even if a product liability claim against us is unsuccessful or is not fully pursued, the negative publicity surrounding any assertion that our products caused illness or injury could adversely affect our reputation with existing and potential customers, as well as our corporate and brand image. Any claims or judgments against Local Bounti that exceed our insurance coverage limits or that are not covered by our insurance policies or by any indemnification or contribution rights that we may have against others would likely be paid from Local Bounti's cash reserves, which would reduce Local Bounti's capital resources. We maintain product liability insurance; however, we cannot be certain that we will not incur claims or liabilities for which we are not insured or that exceed our insurance coverage amounts.

The occurrence of foodborne illnesses or other food safety incidents could also adversely affect the price and availability of affected raw materials, resulting in higher costs, disruptions in supply and a reduction in sales. Furthermore, any instances of product contamination or regulatory noncompliance, whether or not caused by Local Bounti's actions, could compel Local Bounti, its suppliers, distributors or customers, depending on the circumstances, to conduct a recall in accordance with FDA regulations, and comparable state laws. Food recalls could result in significant losses due to their costs, the destruction of product inventory, lost sales due to the unavailability of the product for a period of time, potential loss of existing distributors or customers and a potential negative impact on Local Bounti's ability to attract new customers due to negative consumer experiences or because of an adverse impact on Local Bounti's brand and reputation. The costs of a recall could be outside the scope of Local Bounti's existing or future insurance policy coverage or limits. Moreover, we believe governmental scrutiny and public awareness of food safety issues is also increasing. We are subject to governmental inspection, laws and regulations, and we believe our facilities comply in all material respects with applicable laws and regulations; however, we cannot be certain that consumption of our products will not cause health-related illness or injury incidents in the future or that we will not be subject to claims or lawsuits relating to such matters.

In addition, food companies have been subject to targeted, large-scale tampering as well as to opportunistic, individual product tampering, and Local Bounti, like any food company, could be a target for product tampering. Forms of tampering could include the introduction of foreign material, chemical contaminants and pathogenic organisms into consumer products as well as product substitution. FDA regulations require companies like Local Bounti to analyze, prepare, and implement mitigation strategies specifically to address tampering designed to inflict widespread public health harm. If Local Bounti does not adequately address the possibility, or any actual instance, of product tampering, Local Bounti could face possible seizure or recall of its products, suspension of its facilities' registrations, and/or the imposition of civil or criminal sanctions, which could materially adversely affect Local Bounti's business, financial condition and operating results.

Local Bounti's brand and reputation may be diminished due to real or perceived quality or food-safety issues with its products, which could negatively impact Local Bounti's business, reputation, operating results and financial condition.

Real or perceived quality or food safety concerns or failures to comply with applicable food regulations and requirements, whether or not ultimately based on fact and whether or not involving Local Bounti (such as incidents involving Local Bounti's competitors), could cause negative publicity and reduced confidence in Local Bounti's brand or products, which could in turn harm its reputation and sales, and could adversely affect its business, financial condition and operating results. Brand value is also based on perceptions of subjective qualities, such as appearance and taste, and any incident that erodes the loyalty of Local Bounti's consumers, including changes to product appearance, taste or packaging, could significantly reduce the value of Local Bounti's brand and significantly damage its business.

Local Bounti also has no control over its products once a third-party distributor takes possession of them. Distributors or consumers may store Local Bounti products under conditions and for periods of time inconsistent with the USDA, the FDA, and other governmental guidelines, which may adversely affect the quality and safety of Local Bounti's products.

If consumers do not perceive Local Bounti's products to be of high quality or safe, then the value of its brand would be diminished, and its business, results of operations and financial condition would be adversely affected. Any loss of confidence on the part of consumers in the quality and safety of Local Bounti's products would be difficult and costly to overcome. Any such negative effect could be exacerbated by Local Bounti's market positioning as a socially conscious grower of high-quality produce and may significantly reduce Local Bounti's brand value. Issues regarding the safety of any of Local Bounti's products, regardless of the cause, may harm its brand, reputation and operating results.

Local Bounti's operations are subject to regulation by the USDA, the FDA and other federal, state and local regulation, and while Local Bounti intends to comply with all such applicable regulations, there is no assurance that Local Bounti will be in compliance with all such regulations.

Local Bounti's operations are subject to extensive regulation by the USDA, the FDA and other federal, state and local authorities. Specifically, Local Bounti is subject to the requirements of the Federal Food, Drug and Cosmetic Act and regulations promulgated thereunder by the FDA. This comprehensive regulatory program governs, among other things, the growing, packaging, labeling and safety of food. Under this program, the FDA requires that facilities that grow and pack, food products comply with a range of requirements, including standards for the growing, harvesting, packing and holding of produce. Our facilities are subject to periodic inspection by federal, state and local authorities. If Local Bounti cannot successfully grow products that conform to its specifications and the strict regulatory requirements of the USDA, the FDA or other federal applicable regulations, Local Bounti may be subject to adverse inspectional findings or enforcement actions, which could materially impact Local Bounti's ability to market its products, or could result in a recall of Local Bounti products that have already been distributed. While Local Bounti intends to comply with all such applicable regulations, there is no assurance that Local Bounti will at all times be in compliance with all such regulations. If the USDA, the FDA (under the FSMA) or a comparable regulatory authority determines that Local Bounti has not complied with the applicable regulatory requirements, Local Bounti's business may be materially impacted.

Local Bounti seeks to comply with applicable regulations through a combination of employing internal experience and expert personnel to ensure quality-assurance compliance (i.e., assuring that products are not adulterated or misbranded) and contracting with third-party laboratories that conduct analyses of products to identify any potential contaminants before distribution. Failure by Local Bounti to comply with applicable laws and regulations or maintain permits, licenses or registrations relating to its operations could subject Local Bounti to civil remedies or penalties, including fines, injunctions, recalls or seizures, warning letters, restrictions on the marketing or production of products, or refusals to permit the import of raw materials, as well as potential criminal sanctions, which could result in increased operating costs resulting in a material effect on Local Bounti's operating results and business.

Failure by any suppliers of raw materials to comply with food safety, environmental or other laws and regulations, or with the specifications and requirements of Local Bounti's products, may disrupt Local Bounti's supply of products and adversely affect its business.

If Local Bounti's current or future suppliers of raw materials fail to comply with food safety, environmental, or other laws and regulations, or face allegations of non-compliance, Local Bounti's operations may be disrupted. Additionally, downstream distribution partners are required to maintain the quality of Local Bounti products and to comply with Local Bounti's standards and specifications. In the event of actual or alleged non-compliance, Local Bounti might be forced to find alternative suppliers and may be subject to lawsuits related to such non-compliance by such suppliers. As a result, Local Bounti's supply of produce and finished inventory could be disrupted or Local Bounti's costs could increase, which would adversely affect Local Bounti's business, results of operations, and financial condition. The failure of any supplier to comply with Local Bounti's specifications and requirements could adversely affect Local Bounti's reputation in the marketplace and result in product recalls, product liability claims, and economic loss. Additionally, actions Local Bounti may take to mitigate the impact of any disruption or potential disruption in its supply of produce, including increasing inventory in anticipation of a potential supply or production interruption, may adversely affect Local Bounti's business, results of operations, and financial condition.

Climate change, or legal, regulatory, or market measures to address climate change, may negatively affect our business and operations.

There is growing concern that carbon dioxide and other greenhouse gases in the atmosphere may have an adverse impact on global temperatures, weather patterns, and the frequency and severity of extreme weather and natural disasters. Climate change could have a negative effect on the productivity of our growing facilities, which could have an adverse impact on our business and results of operations. The increasing concern over climate change also may result in more regional, federal, or global legal and regulatory requirements to reduce or mitigate the effects of greenhouse gases or climate change. If new regulations are enacted, our costs of operations may increase, including but not limited to increased energy, environmental, and other costs and capital expenditures. In particular, increasing regulation of fuel emissions could increase the distribution and supply chain costs associated with our products. As a result, climate change may adversely affect our business, results of operations, and financial condition.

The unavailability, reduction or elimination of government and economic incentives could negatively impact Local Bounti's business, prospects, financial condition and operating results.

Any reduction, elimination or discriminatory application of government subsidies and economic incentives because of policy changes, the reduced need for such subsidies and incentives due to the perceived success of Local Bounti's operations or other reasons may result in the diminished competitiveness of the CEA facility industry generally or Local Bounti products in particular. This could materially and adversely affect Local Bounti's business, prospects, financial condition and operating results.

Risks Relating to Ownership of Our Securities

The price of our securities may be volatile or may decline regardless of our operating performance.

The trading price of our common stock is often volatile and subject to wide fluctuations in response to various factors, some of which are beyond Local Bounti's control. These factors include:

- actual or anticipated fluctuations in operating results;
- failure to meet or exceed financial estimates and projections of the investment community or that Local Bounti provides to the public;
- issuance of new or updated research or reports by securities analysts or changed recommendations for the industry in general;
- announcements of significant acquisitions, strategic partnerships, joint ventures, collaborations or capital commitments;
- operating and share price performance of other companies in the industry or related markets;
- the timing and magnitude of investments in the growth of the business;
- actual or anticipated changes in laws and regulations;
- additions or departures of key management or other personnel;
- increased labor costs;
- disputes or other developments related to our business, intellectual property or other proprietary rights, including litigation;
- the ability to market new and enhanced solutions on a timely basis;
- sales of substantial amounts of common stock by Local Bounti's directors, executive officers or significant stockholders or the perception that such sales could occur;
- changes in capital structure, including future issuances of securities or the incurrence of debt; and
- general economic, political and market conditions.

In addition, the stock market in general, and the stock prices of technology companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. Broad market and industry factors may seriously affect the market price of common stock, regardless of actual operating performance. In addition, in the past, following periods of volatility in the overall market and the market price of a particular company's securities, securities class action litigation has often been instituted against these companies. This litigation, if instituted, could result in substantial costs and a diversion of management's attention and resources.

Local Bounti has never paid cash dividends on our capital stock and does not anticipate paying dividends in the foreseeable future.

Local Bounti has never paid cash dividends on our capital stock and currently intends to retain any future earnings to fund the growth of its business. Any determination to pay dividends in the future will be at the discretion of the Board and will depend on Local Bounti's financial condition, operating results, capital requirements, general business conditions and other factors that the Board may deem relevant. As a result, capital appreciation, if any, of our common stock will be the sole source of gain for the foreseeable future.

Anti-takeover provisions contained in our Certificate of Incorporation and Bylaws and applicable laws could impair a takeover attempt.

Our Certificate of Incorporation and Amended and Restated Bylaws afford certain rights and powers to the Board that could contribute to the delay or prevention of an acquisition that it deems undesirable. Local Bounti is also subject to Section 203 of the Delaware General Corporation Law ("DGCL") and other provisions of Delaware law that limit the ability of stockholders in certain situations to effect certain business combinations. Any of the foregoing provisions and terms that have the effect of delaying or deterring a change in control could limit the opportunity for

stockholders to receive a premium for their shares of common stock, and could also affect the price that some investors are willing to pay for the common stock.

Local Bounti is subject to risks related to taxation in the United States.

Significant judgments based on interpretations of existing tax laws or regulations are required in determining Local Bounti's provision for income taxes. Local Bounti's effective income tax rate could be adversely affected by various factors, including, but not limited to, changes in the mix of earnings in tax jurisdictions with different statutory tax rates, changes in the valuation of deferred tax assets and liabilities, changes in existing tax policies, laws, regulations or rates, changes in the level of non-deductible expenses (including share-based compensation), changes in the location of Local Bounti's operations, changes in Local Bounti's future levels of research and development spending, mergers and acquisitions or the results of examinations by various tax authorities. Although Local Bounti believes its tax estimates are reasonable, if the Internal Revenue Service ("IRS") or any other taxing authority disagrees with the positions taken on its tax returns, Local Bounti could have additional tax liability, including interest and penalties. If material, payment of such additional amounts upon final adjudication of any disputes could have a material impact on our results of operations and financial position.

Changes to applicable tax laws and regulations or exposure to additional income tax liabilities could affect Local Bounti's business and future profitability.

Local Bounti is a U.S. corporation and thus subject to U.S. corporate income tax on its worldwide income. Further, since Local Bounti's operations and customers are located throughout the United States, Local Bounti is subject to various U.S. state and local taxes. U.S. federal, state, local and non-U.S. tax laws, policies, statutes, rules, regulations or ordinances could be interpreted, changed, modified or applied adversely to Local Bounti and may have an adverse effect on its business and future profitability.

As a result of plans to expand Local Bounti's business operations, including to jurisdictions in which tax laws may not be favorable, its obligations may change or fluctuate, become significantly more complex or become subject to greater risk of examination by taxing authorities, any of which could adversely affect Local Bounti's after-tax profitability and financial results.

As Local Bounti's business expands domestically and possibly internationally, its effective tax rates may fluctuate widely in the future. Future effective tax rates could be affected by operating losses in jurisdictions where no tax benefit can be recorded under U.S. GAAP, changes in deferred tax assets and liabilities, or changes in tax laws. Factors that could materially affect Local Bounti's future effective tax rates include, but are not limited to changes in tax laws or the regulatory environment, changes in accounting and tax standards or practices, changes in the composition of operating income by tax jurisdiction and pre-tax operating results of Local Bounti's business.

Additionally, Local Bounti may be subject to significant income, withholding, and other tax obligations in the United States and may become subject to taxation in numerous additional state and local and non-U.S. jurisdictions with respect to income, operations and subsidiaries related to those jurisdictions. Local Bounti's after-tax profitability and financial results could be subject to volatility or be affected by numerous factors, including the availability of tax deductions, credits, exemptions, refunds and other benefits to reduce tax liabilities, changes in the valuation of deferred tax assets and liabilities, if any, the expected timing and amount of the release of any tax valuation allowances, the tax treatment of stock-based compensation, changes in the relative amount of earnings subject to tax in the various jurisdictions, the potential business expansion into, or otherwise becoming subject to tax in, additional jurisdictions, changes to existing intercompany structure (and any costs related thereto) and business operations, the extent of intercompany transactions and the extent to which taxing authorities in relevant jurisdictions respect those intercompany transactions, and the ability to structure business operations in an efficient and competitive manner. Outcomes from audits or examinations by taxing authorities could have an adverse effect on Local Bounti's after-tax profitability and financial condition. Additionally, the IRS and several foreign tax authorities have increasingly focused attention on intercompany transfer pricing with respect to sales of products and services and the use of intangibles. Tax authorities could disagree with Local Bounti's intercompany charges, cross-jurisdictional transfer pricing or other matters and assess additional taxes. If Local Bounti does not prevail in any such disagreements, Local Bounti's profitability may be affected.

Local Bounti's after-tax profitability and financial results may also be adversely affected by changes in relevant tax laws and tax rates, treaties, regulations, administrative practices and principles, judicial decisions and interpretations thereof, in each case, possibly with retroactive effect.

Local Bounti's ability to use its NOL carryforwards to offset future taxable income may be subject to certain limitations.

As of December 31, 2024, we had approximately \$595.6 million of federal and state NOL carryforwards available to reduce future taxable income. These NOL carryforwards can be indefinitely carried forward by the Company, but the deductibility of such NOLs and certain tax credits in any given year is usually limited and may be further limited by Section 382 of the Internal Revenue Code (the "Code"). In general, under Section 382, a corporation

that undergoes an “ownership change,” as defined in the Code, is subject to limitations on its ability to utilize its pre-ownership change NOL carryforwards to offset future taxable income. During the year ended December 31, 2021, we have experienced changes in our share ownership as a result of the merger of Legacy Local Bounti into Leo Holdings III Corp in November 2021, which may limit the future use of our NOLs pursuant to Section 382 of the Code. Also, future changes in our stock ownership, some of which are outside of our control, could result in an ownership change under Section 382 of the Code; if that occurs, our ability to utilize NOLs could be further limited. Furthermore, our ability to utilize NOLs of companies that we may acquire in the future may be subject to limitations under Section 382 of the Code. For these reasons, we may not be able to utilize a material portion of our reported NOLs as of December 31, 2024, even if we attain profitability, which could adversely affect our cash flows and results of operations.

One of Local Bounti's most significant assets is its direct and indirect interests in its subsidiaries and, accordingly, Local Bounti is dependent upon distributions from its subsidiaries to pay taxes and cover its corporate and other overhead expenses and pay dividends, if any, on the common stock.

Local Bounti is a holding company and its most significant asset is its direct and indirect equity interests in its subsidiaries. Local Bounti has no independent means of generating revenue. To the extent Local Bounti's subsidiaries have available cash, Local Bounti will cause its subsidiaries to make distributions of cash to pay taxes, cover Local Bounti's corporate and other overhead expenses and pay dividends, if any, on the common stock. To the extent that Local Bounti needs funds and its subsidiaries fail to generate sufficient cash flow to distribute funds to Local Bounti or are restricted from making such distributions or payments under applicable law or regulation or under the terms of their financing arrangements, or are otherwise unable to provide such funds, Local Bounti's liquidity and financial condition could be materially adversely affected.

There is no guarantee that the 2021 warrants will be in the money at the time they become exercisable, and they may expire worthless.

The 2021 warrants were previously listed on the NYSE under the ticker symbol “LOCL WS”. The warrants were delisted from the NYSE in November 2023. The exercise price for our 2021 warrants is \$149.50 per share of common stock. There is no guarantee that the 2021 warrants will be in the money following the time they become exercisable and prior to their expiration, and as such, they may expire worthless.

We may amend the terms of the 2021 warrants in a manner that may be adverse to holders of 2021 warrants with the approval by the holders of at least 50% of the then-outstanding 2021 warrants. As a result, the exercise price of the 2021 warrants could be increased, the exercise period could be shortened and the number of shares of common stock purchasable upon exercise of a public warrant could be decreased, all without a holder's approval.

The 2021 warrants were issued in registered form under a warrant agreement between Continental Stock Transfer & Trust Company, as warrant agent, and us. The agreement provides that the terms of the 2021 warrants may be amended without the consent of any holder to cure any ambiguity or correct any defective provision, but requires the approval by the holders of at least 50% of the then-outstanding 2021 warrants to make any change that adversely affects the interests of the registered holders of 2021 warrants. Accordingly, we may amend the terms of the 2021 warrants in a manner adverse to a holder if holders of at least 50% of the then-outstanding 2021 warrants approve of such amendment. Although our ability to amend the terms of the 2021 warrants with the consent of at least 50% of the then-outstanding 2021 warrants is unlimited, examples of such amendments could be amendments to, among other things, increase the exercise price of the 2021 warrants, convert the 2021 warrants into cash or stock (at a ratio different than initially provided), shorten the exercise period or decrease the number of shares of common stock purchasable upon exercise of a public warrant.

We may redeem unexpired warrants prior to their exercise at a time that is disadvantageous to warrant holders, thereby making their warrants worthless.

We have the ability to redeem outstanding warrants at any time after they become exercisable and prior to their expiration, at a price of \$0.01 per warrant, provided that the last reported sales price of the common stock equals or exceeds \$234.00 per share (as adjusted for the Reverse Stock Split (as defined below)) for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which we give proper notice of such redemption and provided certain other conditions are met. If and when the warrants become redeemable by us, we may exercise our redemption right even if we are unable to register or qualify the underlying securities for sale under all applicable state securities laws. Redemption of the outstanding warrants could force you to exercise your warrants and pay the exercise price therefor at a time when it may be disadvantageous for you to do so, to sell your warrants at the then-current market price when you might otherwise wish to hold your warrants, or to accept the nominal redemption price which, at the time the outstanding warrants are called for redemption, is likely to be substantially less than the market value of your warrants. None of the Private Warrants will be redeemable by us for cash so long as they are held by the initial purchasers or their permitted transferees.

In addition, we may redeem your warrants after they become exercisable for a number of shares of common stock determined based on the redemption date and the fair market value of the common stock. Any such redemption

may have similar consequences to a cash redemption described above. In addition, such redemption may occur at a time when the warrants are "out-of-the-money," in which case you would lose any potential embedded value from a subsequent increase in the value of the common stock had your warrants remained outstanding.

We may issue a substantial number of additional shares of common stock under an employee incentive plan. Any such issuances would dilute the interest of our stockholders and likely present other risks.

We may issue additional shares of common stock under an employee incentive plan. The issuance of additional common stock:

- may significantly dilute the equity interests of our investors;
- could cause a change in control if a substantial number of shares of common stock are issued, which may affect, among other things, our ability to use our NOL carryforwards, if any, and could result in the resignation or removal of our present officers and directors; and
- may adversely affect prevailing market prices for the common stock.

Our failure to meet the NYSE's continued listing requirements could result in the suspension of trading of our common stock and a subsequent delisting of our common stock.

Our common stock is listed on the NYSE. The NYSE requires us to continue to meet certain listing standards. On April 3, 2024, we received a written notice (the "Notice") from the NYSE that we were not in compliance with the continued listing standards set forth in Rule 802.01B of the NYSE Listed Company Manual (the "Minimum Market Capitalization Standard") because our average global market capitalization over a consecutive 30 trading-day period was less than \$50 million and, at the same time, our last reported stockholders' equity (deficit) was less than \$50 million. Subsequently, we submitted, and the NYSE accepted, a plan setting forth the actions we were taking that were designed to regain compliance with the Minimum Market Capitalization Standard within 18 months of receipt of the Notice (the "Market Capitalization Cure Period"). Our common stock continues to be listed and traded on the NYSE during the Market Capitalization Cure Period, subject to compliance with other NYSE continued listing standards and continued quarterly review by the NYSE of our progress with respect to the plan. We can provide no assurances that we will be able to satisfy any of the steps outlined above and maintain the listing of our common stock on the NYSE.

If we are unable to meet other continued listing requirements of the NYSE, including, among other things, the requirement of maintaining a minimum average closing price of \$1.00 per share over a consecutive 30-trading-day period, we would fall below compliance standards and risk having our common stock delisted. In addition, in the event of an abnormally low share price of our common stock and/or we fail to maintain an average market capitalization of at least \$15 million over a consecutive 30-trading-day period, we would be subject to immediate delisting under the NYSE's rules without any opportunity to cure. While we would intend to appeal either decision, there is no assurance that any appeal would be successful.

Delisting from the NYSE would make trading our common stock more difficult for investors, potentially leading to declines in our share price and liquidity. In addition, without a NYSE market listing, stockholders may have a difficult time getting a quote for the sale or purchase of our common stock, the sale or purchase of our common stock would likely be made more difficult and the trading volume and liquidity of our common stock could decline. Delisting from the NYSE could also result in negative publicity and could also make it more difficult for us to raise additional capital. The absence of such a listing may adversely affect the acceptance of our common stock as currency or the value accorded by other parties. If our common stock is delisted by the NYSE, our common stock may be eligible to trade on an over-the-counter quotation system, such as the pink sheets or OTCQB market, where an investor may find it more difficult to sell our common stock or obtain accurate quotations as to the market value of our common stock. We cannot assure you that our common stock, if delisted from the NYSE, would be eligible to be listed on another national securities exchange or quoted on an over-the-counter quotation system.

Future sales of shares by existing stockholders and future exercise of registration rights may adversely affect the market price of our common stock.

Sales of a substantial number of shares of our common stock in the public market, or the perception that these sales could occur, could adversely affect the market price of our common stock and may make it more difficult for you to sell your shares of our common stock at a time and price that you deem appropriate. The majority of the outstanding shares of our common stock are freely tradable without restriction under the Securities Act. We have also entered into a registration rights agreement with certain holders of our common stock under which we have granted certain registration rights with respect to certain shares and warrants held by these holders. We have also entered into a warrant agreement with Cargill Financial which grants Cargill Financial certain registration rights with respect to the shares underlying such warrants.

We are unable to predict the effect that sales, particularly sales by our directors, executive officers and significant stockholders, may have on the prevailing market price of our common stock. If current stockholders sell, or

indicate an intent to sell, substantial amounts of our common stock in the public market, the trading price of our common stock could decline significantly and make it difficult for us to raise funds through securities offerings in the future. Sales of a substantial number of shares of our common stock in the public market could occur at any time. If our stockholders sell, or the market perceives that our stockholders intend to sell, substantial amounts of our common stock in the public market, the trading price of our common stock could decline significantly and make it difficult for us to raise funds through securities offerings in the future.

If securities or industry analysts do not publish or cease publishing research or reports about Local Bounti, its business or its market, or if they change their recommendations regarding the common stock adversely, the price and trading volume of the common stock could decline.

The trading market for the common stock will be influenced by the research and reports that industry or securities analysts may publish about Local Bounti, its business, its market or its competitors. If any of the analysts who may cover Local Bounti change their recommendation regarding the common stock adversely, or provide more favorable relative recommendations about its competitors, the price of the common stock would likely decline. If any analyst who may cover Local Bounti were to cease their coverage or fail to regularly publish reports on Local Bounti, we could lose visibility in the financial markets, which could cause the stock price or trading volume of Local Bounti securities to decline.

The Jumpstart Our Business Startups Act of 2012 (the "JOBS Act") permits "emerging growth companies" like us to take advantage of certain exemptions from various reporting requirements applicable to other public companies that are not emerging growth companies, and as a result, investors may find our common stock less attractive, there may be a less active trading market for the common stock, and our share price may be more volatile.

We qualify as an "emerging growth company" as defined in Section 2(a)(19) of the Securities Act, as modified by the JOBS Act. As such, we take advantage of certain exemptions from various reporting requirements applicable to other public companies that are not emerging growth companies, including the exemption from the auditor attestation requirements with respect to internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act, the exemptions from say-on-pay, say-on-frequency and say-on-golden parachute voting requirements, and reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements. As a result, our stockholders may not have access to certain information they deem important. We will remain an emerging growth company until the earliest of (a) the last day of the fiscal year (i) following March 2, 2026, the fifth anniversary of our initial public offering, (ii) in which we have total annual gross revenue of at least \$1.07 billion (as adjusted for inflation pursuant to SEC rules from time to time) or (iii) in which we are deemed to be a large accelerated filer, which means the market value of the shares of common stock that are held by non-affiliates exceeds \$700 million as of the last business day of our prior second fiscal quarter, and (b) the date on which we have issued more than \$1.0 billion in non-convertible debt during the prior three year period.

In addition, Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the exemption from complying with new or revised accounting standards provided in Section 7(a)(2)(B) of the Securities Act as long as we are an emerging growth company. An emerging growth company can therefore delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies, but any such election to opt out is irrevocable. We have elected not to opt out of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of our financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

We cannot predict if investors will find the common stock less attractive because we will rely on these exemptions. If some investors find the common stock less attractive as a result, there may be a less active trading market for the common stock and our share price may be more volatile.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Cybersecurity Risk Management and Strategy

We recognize the importance of assessing, identifying, and managing material risks associated with cybersecurity threats. These risks include, among other things, operational risks, intellectual property theft, fraud, extortion, harm to employees or customers, violation of privacy or security laws, other litigation and legal risks, and reputational risks. To aid in our efforts to assess, identify, and manage any material risks, we have implemented several cybersecurity processes, technologies, and controls

Our process for identifying and assessing material risks from cybersecurity threats operates within our broader overall risk management program. As part of this program, our Chief Information Officer ("CIO") and Vice President of Internal Audit collaborate with subject matter specialists throughout the Company, as necessary, to gather insights for identifying and assessing material risks throughout the Company, including cybersecurity threat risks.

In addition, we also have business processes to provide for critical data and systems availability, maintain regulatory compliance, identify and manage our risks from cybersecurity threats, and protect against, detect, and respond to cybersecurity incidents.

Our Cybersecurity Incident Response Plan ("IRP") coordinates the activities we take to prepare for, detect, respond to, and recover from cybersecurity incidents, which include processes to detect, analyze, validate, investigate, contain, and remediate the incident, as well as to comply with potentially applicable legal obligations and mitigate brand and reputational damage. Our processes also address cybersecurity threat risks associated with third-party service providers that may have access to our data or systems. Third-party risks are included within our broader overall risk assessment process, as well as our cybersecurity-specific risk identification program, both of which are discussed above. In addition, cybersecurity considerations may affect the selection and oversight of our third-party service providers.

Cybersecurity Governance

Cybersecurity is an important part of our risk management processes and an area of increasing focus for our Board and management. The Audit Committee of our Board is responsible for the oversight of risks from cybersecurity threats. The Audit Committee regularly receives an overview of our cybersecurity activities from management. Material cybersecurity threat risks may also be considered during separate Board discussions of important matters such as enterprise risk management, budgeting, and other relevant matters.

Our cybersecurity risk management and strategy processes are led by our CIO, who reports directly to our President and Chief Financial Officer. Our CIO meets with the Audit Committee of our Board as part of the governance process described above. This individual has prior work experience in various roles involving managing information security and risk management, developing cybersecurity strategies, and implementing cybersecurity programs. The IT subject matter experts meet quarterly to review the cybersecurity framework provided by the National Institute of Standards and Technology and evaluate current cybersecurity processes and procedures.

Item 2. Properties

Our principal executive offices are located in Hamilton, Montana. In addition, we have CEA facilities in Montana, Washington, California, Georgia, and Texas. The table below sets forth certain information regarding these properties as of December 31, 2024:

Facility Type/Use	Location	Owned/Leased*	Size (sq. ft.)
Montana Production Facility	Hamilton, MT	Leased	93,544
Vacant Land for Future Production Facility	Hamilton, MT	Owned	874,685
Carpinteria Production Facility	Carpinteria, CA	Leased	558,000
Oxnard Production Facility	Oxnard, CA	Leased	663,000
Georgia Production Facility	Byron, GA	Owned	347,269
Texas Production Facility	Mount Pleasant, TX	Owned	459,158
Washington Production Facility	Pasco, WA	Owned	244,101

*Owned facilities are subject to a first-priority lien under the Credit Agreements with Cargill Financial.

We believe our facilities are adequate and suitable for our current needs. If necessary, suitable additional or alternative space will be available to accommodate our operations.

Item 3. Legal Proceedings

From time to time, we may be subject to legal proceedings and claims in the ordinary course of business. We are not presently a party to any legal proceedings that, if determined adversely to us, would individually or taken together have a material adverse effect on our business, results of operations, financial condition, or cash flows. We have received, and may in the future continue to receive, claims from third parties asserting, among other things, infringement of their intellectual property rights. Future litigation may be necessary to defend ourselves, our partners, and our customers by determining the scope, enforceability, and validity of third-party proprietary rights or to establish our proprietary rights. The results of any current or future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, and other factors.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock is listed on the NYSE under the trading symbol "LOCL."

Holders of Common Stock

As of December 31, 2024, there were 42 holders of record of our common stock. The actual number of stockholders is greater than this number of record holders and includes stockholders who are beneficial owners but whose shares are held in street name by brokers and other nominees.

Dividend Policy

We have never paid any cash dividends on our common stock. We currently intend to retain any future earnings and do not intend to pay cash dividends on our common stock for the foreseeable future. Any future determination as to the declaration and payment of dividends, if any, will be at the discretion of our board of directors, subject to the requirements of applicable law and compliance with contractual restrictions or covenants in the agreements governing our current and future indebtedness. Any such determination will also depend on our business prospects, results of operations, financial condition, cash requirements and availability, industry trends, and other factors that our board of directors may deem relevant.

Recent Sales of Unregistered Securities

There were no unregistered sales of our equity securities during the period covered by this Annual Report on Form 10-K that were not previously reported in a Current Report on Form 8-K.

Item 6. Reserved

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with our Consolidated Financial Statements, including the Notes to those statements included elsewhere in this Annual Report on Form 10-K and the Section entitled "Cautionary Note Regarding Forward-Looking Statements" in this Annual Report on Form 10-K. As discussed in more detail in the section entitled "Cautionary Note Regarding Forward-Looking Statements," this discussion contains forward-looking statements, which involve risks and uncertainties. Our actual results may differ materially from the results discussed in the forward-looking statements. Factors that might cause those differences include those discussed in "Risk Factors" and elsewhere in this Annual Report on Form 10-K.

Our Mission and Vision

Our mission is to revolutionize agriculture, ensuring accessibility to fresh, sustainable, locally grown produce to nourish communities everywhere for generations to come. Our vision is to reimagine freshness. We envision a future where transformative innovation and technology combine to enable us to grow produce locally with minimal food miles, ensuring the freshest and most sustainable offerings for communities everywhere. We believe that happy plants make happy taste buds, and we are committed to reimagining the standards of freshness. We also believe that local is the best kind of business, and we are committed to helping communities thrive for generations to come. We are committed to building empowered local teams. Together, we believe we are capable of extraordinary achievements in sustainable agriculture.

Company Overview

Local Bounti is a controlled environment agriculture ("CEA") company that produces sustainably grown produce, focused primarily on living and loose leaf lettuce, arugula, spinach, and basil. Founded in 2018 and headquartered in Hamilton, Montana, Local Bounti utilizes its patented Stack & Flow Technology[®] to grow healthy food sustainably and affordably. Our proprietary process is a hybrid growing approach, utilizing vertical farming in early plant growth, followed by greenhouse farming for final grow out. We designed our Stack & Flow Technology[®] to give our products exactly what they need at every step of their growth cycle. Our goal is to grow in an environmentally sustainable manner that not only increases harvest efficiency and enhances unit economics, but also limits water usage and reduces the carbon footprint of the production and distribution process. Controlling the environmental conditions in both the 'Stack' and 'Flow' components of our growing system helps to ensure healthy, nutritious, and consistent products that are non-genetically modified organisms ("non-GMO"). We use 90% less water, 90% less land, and significantly less pesticides and herbicides than traditional outdoor agriculture operations.

Our first facility in Hamilton, Montana (the "Montana Facility") commenced construction in 2019 and reached commercial operation by the second half of 2020. In 2022, we acquired California-based complementary greenhouse farming company Hollandia Produce Group, Inc. and its subsidiaries, which operated under the name Pete's. Through the Pete's Acquisition, we significantly increased our growing footprint to include two then-existing facilities in California and one under-construction facility in Georgia. The Georgia facility initially became operational in July 2022 and was significantly expanded in 2023. In 2024, we completed construction on two new facilities in Washington and Texas, bringing our total facility count to six.

We distribute our products to approximately 13,000 retail locations across 35 U.S. states, primarily through direct relationships with blue-chip retail customers, including Albertsons, Sam's Club, Kroger, Target, Walmart, Whole Foods, Brookshire's, H-E-B, Sprouts, and AmazonFresh. Our primary products include living butter lettuce – for which we are a leading provider with an approximate 80% share of the CEA market within the Western U.S. – as well as packaged leafy greens and cress. We recently introduced new Grab & Go Salads and additions to our baby leaf portfolio with several high-velocity offerings, including Spinach, Arugula, and Basil. In addition, we introduced 50/50 blend and power greens in the third quarter of 2024. We signed an offtake agreement with Sam's Club in October 2022 for our leafy greens production, initially from our Georgia facility and now including both our Georgia and Texas facilities. The offtake agreement provides for the sale of defined minimum quantities of leafy greens from our Georgia and Texas facilities and runs through September 2028.

We intend to continue to increase our production capacity and expand our reach to new markets, new geographies, and new customers through the building of new facilities, the expansion of existing facilities, or the acquisition of existing greenhouse facilities, which we would evaluate to update with our Stack & Flow Technology[®]. We conduct an ongoing build-versus-buy analysis whenever we decide to build a new facility or acquire an existing facility. We also continue to explore expanding our product offerings to new varieties of fresh greens, herbs, berries, and other produce. Additionally, we evaluate commercial opportunities as part of these expansion efforts on an ongoing basis.

Commercial Facilities Update

Texas Facility Product Mix Transition Progress

We continue to make significant progress at our six-acre Texas facility. In response to evolving customer demands, we strategically reconfigured three acres of the facility—originally designed for head lettuce production—to create a flexible growing environment capable of producing both head lettuce and cut products based on customer preferences. This purposeful design approach highlights our commitment to adaptability and customer-centric operations. While this reconfiguration temporarily impacted the full utilization of the facility in the second half of 2024 and first quarter of 2025, we are now in the final stages of completing this work and expect to begin commercial production in this section starting in the second quarter of 2025. The purpose-built automated harvesting equipment for the configuration will be installed early third quarter 2025, replacing the temporary harvester we will use during the second quarter of 2025. The purpose-built harvester is expected to drive significant operational efficiencies and margin improvement.

Capacity Expansion Project Update

Plans remain in place to build additional capacity across our network of facilities enabled with our patented Stack & Flow Technology®. The planned expansions are designed to provide additional capacity and allow for our growing product assortment to meet existing demand from our direct relationships with blue-chip retailers and distributors. The timing and scope of these projects, including plans to expand into the Midwest, remain under review pending ongoing discussions with retailers to optimize those facilities for specific products in support of retail commitments and strategies to expand distribution.

Product Development & Distribution

We expanded our high-value specialty greens distribution in the fourth quarter of 2024, bringing products like Arugula and Power Crisp to several Pacific Northwest retailers. We also expanded our Texas-grown Arugula offering with Brookshire's in approximately 80 stores in the first quarter of 2025 and began distributing Organic Living Butter Lettuce from California to HEB, strategically leveraging regional production to align with specific customer needs. Additionally, we started shipping living Basil to an existing large retail customer across approximately 60 stores and secured distribution with several other wholesalers for their Basil products.

We further strengthened our distribution network by establishing a new partnership with a prominent Midwest wholesaler and significantly expanded our relationship with Walmart, now serving 191 stores with premium baby leaf varieties. We also secured an additional commitment to serve 13 Walmart distribution centers with our Conventional Living Butter Lettuce, with shipments commencing in the second quarter from both our California and Texas facilities.

Building on our Grab-and-Go Salad Kit rollout in 2024, we have evolved this offering to better serve retail partners and consumer trends. This evolution included the launch of new salad kits in the first quarter 2025, with additional flavors expected to be introduced in the third quarter of 2025, as well as the creation of a new product line that meets the needs of today's value-oriented consumer. These developments reflect our strategy of implementing an optimized product mix while aligning production capabilities with specific customer needs.

Factors Affecting Our Financial Condition and Results of Operations

We have expended, and we expect to continue to expend, substantial resources as we:

- Complete construction and commissioning of new and expanded facilities;
- Standardize operating and manufacturing processes across our facilities, including increased expenses associated with growing operations;
- Identify and invest in future growth opportunities, including new product lines;
- Invest in product innovation and development;
- Invest in sales and marketing efforts to increase brand awareness, engage customers, and drive sales of our products; and
- Incur additional general administration expenses

Critical Accounting Estimates

Management's Discussion and Analysis of Financial Condition and Results of Operations is based upon our Consolidated Financial Statements, which have been prepared in accordance with U.S. GAAP. Our significant accounting estimates are more fully described in Note 2, *Summary of Significant Accounting Policies*, to our Consolidated Financial Statements. Certain of our accounting estimates are particularly important to our financial position and results of operations and require us to make complex and subjective judgments, often as a result of the need to make estimates of matters that are inherently uncertain. Our management uses its judgment to determine the appropriate assumptions to be used in the determination of certain estimates. We evaluate our estimates on an ongoing basis. Estimates are based on historical experience and on various other assumptions that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Our actual results may differ from these estimates under different assumptions or conditions. Our critical accounting policies that involve significant estimates and judgments of management include the following:

Derivatives

On March 28, 2023, Local Bounti Operating Company LLC, the Company and certain subsidiaries entered into a Sixth Amendment to the Original Credit Agreements (the "Sixth Amendment") with Cargill Financial. In connection with the Sixth Amendment, we issued Cargill Financial 5.4 million warrants with a per share exercise price of \$13.00 per share (both number of warrants and per share exercise price adjusted for the June 15, 2023 Reverse Stock Split (as defined in Note 11, *Stockholders' Equity (Deficit)*, to our Consolidated Financial Statements)) and a 5-year term that expires on March 28, 2028 (the "March 2023 Cargill Warrant"). On January 23, 2024, the Company entered into an amendment to amend the March 2023 Cargill Warrant. The amendment amended the exercise price of the March 2023 Cargill Warrant from \$13.00 to \$6.50 per share of common stock (refer to Note 7, *Debt*, of the Consolidated Financial Statements for more information about the amendment to the March 2023 Cargill Warrant).

Due to certain provisions that could result in the issuance of additional shares upon settlement, the warrant instrument did not meet the fixed-for-fixed criteria necessary for the instrument to be classified and recorded within equity. As a result, the March 2023 Cargill Warrant is accounted for at fair value until settled through exercise or expiration and is classified as a derivative warrant liability in the Consolidated Balance Sheets at December 31, 2024 and 2023, in accordance with ASC Topic 815-40, *Derivatives and Hedging: Contracts in Entity's Own Equity*.

The initial \$25.7 million fair value of the March 2023 Cargill Warrant was recorded as additional debt discount and a derivative liability in the "Warrant Liability" line item of the Consolidated Balance Sheets. The change in fair value of the warrant is remeasured each quarter until the instrument is settled or expires with changes in fair value recorded in "Change in fair value of warrant liability" in the Consolidated Statements of Operations.

Determining the appropriate fair-value model and calculating the fair value of warrants requires considerable judgment. Any change in the estimates used may cause the value to be higher or lower than that reported. The derivative is not traded in an active market and the fair value is determined using valuation techniques. The estimates may be significantly different from those recorded in the Consolidated Financial Statements because of the use of judgment and the inherent uncertainty in estimating the fair value of these instruments that are not quoted in an active market.

We utilize a Black-Scholes option pricing model ("Black-Scholes model") to estimate the fair value of the March 2023 Cargill Warrant at each reporting date. The application of the Black-Scholes model utilizes significant assumptions and estimates to determine an appropriate risk-free interest rate, volatility, term, dividend yield, discount due to exercise restrictions, and the fair value of common stock. Any significant adjustments to the unobservable inputs would directly impact the fair value of the warrant liability. As a result of the unobservable inputs that were used to determine the expected volatility of the March 2023 Cargill Warrant, the fair value measurement of these warrants reflected a Level 3 measurement within the fair value measurement hierarchy.

Recoverability of Long-Lived Assets

Our long-lived assets include property and equipment. We evaluate groups of long-lived assets for impairment triggers annually and whenever events or changes in circumstances indicate that the carrying amounts of these asset groups may not be recoverable.

If we identify any event or circumstance that triggers an impairment assessment, we measure the recoverability of assets to be held and used by comparing the carrying amount of an asset group to the estimated undiscounted future cash flows generated by that asset group. If the carrying amount of an asset group exceeds its estimated future cash flows, we then assess whether the situation is more than temporary. If it is determined that the future cash flows are more than temporary, we will record an impairment charge equal to the amount by which the carrying amount of the asset group exceeds its fair value.

Evaluating each long-lived asset group for impairment triggers requires us to estimate the amounts and timing of the projected cash flows to be generated over an extended period. Management judgment used to identify impairment triggers is based on numerous potential factors, including but not limited to a decrease in market price; an adverse change in how the asset is used, its physical condition, or the legal or business climate; an excess of accumulated costs over initial expectations; a significant decline in actual or expected operating results; or the expectation that the asset group will be sold or disposed of prior to its previously expected life.

Long-lived assets that are held and used are tested for impairment at the asset group level. An asset group is the unit of account for a long-lived asset or assets to be held and used, which represents the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets and liabilities. Since each Company greenhouse facility is able to generate identifiable cash flows, each of our facilities is considered to be an asset group. The Company did not recognize any impairment of long-lived assets for the years ended December 31, 2024 and 2023.

Goodwill

We account for acquired businesses using the acquisition method of accounting which requires that the assets acquired, and liabilities assumed be recorded at the date of acquisition at their respective fair values.

Goodwill is not subject to amortization and is reviewed for impairment annually during the fourth fiscal quarter, or earlier whenever events or changes in business circumstances indicate an impairment may have occurred. Our impairment tests are based on a single reporting unit structure. Goodwill is considered impaired if the carrying value of the reporting unit exceeds its fair value, with an impairment charge recognized for the difference.

When reviewing goodwill for impairment, we begin by performing a qualitative assessment, which includes, but is not limited to, reviewing factors such as macroeconomic conditions, industry and market considerations, budget-to-actual performance, and trends in market capitalization for us and our peers. As a result of this qualitative assessment in the fourth quarter of 2023, we determined that it was more likely than not that the fair value of our single reporting unit was less than its carrying value. Therefore, we performed a subsequent quantitative assessment. After performing the quantitative impairment test in accordance with ASC 350-20-35-3C, we determined that the carrying amount of our single reporting unit exceeded the fair value of the reporting unit, resulting in a goodwill impairment of \$38.5 million for the year ended December 31, 2023. No goodwill remained on the Consolidated Balance Sheets as of December 31, 2024 and 2023.

Results of Operations

Year Ended December 31, 2024 compared to Year Ended December 31, 2023

The following table sets forth our historical operating results for the periods indicated:

	Year Ended December 31,		\$ Change	% Change
	2024	2023		
	(in thousands)			
Sales	\$ 38,138	\$ 27,557	10,581	38%
Cost of goods sold ⁽¹⁾⁽²⁾	34,048	25,341	8,707	34%
Gross profit	4,090	2,216	1,874	85%
Operating expenses:				
Research and development ⁽¹⁾⁽²⁾	22,287	16,086	6,201	39%
Selling, general and administrative ⁽¹⁾⁽²⁾	40,771	64,559	(23,788)	(37)%
Goodwill impairment	—	38,481	(38,481)	100%
Total operating expenses	63,058	119,126	(56,068)	(47)%
Loss from operations	(58,968)	(116,910)	57,942	(50)%
Other income (expense):				
Change in fair value of warrant liability	811	18,483	(17,672)	100%
Interest expense, net	(58,923)	(25,745)	(33,178)	129%
Other (expense) income, net	(2,822)	157	(2,979)	(1897)%
Net loss	\$ (119,902)	\$ (124,015)	4,113	(3)%

⁽¹⁾ Amounts include stock-based compensation as follows:

	Year Ended December 31,		\$ Change	% Change
	2024	2023		
	(in thousands)			
Cost of goods sold	\$ 73	\$ 123	(50)	(41)%
Research and development	274	1,464	(1,190)	(81)%
Selling, general and administrative	3,001	14,687	(11,686)	(80)%
Total stock-based compensation expense, net of amounts capitalized	\$ 3,348	\$ 16,274	(12,926)	(79)%

⁽²⁾ Amounts include depreciation and amortization as follows:

	Year Ended December 31,		\$ Change	% Change
	2024	2023		
	(in thousands)			
Cost of goods sold	\$ 6,137	\$ 3,513	2,624	75%
Research and development	7,631	2,505	5,126	205%
Selling, general and administrative	5,103	7,114	(2,011)	(28)%
Total depreciation and amortization	\$ 18,871	\$ 13,132	5,739	44%

The following sections discuss and analyze the changes in the significant line items in our Consolidated Statements of Operations for the comparative periods in the table above.

Sales

We derive our revenue from the sale of produce grown at our six facilities.

Sales increased by \$10.6 million to \$38.1 million for the year ended December 31, 2024, compared to the year ended December 31, 2023. The increase was due to increased production and growth in sales from our facility in Georgia and sales from our new facilities in Texas and Washington, which began shipping and selling products in the second quarter of 2024.

Cost of Goods Sold

Cost of goods sold is the direct cost of growing produce for sale at our greenhouse facilities, including labor costs, which consists of wages, salaries, benefits, and stock-based compensation, seeds, soil, nutrients and other input supplies, packaging materials, depreciation, utilities, and other manufacturing overhead. As we scale our business, we expect the cost of goods sold to decrease over time as a percentage of sales.

Cost of goods sold increased by \$8.7 million for the year ended December 31, 2024, compared to the year ended December 31, 2023, due primarily to production ramp-up at our new Texas and Washington facilities and increased production at our Georgia facilities.

Research and Development

Research and development expenses primarily consist of costs associated with the ongoing development, improvement, testing, alteration, and refinement of our product offerings, production lines, manufacturing processes, growing techniques, and post-harvest packaging methods. Our research and development efforts focus on enhancing each facility's indoor environmental controls, growing recipes, and refining Stack & Flow Technology® processes, all aimed at meeting facility design and production yield specifications. Additionally, we also focus on the development of new leafy green product offerings, value-added products such as Grab & Go Salads, and new crops, including spinach, arugula, basil, and berries. Research and development activities are conducted at the facilities in Montana, Texas, Washington, California, and Georgia.

Research and development costs increased by \$6.2 million for the year ended December 31, 2024, compared to the year ended December 31, 2023. The increase is driven primarily by the additional development of our production, harvesting, and post-harvest packaging techniques and processes, including production surplus costs, related to the development and testing of our commercial-scale Stack & Flow Technology® and production processes at the Washington and Texas facilities.

Selling, General, and Administrative Expenses

Selling, general, and administrative expenses consist of employee compensation, including salaries, benefits, and stock-based compensation for our executive, legal, finance, information technology, human resources and sales and marketing teams, expenses for third-party professional services, insurance, marketing, advertising, computer hardware and software, and amortization of intangible assets, among others.

Selling, general, and administrative expenses decreased by \$23.8 million for the year ended December 31, 2024, compared to the year ended December 31, 2023, primarily driven by a \$12.9 million decrease in stock-based compensation that was a result of prior year awards that were issued at a higher fair value that fully vested and were expensed in prior periods, as compared to the fair value of awards being expensed in the current period. Additional decreases as compared to the prior year period were a \$3.9 million decrease in salaries, benefits, and payroll-related expenses, \$3.6 million decrease in legal, accounting, and professional consulting costs, and a \$2.9 million decrease in loss on disposals charges primarily for construction-in-progress assets, which was partially offset by an increase of \$1.0 million in insurance, and an increase of \$0.9 million in transportation and delivery costs.

Goodwill Impairment

During the year ended December 31, 2023, we recognized a goodwill impairment of \$38.5 million. There was no goodwill impairment recognized during the year ended December 31, 2024.

Change in Fair Value of Warrant Liability

The change in fair value of warrant liability includes the mark-to-market adjustments to the warrant liability to reflect its fair value as of the end of the reporting period. The decrease in fair value of the warrant liability is due to the decrease in our closing stock price on December 31, 2024, compared to the closing stock price on December 31, 2023. The period-end close stock price is a key input to the Black-Scholes model we use to measure and estimate the fair value of the warrant at the end of each reporting period.

Interest Expense, net

Interest expense consists primarily of contractual interest and amortization of debt issuance costs, net of interest capitalized for construction assets, related to the loans with Cargill Financial, and also interest recognized per the terms of our financing obligation related to the Montana Facility and the California Facilities. We capitalize interest costs on borrowings during the construction period of major construction projects as part of the cost of the constructed assets.

Interest expense, net increased by \$33.2 million for the year ended December 31, 2024, compared to the year ended December 31, 2023. The increase is primarily due to a significant increase in the principal amount outstanding on the Senior Facility, which increased interest expense by \$31.6 million over the prior year period. Also contributing to the net increase was \$1.5 million of incremental interest expense for the financing obligations related to the California Facilities. During the year ended December 31, 2024 and 2023, we capitalized \$10.8 million and \$14.9 million of interest, respectively.

Other (expense) income, net

Other (expense) income consists primarily of a \$3.0 million write-off of financing fees related to unsuccessful efforts in raising additional capital during the year ended December 31, 2024.

Liquidity and Capital Resources

We have incurred losses and generated negative cash flows from operations since our inception. At December 31, 2024, we had an accumulated deficit of \$423.2 million and cash and cash equivalents and restricted cash of \$7.5 million.

As of December 31, 2024, the principal amount due under our credit facilities with Cargill Financial totaled \$467.9 million, of which \$20.2 million is classified as current. We also had accrued interest of \$15.3 million as of December 31, 2024. These debt agreements contain various financial and non-financial covenants and certain restrictions on our business, which include restrictions on additional indebtedness, minimum liquidity and other financial covenants, and material adverse effects that could cause us to be at risk of default. A failure to comply with the covenants and other provisions of these debt instruments, including any failure to make payments when required, would generally result in events of default under such instruments, which could result in the acceleration of a substantial portion of such indebtedness.

The CEA business is capital-intensive. Currently, our primary sources of liquidity and capital resources are cash on hand, cash flows generated from the sale of our products, and the credit facilities with Cargill Financial. Cash expenditures over the next 12 months are expected to include general operating costs for employee wages and related benefits, outside services for legal, accounting, IT infrastructure, and costs associated with growing, harvesting, and selling our products, such as the purchase of seeds, soil, nutrients, and other growing supplies, shipping and fulfillment costs, and facility maintenance costs.

The Company's expectation of generating operating losses and negative operating cash flows in the future, and the need for additional funding to support the Company's planned operations initially raised substantial doubt regarding its ability to continue as a going concern. However, based on management's current operating plan, the Company believes its cash on hand, projected cash generated from product sales, as well as the PIPE Financing completed on March 31, 2025, which provided \$25.0 million of additional working capital, as disclosed in Note 18, *Subsequent Events*, of the Consolidated Financial Statements, are sufficient to fund the Company's operations for a period of at least 12 months subsequent to the issuance of the accompanying Consolidated Financial Statements and alleviates the conditions that initially raised substantial doubt regarding the Company's ability to continue as a going concern.

We also believe additional cash can be secured through other debt, equity financings, or sale leaseback financing, if necessary. However, there can be no assurance that equity or debt financing will be available to us should we need it or, if available, that the terms will be satisfactory to us and not dilutive to existing shareholders. Our future capital requirements and the adequacy of available funds will depend on many factors, including those set forth in Item 1A, *Risk Factors*. Our failure to raise capital as and when needed could have significant negative consequences for our business, financial condition, and results of consolidated operations.

Cargill Loans

In September 2021, the Company and Cargill Financial entered into the Senior Facility and the Subordinated Facility. Subsequent to the amendments described in Note 7, *Debt*, of the Consolidated Financial Statements, Cargill Financial may, at its discretion, provide advances under the Facilities of up to \$393.7 million (plus interest and fees paid in kind), including capital to fund construction at the Company's facilities in Georgia, Texas, and Washington, subject to certain conditions. As of December 31, 2024, a total of \$54.6 million and \$413.4 million was outstanding on the Subordinated Facility and the Senior Facility, respectively. The Subordinated Facility and the Senior Facility are included in "Long-term debt, net of debt issuance costs" and "Short-term debt" on the Consolidated Balance Sheet.

At December 31, 2024, our principal and estimated interest payment obligations for the Senior Facility and the Subordinated Facility are as follows⁽¹⁾:

(in thousands)	
2025	\$ 68,026
2026	90,701
2027	90,701
2028	472,248
Total	\$ 721,676

⁽¹⁾Interest is calculated based on a 12.5% interest rate for the Subordinated Facility and a 12.8% interest rate for the Senior Facility effective as of January 1, 2025.

Financing Obligations

We have two financing obligations related to failed sale leaseback transactions for the California Facilities and the Montana Facility (see Note 8, *Financing Obligations*, to the Consolidated Financial Statements for additional detail on these transactions).

The following table summarizes future aggregate financing obligation payments by fiscal year for both the California Facilities and the Montana Facility:

	Financing Obligation	
	(in thousands)	
2025	\$	5,024
2026		5,158
2027		5,296
2028		5,439
2029		5,584
Thereafter		115,949
Total financing obligation payments		142,450

Cash Flow Analysis

A summary of our cash flows from operating, investing, and financing activities is presented in the following table:

	Year Ended December 31,	
	(in thousands)	
	2024	2023
Net cash used in operating activities	\$ (27,061)	\$ (33,157)
Net cash used in investing activities	(82,454)	(162,265)
Net cash provided by financing activities	100,086	187,379
Cash and cash equivalents and restricted cash at beginning of year	16,895	24,938
Cash and cash equivalents and restricted cash at end of year	\$ 7,466	\$ 16,895

Net Cash Used In Operating Activities

Net cash used in operating activities was \$27.1 million for the year ended December 31, 2024, primarily due to a net loss of \$119.9 million. This was partially offset by non-cash activities of \$50.3 million in paid-in-kind interest, \$15.3 million in depreciation expense, \$8.4 million in amortization of debt issuance costs, \$3.6 million in amortization expense, \$3.3 million in stock-based compensation expense, net of amounts capitalized, \$1.7 million in loss on disposal of property and equipment, and a \$8.8 million net increase of cash from changes in assets and liabilities.

Net cash used in operating activities was \$33.2 million for the year ended December 31, 2023, primarily due to a net loss of \$124.0 million, which included a non-cash gain of \$18.5 million related to change in fair value of warrant liability. This was partially offset by non-cash activities of \$38.5 million in goodwill impairment, \$24.0 million in paid-in-kind interest, \$16.3 million in stock-based compensation expense, net of amounts capitalized, \$7.3 million in amortization of debt issuance costs, \$7.2 million in depreciation expense, \$5.9 million in amortization expense, \$4.7 million in loss on disposal of property and equipment, and a \$5.1 million net increase of cash from changes in assets and liabilities.

Net Cash Used In Investing Activities

Net cash used in investing activities was \$82.5 million for the year ended December 31, 2024, due primarily to purchases of equipment and other items for the Washington, Georgia, and Texas facilities.

Net cash used in investing activities was \$162.3 million for the year ended December 31, 2023, due primarily to purchases of equipment and other items for the Washington, Georgia, and Texas facilities.

Net Cash Provided By Financing Activities

Net cash provided by financing activities was \$100.1 million for the year ended December 31, 2024, comprised primarily of \$100.1 million of net proceeds from the issuance of debt.

Net cash provided by financing activities was \$187.4 million for the year ended December 31, 2023, comprised of \$152.6 million of proceeds from the issuance of debt and \$35.0 million of proceeds from the sale and leaseback transaction for the California Facilities. See Note 9, *Financing Obligations*, in Notes to the Consolidated Financial Statements for additional detail on the sale and leaseback transaction.

Emerging Growth Company Status

We are an "emerging growth company," as defined in Section 2(a) of the Securities Act, as modified by the JOBS Act, and for so long as we continue to be an emerging growth company, we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. In addition, pursuant to Section 107 of the JOBS Act, as an emerging growth company, we have elected to take advantage of the extended transition period for complying with new or revised accounting standards until those standards would otherwise apply to private companies until the earlier of the date we (1) are no longer an emerging growth company or (2) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

Recent Accounting Pronouncements

For more information about recent accounting pronouncements, see Note 2 in our Notes to Consolidated Financial Statements included in "Part II, Item 8. Financial Statements and Supplementary Data" of this Annual Report on Form 10-K.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are a smaller reporting company, as defined by Rule 12b-2 of the Securities Exchange Act of 1934, and are not required to provide the information under this item.

Item 8. Financial Statements and Supplementary Data

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
Local Bounti Corporation

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Local Bounti Corporation (the "Company") as of December 31, 2024 and 2023, and the consolidated statements of operations, stockholders' equity (deficit), and cash flows for each of the two years in the period ended December 31, 2024, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2024 in conformity with accounting principles generally accepted in the United States of America

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ WithumSmith+Brown, PC

We have served as the Company's auditor since 2021.

Whippany, New Jersey

March 31, 2025

PCAOB ID Number 100

LOCAL BOUNTI CORPORATION
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)

	December 31,	
	2024	2023
Assets		
Current assets		
Cash and cash equivalents	\$ 937	\$ 10,326
Restricted cash	6,529	6,569
Accounts receivable, net	2,282	3,078
Inventory, net	6,814	4,210
Prepaid expenses and other current assets	2,261	2,805
Total current assets	18,823	26,988
Property and equipment, net	370,978	313,166
Finance lease right-of-use assets	277	—
Operating lease right-of-use assets	73	172
Intangible assets, net	37,783	41,353
Other assets	101	73
Total assets	\$ 428,035	\$ 381,752
Liabilities and stockholders' equity (deficit)		
Current liabilities		
Accounts payable	\$ 16,987	\$ 14,640
Accrued liabilities	18,082	17,204
Short-term debt	20,205	—
Financing obligation	51	—
Operating lease liabilities	30	97
Finance lease liabilities	81	—
Total current liabilities	55,436	31,941
Long-term debt, net of debt issuance costs	416,577	277,985
Financing obligation, noncurrent	49,856	49,225
Operating lease liabilities, noncurrent	57	114
Finance lease liabilities, noncurrent	206	—
Warrant liability	6,403	7,214
Total liabilities	528,535	366,479
Commitments and contingencies (Note 16)		
Stockholders' equity (deficit)		
Common stock, \$0.0001 par value, 400,000,000 shares authorized; 8,656,122 and 8,311,237 issued and outstanding as of December 31, 2024 and 2023, respectively	1	1
Additional paid-in capital	322,729	318,600
Accumulated deficit	(423,230)	(303,328)
Total stockholders' equity (deficit)	(100,500)	15,273
Total liabilities and stockholders' equity (deficit)	\$ 428,035	\$ 381,752

See accompanying Notes to Consolidated Financial Statements

LOCAL BOUNTI CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)

	Year Ended December 31,	
	2024	2023
Sales	\$ 38,138	\$ 27,557
Cost of goods sold ⁽¹⁾⁽²⁾	34,048	25,341
Gross profit	4,090	2,216
Operating expenses:		
Research and development ⁽¹⁾⁽²⁾	22,287	16,086
Selling, general and administrative ⁽¹⁾⁽²⁾	40,771	64,559
Goodwill impairment	—	38,481
Total operating expenses	63,058	119,126
Loss from operations	(58,968)	(116,910)
Other income (expense):		
Change in fair value of warrant liability	811	18,483
Interest expense, net	(58,923)	(25,745)
Other (expense) income, net	(2,822)	157
Net loss	\$ (119,902)	\$ (124,015)
Net loss applicable to common stockholders per common share:		
Basic and diluted	\$ (14.14)	\$ (15.61)
Weighted average common shares outstanding:		
Basic and diluted	8,480,247	7,943,874

⁽¹⁾ Amounts include stock-based compensation as follows:

	Year Ended December 31,	
	2024	2023
Cost of goods sold	\$ 73	\$ 123
Research and development	274	1,464
Selling, general and administrative	3,001	14,687
Total stock-based compensation expense, net of amounts capitalized	\$ 3,348	\$ 16,274

⁽²⁾ Amounts include depreciation and amortization as follows:

	Year Ended December 31,	
	2024	2023
Cost of goods sold	\$ 6,137	\$ 3,513
Research and development	7,631	2,505
Selling, general and administrative	5,103	7,114
Total depreciation and amortization	\$ 18,871	\$ 13,132

See accompanying Notes to Consolidated Financial Statements

LOCAL BOUNTI CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
(in thousands, except share data)

	Voting Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount			
Balance, December 31, 2022	7,976,980	\$ 1	\$ 300,645	\$ (179,313)	\$ 121,333
Cash paid for fractional shares from the Reverse Stock Split	(552)	—	(3)	—	(3)
Vesting of restricted stock units, net	334,809	—	—	—	—
Stock-based compensation	—	—	17,958	—	17,958
Net loss	—	—	—	(124,015)	(124,015)
Balance, December 31, 2023	8,311,237	1	318,600	(303,328)	15,273
Vesting of restricted stock units, net	344,885	—	—	—	—
Stock-based compensation	—	—	4,129	—	4,129
Net loss	—	—	—	(119,902)	(119,902)
Balance, December 31, 2024	8,656,122	\$ 1	\$ 322,729	\$ (423,230)	\$ (100,500)

See accompanying Notes to Consolidated Financial Statements

LOCAL BOUNTI CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,	
	2024	2023
Operating Activities:		
Net loss	\$ (119,902)	\$ (124,015)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	15,301	7,212
Amortization	3,570	5,920
Stock-based compensation expense, net of amounts capitalized	3,348	16,274
Allowance for credit losses	(103)	5
Inventory allowance	498	62
Loss on disposal of property and equipment	1,651	4,709
Gain related to change in fair value of warrant liability	(811)	(18,483)
Paid-in-kind interest	50,283	23,977
Amortization of debt issuance costs	8,401	7,283
Write-off of financing fees	1,228	—
Interest on financing obligation	682	313
Goodwill impairment	—	38,481
Changes in operating assets and liabilities:		
Accounts receivable	899	(392)
Inventory	(3,102)	(678)
Prepaid expenses and other current assets	544	776
Other assets	(28)	(48)
Accounts payable	6,643	(66)
Operating lease liabilities	(25)	(96)
Finance lease liabilities	37	—
Accrued liabilities	3,825	5,609
Net cash used in operating activities	<u>(27,061)</u>	<u>(33,157)</u>
Investing Activities:		
Purchases of property and equipment	(82,454)	(162,265)
Net cash used in investing activities	<u>(82,454)</u>	<u>(162,265)</u>
Financing Activities:		
Proceeds from financing obligation	—	35,000
Proceeds from issuance of debt	100,113	152,608
Principal payment on finance lease liabilities	(27)	—
Payment of debt modification or issuance costs	—	(226)
Fractional shares paid in cash pursuant to Reverse Stock Split	—	(3)
Net cash provided by financing activities	<u>100,086</u>	<u>187,379</u>
Net decrease in cash and cash equivalents and restricted cash	<u>(9,429)</u>	<u>(8,043)</u>
Cash and cash equivalents and restricted cash at beginning of period	<u>16,895</u>	<u>24,938</u>
Cash and cash equivalents and restricted cash at end of period	<u>\$ 7,466</u>	<u>\$ 16,895</u>
Reconciliation of cash, cash equivalents, and restricted cash from the Consolidated Balance Sheets to the Consolidated Statements of Cash Flows:		
Cash and cash equivalents	\$ 937	\$ 10,326
Restricted cash	6,529	6,569
Total cash and cash equivalents and restricted cash as shown in the Consolidated Statements of Cash Flows	<u>\$ 7,466</u>	<u>\$ 16,895</u>

Supplemental disclosures of cash flow information:		
Cash paid for interest, net of interest capitalized	\$ 5,545	\$ 4,039
Non-cash investing and financing activities:		
Accrued interest capitalized to debt	\$ 50,283	\$ 14,889
Purchases of property and equipment included in accounts payable and accrued liabilities	\$ 7,243	\$ 3,118
Non-cash transfer from property and equipment, net to other assets	\$ 1,228	\$ —
Stock-based compensation capitalized to property and equipment, net	\$ 781	\$ 1,860
Warrants issued in connection with debt modification	\$ —	\$ 25,697
Non-cash equity settlement on employee receivable	\$ —	\$ 176

See accompanying Notes to Consolidated Financial Statements

LOCAL BOUNTI CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Business Description

Description of the Business

Local Bounti Corporation ("Local Bounti" or the "Company") was founded in August 2018 and is headquartered in Hamilton, Montana. The Company produces sustainably grown produce, focused primarily on living and loose leaf lettuce, arugula, spinach, and basil. The Company is a controlled environment agriculture ("CEA") company that utilizes patented Stack & Flow Technology[®], which is a hybrid of vertical and hydroponic greenhouse farming, to grow healthy food sustainably and affordably. Through the Company's CEA process, its goal is to produce environmentally sustainable products in a manner that will increase harvest efficiency, limit water usage, and reduce the carbon footprint of the production and distribution process.

2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The accompanying Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Consolidated Financial Statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in the Consolidated Financial Statements herein.

Liquidity and Going Concern

The accompanying Consolidated Financial Statements are prepared in accordance with U.S. GAAP applicable to a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. In accordance with Accounting Standards Codification ("ASC") 205-40, *Going Concern*, the Company's management has evaluated whether there are conditions and events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the Consolidated Financial Statements are issued. When substantial doubt exists under this methodology, the Company's management evaluates whether the mitigating effect of its plans sufficiently alleviates substantial doubt about the Company's ability to continue as a going concern. The mitigating effect of its plans, however, is only considered if both (1) it is probable that the plans will be effectively implemented within one year after the date that the financial statements are issued, and (2) it is probable that the plans, when implemented, will mitigate the relevant conditions or events that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the Consolidated Financial Statements are issued.

The Company's expectation of generating operating losses and negative operating cash flows in the future, and the need for additional funding to support the Company's planned operations initially raised substantial doubt regarding its ability to continue as a going concern. However, based on management's current operating plan, the Company believes its cash on hand, projected cash generated from product sales, as well as the PIPE Financing completed on March 31, 2025, which provided \$25.0 million of additional working capital as disclosed in Note 18, *Subsequent Events*, are sufficient to fund the Company's operations for a period of a least 12 months subsequent to the issuance of the accompanying Consolidated Financial Statements and alleviates the conditions that initially raised substantial doubt regarding the Company's ability to continue as a going concern.

Use of Estimates

The preparation of the Consolidated Financial Statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the Consolidated Financial Statements and accompanying Notes. On an ongoing basis, the Company evaluates its estimates, including those related to the valuation of instruments issued for stock-based compensation, the March 2023 Cargill Warrant liability, inventory valuation reserve, valuation of acquired intangibles and goodwill in business combinations, impairment analysis for goodwill and other intangible assets, and income taxes, among others. The Company bases these estimates on historical experience and on various other assumptions that it believes are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ materially from these estimates.

Significant Risks and Uncertainties

The Company is subject to risks common in the consumer products and agriculture industries and those common to early-stage development companies. These include, but are not limited to, the possibility of not being able to successfully develop or market its products, competition, dependence on key personnel and key external alliances, the ability to maintain and establish relationships with current and future vendors and suppliers, the successful protection of its proprietary technologies, compliance with government regulations, and the possibility of not being able to obtain additional financing when needed.

Cash and Cash Equivalents

The Company considers all highly liquid, short-term investments with an original maturity date of three months or less when purchased to be cash equivalents.

The Company maintains its cash with major financial institutions that may, at times, exceed federally insured limits. The Company has not experienced any losses in such accounts.

Restricted Cash

Restricted cash is restricted from general use through legal contracts. As described in more detail below, and using terms defined in Note 8 *Financing Obligations*, as part of the April 2023 California Facilities Lease transaction, Hollandia delivered to the lessor a letter of credit in an amount of approximately \$6.5 million as security for the full and faithful performance by Hollandia of the terms, provisions, covenants and conditions of the California Facilities Lease. In the event of default under the California Facilities Lease, the lessor would have the right to draw on the letter of credit to satisfy any monetary obligations under the California Facilities Lease. The letter of credit will be released after five years, contingent on achieving certain financial metrics as specified in the California Facilities Lease. The \$6.5 million for the letter of credit is included in "Restricted cash" on the Consolidated Balance Sheets.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable includes billed receivables and is presented net of an allowance for credit losses. Trade accounts receivable are recorded at the invoiced amount and do not bear interest. In establishing the required allowance, management considers historical losses, current market conditions, customers' financial condition, the age of the receivables, and current payment patterns. Account balances are written off against the allowance after all means of collection have been exhausted, and the potential for recovery is considered remote. The allowance for credit losses represents the Company's best estimate of the amount of expected credit losses in existing accounts receivable. The allowance for credit losses was nominal at December 31, 2024 and \$0.1 million at December 31, 2023.

Fair Value Measurements

The Company measures fair value based on the price that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, fair value may be based on assumptions that market participants would use in pricing an asset or liability. The authoritative guidance on fair value measurements establishes a consistent framework for measuring fair value on either a recurring or nonrecurring basis, whereby inputs used in valuation techniques are assigned a hierarchical level. The following are the hierarchical levels of inputs to measure fair value:

- *Level 1*—This level consists of quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities.
- *Level 2*—This level consists of observable prices that are based on inputs not quoted on active markets but corroborated by market data.
- *Level 3*—This level consists of unobservable inputs that are used when little or no market data is available.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used must maximize the use of observable inputs and minimize the use of unobservable inputs.

Debt Issuance Costs

Debt issuance costs are amortized into interest expense over the terms of the related loan agreements using the effective interest method or other methods which approximate the effective interest method. Debt issuance costs related to debt instruments are presented on the Consolidated Balance Sheets as a direct deduction from the carrying amount of that debt liability.

The Company expensed \$3.0 million in financing fees related to unsuccessful efforts in raising additional construction debt financing during the year ended December 31, 2024, which is included in "Other (expense) income, net" on the Consolidated Statements of Operations.

Inventory

Inventory is carried at the lower of cost or net realizable value. Cost is determined using the weighted average cost method. Inventory write-downs are recorded for shrinkage, damaged, stale, and slow-moving items.

The assessment of inventories' recoverability and the amounts of any write-downs are based on currently available information and assumptions about future demand and market conditions. Produce demand may fluctuate significantly over time, and actual demand and market conditions may be more or less favorable than the Company's projections. Additional inventory write-downs may be required if actual demand is lower than initially projected. Periodic reviews are performed on the inventory balance. The impact of changes in inventory reserves is reflected in cost of goods sold.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Expenditures for additions and improvements are capitalized; expenditures for maintenance and repairs that neither materially add to the value of the property nor appreciably prolong its economic life are charged to expense as incurred.

Assets to be disposed of are reported as assets held for sale at the lower of the carrying amount or the asset's fair value less cost to sell, and depreciation is ceased. Upon sale or other disposition of an asset, the Company recognizes a gain or loss on disposal measured as the difference between the net carrying amount of the asset and the net proceeds received.

The Company recognized \$1.7 million and \$4.7 million of asset disposal losses during the years ended December 31, 2024 and 2023, respectively. These asset disposals were related to certain growing technology systems and equipment that will not be utilized in the Company's current facilities under construction or in future construction projects and were the result of the Company's assessment of current growing process advancements and the alignment of its technology platform across Company facilities. Loss on disposal is included in "Selling, general and administrative" on the Consolidated Statements of Operations.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which are as follows:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Greenhouse Facility	30 years
Production Equipment	5 to 15 years
Office Equipment	3 years
Leasehold Improvements	Shorter of lease term or useful life of asset

Capitalization of Interest

The Company capitalizes interest on capital projects in accordance with ASC 835-20, *Capitalization of Interest*, which requires the capitalization of interest costs to get certain assets ready for their intended use. The Company capitalizes interest costs on borrowings during the construction period of major construction projects as part of the cost of the constructed assets. Interest is capitalized based on the interest rate applicable to specific borrowings or the weighted average of the rates applicable to other borrowings during the period. Capitalization of interest ceases when the project is substantially complete and ready for its intended use. The Company amortizes capitalized interest to depreciation expense using the straight-line method over the same lives as the related assets.

During the years ended December 31, 2024 and 2023, the Company capitalized interest expense of \$10.7 million and \$14.9 million, respectively.

Intangible Assets, Net

Definite-lived intangible assets are carried at cost and amortized on a straight-line basis over their estimated useful lives or over the pattern in which the economic benefit is expected to be consumed.

Goodwill

The Company records goodwill when consideration paid in a purchase acquisition exceeds the fair value of the net tangible assets and the identified intangible assets acquired. Goodwill is not amortized but rather tested for impairment annually during the fourth quarter of each fiscal year or more frequently if events or changes in circumstances indicate impairment may exist.

The Company's impairment tests are based on a single reporting unit structure. The goodwill impairment test consists of one step comparing the fair value of a reporting unit with its carrying amount. An impairment charge is recognized for the amount by which the carrying amount exceeds the reporting unit's fair value.

During the year ended December 31, 2023, the Company identified indicators of impairment related to goodwill due to the significant decline in the Company's stock price. Management concluded that due to the sustained decrease in its stock price and related market capitalization throughout 2023, it was more likely than not that the Company's fair value was less than its carrying amount. After performing the quantitative impairment test in accordance with ASC 350, the Company determined that the carrying amount of its single reporting unit exceeded the fair value of the reporting unit, resulting in a full impairment of goodwill for \$38.5 million for the year ended December 31, 2023.

Impairment of Long-Lived Assets

The Company evaluates intangible assets and other long-lived assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. This includes but is not limited to significant adverse changes in business climate, market conditions, or other events that indicate an asset's carrying amount may not be recoverable. Recoverability of these assets is measured by comparing the carrying amount of each asset to the future undiscounted cash flows the asset is expected to generate. If the undiscounted cash flows used in the test for recoverability are less than the carrying amount of these assets, the carrying amount of such assets is reduced to fair value. The Company did not recognize any impairment of intangible assets and other long-lived assets for the years ended December 31, 2024 and 2023.

Leases

The Company determines if an arrangement contains a lease at inception of a contract, and leases are classified at commencement as either operating or finance leases. Leases are classified as either finance leases or operating leases. A lease is classified as a finance lease if any one of the following criteria are met: (i) the lease transfers ownership of the asset by the end of the lease term, (ii) the lease contains an option to purchase the asset that is reasonably certain to be exercised, (iii) the lease term is for a major part of the remaining useful life of the asset or (iv) the present value of the lease payments equals or exceeds substantially all of the fair value of the asset. A lease is classified as an operating lease if it does not meet any of these criteria.

For operating leases, the Company recognizes a right-of-use ("ROU") asset and a lease liability on the balance sheet. ROU assets represent the Company's right to use an underlying asset for the lease term, and the lease liabilities represent the Company's obligation to make lease payments arising from the lease. The lease liability is determined as the present value of future lease payments over the lease term. The ROU asset is based on the lease liability adjusted for any prepaid lease payments or lease incentives.

Lease expense for lease payments under operating leases are recognized on a straight-line basis over the lease term. For finance leases, amortization expense related to finance lease ROU assets is recognized on a straight-line basis over the earlier of the useful life of the ROU asset or the lease term and interest expense is recognized based on the effective interest method using the Company's incremental borrowing rate.

Lease terms may include options to extend or terminate the lease. These options are included in the lease term when it is reasonably certain that the option will be exercised. The Company uses its incremental borrowing rate at the recognition date in determining the present value of future payments for leases that do not have a readily determinable implicit rate.

The Company utilizes certain practical expedients and policy elections available under ASC 842. The Company does not recognize right-of-use assets or lease liabilities for short-term leases (leases with an initial term of 12 months or less), and the Company has elected to separate lease and non-lease components for all existing classes of assets.

Operating lease expense for fixed lease payments is recognized on a straight-line basis over the lease term. Variable lease payments to the lessor, such as maintenance, utilities, insurance, and real estate taxes, are expensed as incurred. For further discussion, see Note 9, *Leases*.

Revenue Recognition

The Company's principal business is producing and selling sustainably grown fresh greens through CEA facilities. Revenue is recognized at a point in time when control of the product is transferred or passed to the customer in amounts that reflect the consideration the Company expects to be entitled to receive in exchange for those goods. Control over the product generally passes to the customer based upon applicable shipping terms, which typically occurs when products leave the Company's facilities with the first transportation carrier.

Customer contracts do not include more than one performance obligation. Product prices are based on agreed-upon rates with customers and do not include a financing component or noncash consideration. Also, the Company's customer contracts do not include variable consideration, and product sales are recorded net of discounts, returns, and promotional allowances. Consideration given to customers for cooperative advertising is recognized as a reduction of revenue except to the extent there is a distinct good or service, in which case the expense is classified as selling or marketing expense. Provisions for discounts, returns, and promotional allowances were not material at December 31, 2024 and 2023.

The Company's product sales do not typically include return rights, but the Company may offer, in certain cases, an assurance-type warranty to refund or replace the product if it does not meet quality specifications and such nonconformity is communicated to the Company within a set number of days of shipment. Refunds are recognized as a reduction of revenue based on a historical rate of experience when the product sale is consummated. Also, an estimate of the cost to replace a returned product is based on a historical rate of experience and recognized as a liability and related expense when the product sale is consummated. Product returns have not been material to date.

The Company does not have unbilled receivable balances arising from customer transactions. Payment terms are generally between 10 and 30 days.

The Company does not capitalize contract inception costs, as contracts (in the form of purchase orders from customers) are one year or less, and the Company does not incur significant fulfillment costs requiring capitalization.

The Company has made the accounting policy election to exclude sales and similar taxes from the transaction price.

Research and Development

Research and development expenses primarily consist of costs associated with the ongoing development, improvement, testing, alteration, and refinement of the Company's product offerings, production lines, manufacturing processes, growing techniques, and post-harvest packaging methods. The Company's research and development efforts focus on enhancing each facility's indoor environmental controls, growing recipes, and refining Stack & Flow Technology® processes, all aimed at meeting facility design and production yield specifications. Additionally, the Company also focuses on the development of new leafy green product offerings, value-added products such as Grab & Go Salads, and new crops, including spinach, arugula, basil, and berries. Research and development activities are conducted at the facilities in Montana, Texas, Washington, California, and Georgia.

Derivatives

Equity instruments issued in connection with debt and other equity instruments are required to be evaluated for derivative liability accounting treatment in accordance with ASC 815, *Derivatives and Hedging*. Unless certain exception criteria are met, the freestanding financial instrument or embedded feature must be recognized as a separate liability and subsequently measured on the balance sheet at fair value in accordance with ASC 820, *Fair Value Measurement*.

The Company has evaluated the terms and features of its debt and equity instruments and identified a freestanding equity-linked instrument (the March 2023 Cargill Warrant) issued in connection with the Sixth Amendment that did not meet the criteria necessary to qualify for the derivative scope exception. See Note 7, *Debt*, and Note 10, *Fair Value Measurements*, for more information related to the Sixth Amendment and the March 2023 Cargill Warrant, respectively. Due to certain provisions that could result in the issuance of additional shares upon settlement, the warrant instrument did not meet the fixed-for-fixed criteria necessary for the instrument to be classified and recorded within equity. As a result, the warrant is accounted for at fair value until settled through exercise or expiration and is classified as a derivative liability in the Consolidated Balance Sheets at December 31, 2024 and 2023. The initial \$25.7 million fair value of the March 2023 Cargill Warrant was recorded as additional debt discount to the Facilities (as defined below) and a derivative liability in the "Warrant liability" line item of the Consolidated Balance Sheets. The change in fair value of the warrant is remeasured each quarter until the instrument is settled or expires with changes in fair value recorded in "Change in fair value of warrant liability" in the Consolidated Statements of Operations. The fair value of the warrant liability is determined using a Black-Scholes model. See Note 7, *Debt*, for more information.

Stock-Based Compensation

The Company measures and recognizes compensation expense for all equity-based awards made to employees, directors, and non-employees based on estimated fair values recognized over the requisite service period in accordance with ASC 718, *Stock-Based Compensation*. The Company recognizes compensation expense for all equity-based awards with service vesting requirements on a tranche-by-tranche basis using the accelerated attribution method over the requisite service period of the award, which is generally the award's vesting period. Forfeitures of awards are accounted for in the period in which they occur.

Advertising

Advertising expenses are expensed as incurred. The Company incurred advertising expenses of \$0.4 million and \$1.1 million for the years ended December 31, 2024 and 2023, respectively. Advertising expenses are included in "Selling, general and administrative" expense in the Consolidated Statements of Operations.

Income Taxes

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the Consolidated Financial Statements. Under this method, deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the carrying amounts of assets and liabilities for income tax purposes and operating losses carried forward, measured by applying tax rates based on currently enacted tax laws.

Valuation allowances are calculated, when necessary, to reduce the net deferred tax assets to an amount that is more likely than not to be realized. Changes in the valuation allowances occurring in subsequent periods are included in the Consolidated Statements of Operations.

The Company recognizes uncertain tax positions based upon its estimate of whether and the extent to which additional taxes will be due when such estimates are more likely than not to be sustained. Uncertain income tax positions are not recognized if there is less than a 50% likelihood of being sustained. The Company reviews the tax reserves as circumstances warrant and adjusts the reserves as events occur that affect its potential liability for additional taxes. The Company follows the applicable guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition with respect to tax positions. The Company reflects interest and penalties related to income tax liabilities as a component of income tax expense.

Concentrations of Risk and Significant Customers

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable. The Company maintains its cash and cash equivalents accounts with financial institutions that management believes to be of high credit quality. The Company is exposed to risk in the event of default by these financial institutions or the issuers of these securities to the extent that the balances are in excess of amounts that are insured by the Federal Deposit Insurance Corporation.

The Company's receivables are derived from revenue earned from customers in the United States. The Company provides credit to its customers in the normal course of business and requires no collateral to secure accounts receivable. The Company maintains an allowance for doubtful accounts related to estimated credit losses.

Significant customers are those customers who represent 10% or more of total revenue during the year or 10% or more of net accounts receivable at the balance sheet date.

At December 31, 2024, there was one significant customer that accounted for approximately 27% of the Company's accounts receivable. For the year ended December 31, 2024, one customer represented approximately 34% of the Company's revenue.

At December 31, 2023, there was one significant customer that accounted for approximately 34% of the Company's accounts receivable. For the year ended December 31, 2023, three individual customers represented more than 10% of total revenue. In aggregate, these three customers represented approximately 37% of the Company's revenue.

Contingencies

Loss contingencies (other than income tax-related contingencies) arise from actual or possible claims and assessments and pending or threatened litigation that may be brought against the Company by individuals, governments, or other entities. Based on the Company's assessment of loss contingencies at each balance sheet date, a loss is recorded in the Consolidated Financial Statements if it is probable that an asset has been impaired or a liability has been incurred, and the amount of the loss can be reasonably estimated.

Segment Reporting

The Company has a single operating and reportable segment. The Company's chief operating decision maker is its Chief Executive Officer, who reviews financial information presented on a consolidated basis for purposes of making operating decisions, assessing financial performance, and allocating resources.

Emerging Growth Company

Section 102(b)(1) of the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act") exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies are required to comply with the new or revised financial accounting standards. The Company qualifies as an emerging growth company, as defined in the JOBS Act, and therefore intends to take advantage of certain exemptions from various public company reporting requirements, including delaying the adoption of new or revised accounting standards until those standards apply to private companies. The effective dates shown in the *Accounting Pronouncements* sections shown below reflect the election to use the extended transition period.

Accounting Pronouncements Recently Adopted

In August 2020, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") 2020-06, *Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*, which simplifies the accounting for certain financial instruments with liability and equity characteristics, including convertible instruments and contracts on an entity's own equity. The standard reduces the number of models used to account for convertible instruments, removes certain settlement conditions required for equity contracts to qualify for the derivative scope exception, and requires the if-converted method for calculating diluted earnings per share for all convertible instruments. The Company adopted this standard on January 1, 2024. The adoption of this standard did not have a material impact on the Company's Consolidated Financial Statements.

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280)*, which improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The Company adopted this standard on January 1, 2024. Refer to Note 15, *Segment Reporting*, for disclosures required by this ASU.

Accounting Pronouncements Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which requires additional disclosures and disaggregation of certain costs and expenses presented on the face of the income statement. The standard is effective for the Company for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. The requirements in ASU 2024-03 can be applied on a retrospective or prospective basis. Early adoption is permitted. The Company is currently evaluating the impact of this standard on its Consolidated Financial Statements.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740)*, which requires disclosure of specific categories and disaggregation of information in the rate reconciliation table. The ASU also requires disclosure of disaggregated information related to income taxes paid, income or loss from continuing operations before income tax expense or benefit, and income tax expense or benefit from continuing operations. The standard is effective for the Company for fiscal years and interim periods within those fiscal years beginning after December 15, 2024. Early adoption is permitted, and the amendments should be applied on a prospective basis. The Company is currently evaluating the impact of this standard on its Consolidated Financial Statements.

3. Inventory

Inventory, net consisted of the following:

	December 31,	
	2024	2023
	(in thousands)	
Raw materials	\$ 2,349	\$ 1,843
Production	5,515	3,010
Finished goods	202	110
Inventory valuation allowance	(1,252)	(753)
Total inventory, net	<u>\$ 6,814</u>	<u>\$ 4,210</u>

4. Property and Equipment

Property and equipment, net consisted of the following:

	December 31,	
	2024	2023
	(in thousands)	
Machinery, equipment, and vehicles	\$ 115,373	\$ 44,169
Land	19,253	19,253
Buildings and leasehold improvements	258,864	66,754
Construction-in-progress	6,039	196,324
Less: Accumulated depreciation	(28,551)	(13,334)
Property and equipment, net	<u>\$ 370,978</u>	<u>\$ 313,166</u>

Depreciation expense related to property and equipment was \$15.3 million and \$7.2 million for the years ended December 31, 2024 and 2023, respectively.

5. Intangible Assets

Intangible assets, net consisted of the following as of December 31, 2024 (in thousands):

	Gross Carrying Amount	Accumulated Amortization	Net Value	Remaining Useful Life (Years)
Customer relationships	\$ 40,200	\$ (6,909)	\$ 33,291	13.25
Trade name	7,400	(2,908)	4,492	4.25
Total:	<u>\$ 47,600</u>	<u>\$ (9,817)</u>	<u>\$ 37,783</u>	

Intangible assets, net consisted of the following as of December 31, 2023 (in thousands):

	Gross Carrying Amount	Accumulated Amortization	Net Value	Remaining Useful Life (Years)
Customer relationships	\$ 40,200	\$ (4,397)	\$ 35,803	14.25
Trade name	7,400	(1,850)	5,550	5.25
Non-compete agreements	4,700	(4,700)	—	0
Total:	<u>\$ 52,300</u>	<u>\$ (10,947)</u>	<u>\$ 41,353</u>	

As of December 31, 2024, future amortization expense is expected to be as follows (in thousands):

2025	\$	3,570
2026		3,570
2027		3,570
2028		3,570
2029		2,777
Thereafter		20,726
Total	<u>\$</u>	<u>37,783</u>

During the year ended December 31, 2023, the Company identified indicators of impairment related to goodwill due to the significant decline in the Company's stock price. Management concluded that due to the sustained decrease in its stock price and related market capitalization throughout 2023, it was more likely than not that the Company's fair value was less than its carrying amount. After performing the quantitative impairment test in accordance with ASC 350, the Company determined that the carrying amount of its single reporting unit exceeded the fair value of the reporting unit, resulting in a full impairment of the goodwill asset for the year ended December 31, 2023.

6. Accrued Liabilities

Accrued liabilities consisted of the following:

	December 31,	
	2024	2023
	(in thousands)	
Interest	\$ 15,293	\$ 9,786
Construction	46	2,995
Payroll	631	2,596
Production	704	690
Professional services	295	411
Other	1,113	726
Total accrued liabilities	\$ 18,082	\$ 17,204

7. Debt

Debt consisted of the following:

	December 31,	
	2024	2023
	(in thousands)	
Senior Facility	\$ 413,359	\$ 269,395
Subordinated Facility	54,564	48,132
Unamortized deferred financing costs	(31,141)	(39,542)
Total debt	436,782	277,985
Less: Short-term portion	(20,205)	—
Total long-term debt	\$ 416,577	\$ 277,985

Agreements with Cargill Financial

On September 3, 2021, Local Bounti Operating Company LLC and certain subsidiaries entered into (a) a credit agreement (the "Senior Credit Agreement") with Cargill Financial for an initial amount of up to \$150.0 million multiple-advance term loan (the "Senior Facility") and (b) a subordinated credit agreement (the "Subordinated Credit Agreement" and, together with the Senior Credit Agreement, the "Original Credit Agreements") with Cargill Financial for an initial amount of up to \$ 50.0 million multiple-advance term loan (the "Subordinated Facility" and, together with the Senior Facility, the "Facilities").

As further described below, Local Bounti Operating Company LLC and certain subsidiaries entered into with Cargill Financial a First Amendment, a Second Amendment, a Third Amendment, a Fourth Amendment, a Fifth Amendment, a Sixth Amendment, a Seventh Amendment, an Eighth Amendment, a Ninth Amendment, and a Tenth Amendment to the Original Credit Agreements (as so amended, collectively referred to as the "Amended Credit Agreements").

First Amendment to the Original Credit Agreements

On March 14, 2022, Local Bounti Operating Company LLC and the Company and certain of its subsidiaries entered into a First Amendment to the Original Credit Agreements (the "First Amendment") with Cargill Financial to amend the Original Credit Agreements and the Facilities, effective on April 4, 2022, upon closing the Pete's Acquisition. The First Amendment provided (a) the Pete's Acquisition to be funded pursuant to the Facilities, (b) the aggregate amount of outstanding loans and undrawn commitments under the Facilities to be reduced to \$170.0 million, (c) the minimum liquidity covenant to be reduced from \$30.0 million to \$20.0 million (inclusive of existing restricted cash on the Consolidated Balance Sheets), and (d) the interest rate of each of the Senior Facility and the Subordinated Facility to be increased by 2% to 12.5% per annum, among other matters. Pursuant to the First Amendment, in connection with the closing of the Pete's Acquisition, the Company (i) paid a \$2.0 million amendment fee and (ii) issued 1,932,931 shares of common stock to Cargill Financial. As a result of reducing the Facilities from \$200.0 million to \$170.0 million, the Company wrote off \$0.7 million of unamortized debt issuance costs in proportion to the decrease in borrowing capacity. The write-off amount was recorded as interest expense in the Consolidated Statement of Operations for the year ended December 31, 2022. The First Amendment fee of \$2.0 million and the issued 1,932,931 shares of common stock with a fair value at the time of issuance of \$17.4 million was recorded as

additional debt discount and is amortized to interest expense over the remaining term of the Amended Credit Agreements on a straight-line basis.

Second Amendment to the Original Credit Agreements

On August 11, 2022, Local Bounti Operating Company LLC and the Company and certain of its subsidiaries entered into a Second Amendment to the Original Credit Agreements (the "Second Amendment") with Cargill Financial, effective on June 30, 2022. The Second Amendment provided that, until the earliest to occur of (x) the occurrence of any event of default, (y) the effective date of a qualified equity financing, and (z) March 31, 2024, the requirement for the minimum interest amount for the Senior Facility and the Subordinated Facility is reduced to an amount equal to the greater of (i) \$0 and (ii) the sum of all interest payments due and payable under the Senior Facility and the Subordinated Facility in respect of term loans outstanding for a period of four calendar quarters.

Third Amendment to the Original Credit Agreements

On December 30, 2022, Local Bounti Operating Company LLC and the Company and certain of its subsidiaries entered into a Third Amendment to the Original Credit Agreements (the "Third Amendment") with Cargill Financial. The Third Amendment provided for (i) the amount of cash required to be held in the debt service reserve account for the Credit Agreements to be reduced to \$11.3 million through April 1, 2024; (ii) the payment date for regularly scheduled interest and principal payments and certain other payments under the Credit Agreements to be changed from the last business day of the applicable quarter to the first business day of the subsequent quarter; (iii) the payment in kind of the quarterly interest payment due and payable for the quarter ended December 31, 2022; and (iv) a capital expenditures covenant which limits capital expenditures to existing projects and restricts aggregate capital expenditures for existing projects in excess of amounts set forth in the applicable construction budget to \$1,000,000 in any fiscal year.

Fourth Amendment to the Original Credit Agreements

On January 6, 2023, Local Bounti Operating Company LLC and the Company and certain of its subsidiaries entered into a Fourth Amendment to the Original Credit Agreements (the "Fourth Amendment") with Cargill Financial. The Fourth Amendment reduced the minimum liquidity covenant in each of the Original Credit Agreements from \$20.0 million to \$11.0 million.

Fifth Amendment to the Original Credit Agreements

On March 13, 2023, Local Bounti Operating Company LLC and the Company and certain of its subsidiaries entered into a Fifth Amendment to the Original Credit Agreements (the "Fifth Amendment") with Cargill Financial. The Fifth Amendment (i) reduced the amount of cash required to be held in the debt service reserve account by approximately \$11.0 million until April 1, 2025, at which time the amount of cash required to be held in the debt service reserve account will be an amount equal to the sum of interest and principal payments that would be required under the Amended Credit Agreements for two calendar quarters; (ii) allowed for the payment in kind of the quarterly interest payment due and payable for the quarter ended March 31, 2023 and allowed for the payment in kind of the unused commitment fee payable for the quarter ended March 31, 2023 which amounted to \$4.3 million; and (iii) reduced the minimum liquidity covenant in each of the Amended Credit Agreements from \$11.0 million to \$1.0 million. The aggregate amount of outstanding loans and undrawn commitments under the Amended Credit Agreements remained at \$170.0 million (plus interest and fees paid in kind).

Sixth Amendment to the Original Credit Agreements

On March 28, 2023, Local Bounti Operating Company LLC and the Company and certain of its subsidiaries entered into a Sixth Amendment to the Original Credit Agreements (the "Sixth Amendment") with Cargill Financial. The Sixth Amendment, among other things, (i) expanded the Facilities from \$170.0 million to up to \$280.0 million (plus, in each case, interest and fees paid in kind), including capital to fund construction at the Company's facilities in Georgia, Texas, and Washington, subject to certain conditions and at Cargill Financial's discretion; (ii) allowed for the payment in kind of the quarterly interest payment due and payable for the quarter ending June 30, 2023 which amounted to \$5.0 million; and (iii) added a minimum production covenant based on a projected production forecast. In consideration for the improved flexibility and the expanded size of the Facilities, Local Bounti issued Cargill Financial 5.4 million warrants with a per share exercise price of \$13.00 per share and a 5-year term that expires on March 28, 2028 (the "March 2023 Cargill Warrant").

Seventh Amendment to the Original Credit Agreements

On October 2, 2023, Local Bounti Operating Company LLC and the Company and certain of its subsidiaries entered into a Seventh Amendment to the Original Credit Agreements (the "Seventh Amendment") with Cargill Financial. The Seventh Amendment allowed for the payment in kind of the quarterly interest payments due and payable for the quarters ended September 30, 2023, and December 31, 2023.

The Company evaluated the before and after cash flow changes resulting from the Fourth, Fifth, Sixth, and Seventh Amendments and concluded the change in cash flows underlying these cumulative amendments were not significantly different from the cash flows underlying the terms in the Original Credit Agreements; therefore, the Company accounted for these amendments as a modification rather than as an extinguishment. Consequently, the \$25.7 million fair value of the March 2023 Cargill Warrant was recorded as an additional debt discount that will be amortized to interest expense over the remaining term of the Amended Credit Agreements. Fees paid to non-lender third parties as a result of the modification have been expensed as incurred.

Eighth Amendment to Credit Agreements

On January 23, 2024, the Company, along with certain subsidiaries of the Company, entered into an Eighth Amendment to the Original Credit Agreements (the "Eighth Amendment") with Cargill Financial to further amend the Original Credit Agreements. The Eighth Amendment allows for the payment in kind of the quarterly interest payments due and payable for the quarter ending March 31, 2024.

Ninth Amendment to Credit Agreements

On March 26, 2024, the Company, along with certain of its subsidiaries, entered into a Ninth Amendment to the Original Credit Agreements (the "Ninth Amendment") with Cargill Financial to further amend the Original Credit Agreements. The Ninth Amendment allows for the payment in kind of the quarterly interest payments due and payable for the quarters ending June 30, 2024, September 30, 2024, and December 31, 2024. The Ninth Amendment also provides for up to \$15.0 million in working capital for the Company, \$15.0 million of which has been drawn down.

Tenth Amendment to Credit Agreements

On June 28, 2024, the Company, along with certain of its subsidiaries, entered into a Tenth Amendment to the Original Credit Agreements (the "Tenth Amendment") with Cargill Financial to further amend the Original Credit Agreements. The Tenth Amendment adds a new maximum cash operating expense to revenue ratio covenant, to be tested beginning with the fiscal quarter ending September 30, 2024.

General Provisions to the Original Credit Agreements (as Amended)

The interest rate on the Subordinated Facility is 12.5% per annum, and the interest rate on the Senior Facility is equal to SOFR plus a margin (which varies between 7.5% to 8.5% depending on the Senior Facility net leverage ratio) per annum, with accrued interest paid quarterly in arrears on the first business day of the subsequent quarter through the maturity date on September 3, 2028. Principal payments are due and payable quarterly under the Senior Facility, beginning April 1, 2025, based on the principal balance as of December 31, 2023 and assuming a fixed 10-year straight line amortization schedule. The remaining unpaid principal balance under both the Senior Facility and the Subordinated Facility is due on the September 3, 2028 maturity date.

In accordance with the Original Credit Agreements, the Company is required to maintain a debt service reserve account. The Fifth Amendment and Sixth Amendment, taken together, reduced the minimum balance to maintain in the debt service reserve account to \$0 through March 31, 2025. From and after April 1, 2025, the minimum debt service reserve must be equal to two quarters of scheduled interest payments and two quarters of scheduled principal payments, which will be shown as restricted cash on the Consolidated Balance Sheets.

The Amended Credit Agreements contain a minimum liquidity covenant and certain other financial covenants that become measurable and effective beginning in the third quarter of 2025, including debt coverage, net leverage, and interest coverage ratios. The Sixth Amendment added a quarterly minimum production covenant for each facility based on pounds produced and sold during each quarter, effective for the second quarter of 2023, and the Tenth Amendment added a cash operating expense to revenue ratio effective for the third quarter of 2024. Additional covenants and other provisions exist that may limit or affect the timing of the Company's ability, among other things, to undergo a merger or consolidation, sell certain assets, create liens, guarantee certain obligations of third parties, make certain investments or acquisitions, and declare dividends or make distributions. The Facilities are secured with a first-priority lien against substantially all of the assets of the Company and its subsidiaries, including the Company's intellectual property assets.

The Company did not meet the minimum liquidity, minimum production, and operating expense ratio covenants and exceeded certain capital expenditure limits during the quarter ended December 31, 2024. Cargill Financial provided permanent waivers for these past covenant violations through the Debt Restructuring Agreement (as defined in Note 18, *Subsequent Events*). Refer to Note 18, *Subsequent Events*, for further information. Consequently, the Company was in compliance with all applicable debt covenants as of December 31, 2024.

8. Financing Obligations

Montana Facility Financing Obligation

In June 2020, the Company completed the construction of the Montana Facility. Subsequent to the completion, the Company entered into a sale and finance leaseback transaction for the Montana Facility with Grow Bitterroot, LLC ("Grow Bitterroot"), a related party, for total consideration of \$6.9 million with an initial term of 10 years. The Company also has an option to extend the term of the facility lease for three consecutive terms of five years each. In April 2021, the Company elected to extend two five-year periods, resulting in a 20-year lease term. In addition, the Company and Grow Bitterroot entered into a property maintenance and management services agreement under which the Company will provide all property maintenance and management services, including business, operational, strategic, and advisory services in exchange for an annual fee of \$0.1 million. The property maintenance and management services agreement includes an initial term of three years with one year auto-renewals unless terminated by either party with 30 days' notice.

The transaction did not qualify for sale leaseback accounting due to the finance leaseback classification prohibiting sale accounting. As such, the transaction is accounted for as a financing transaction (a failed sale). Therefore, the assets remain on the Consolidated Balance Sheets, with the proceeds from the transaction and purchases of equipment on behalf of the related party recorded as a financing obligation. In addition, the Company will manage the facility and perform maintenance in exchange for a management fee under the property maintenance and management services agreement. The contractual payments for both the lease agreement and property maintenance and management agreement are applied as payments of deemed principal and imputed interest.

The lease agreement does not contain residual value guarantees. The agreement does not contain restrictions or covenants that may result in additional financial obligations. The landlord has the option to construct future improvements on the property; when the improvements are completed, the base rent will increase.

The Company utilized a rate of 11.6% to calculate imputed interest and recognized \$1.6 million of interest expense related to the Montana Facility lease for the years ended December 31, 2024 and 2023.

California Facilities Financing Obligation

On April 27, 2023, Hollandia Real Estate, LLC ("Hollandia"), a wholly owned subsidiary of the Company, and STORE Master Funding XXXI, LLC ("STORE") consummated a \$35 million multi-site sale and leaseback transaction relating to the Carpinteria Facility and the Oxnard Facility (collectively, the "California Facilities").

In connection with the sale and leaseback transaction, Hollandia and STORE entered into a Master Lease Agreement (the "California Facilities Lease") dated April 27, 2023 (the "Effective Date"). Pursuant to the California Facilities Lease, Hollandia will lease the California Facilities from STORE, subject to the terms and conditions of the California Facilities Lease.

The California Facilities Lease provides for an initial term of 25 years, commencing on the Effective Date and expiring on April 30, 2048 ("Initial Term"). Hollandia has four options to extend the Initial Term for separate renewal terms of five years each (together with the Initial Term, the "Lease Term"). Subject to adjustment as set forth in the California Facilities Lease, the combined annual minimum rent payable to STORE during the first year of the Lease Term is an amount equal to \$3.2 million (the "Base Annual Rent") with payments made monthly, subject to annual rent increases of three percent (3%) of the Base Annual Rent.

The California Facilities Lease contains certain representations, warranties, covenants, obligations, conditions, indemnification provisions, and termination provisions customary for sale and leaseback transactions.

As part of the California Facilities Lease, Hollandia delivered to STORE a letter of credit for \$6.5 million as security for the full and faithful performance by Hollandia of the terms, provisions, covenants, and conditions of the California Facilities Lease. In the event of default under the California Facilities Lease, STORE shall have the right to draw on the letter of credit to satisfy any monetary obligations under the California Facilities Lease. The letter of credit will be released after five years, contingent on achieving certain financial metrics as specified in the California

Facilities Lease. The \$6.5 million for the letter of credit is included in "Restricted cash" on the Consolidated Balance Sheets.

The transaction did not qualify for sale leaseback accounting due to the finance leaseback classification prohibiting sale treatment. As such, the transaction is accounted for as a financing transaction (a failed sale). Therefore, the leased assets remain on the Consolidated Balance Sheets and will continue to be depreciated over their original estimated useful lives, and the contractual lease payments will be allocated between interest expense (as imputed interest) and repayment of the \$35 million financing obligation through April 30, 2048, which is the end of the 25-year lease term and the time at which the Company expects control of the leased assets to transfer to STORE. The Company utilized a rate of 11.1% to calculate imputed interest and recognized \$4.0 million and \$2.6 million of interest expense for the years ended December 31, 2024 and 2023, respectively, related to the California Facilities Lease.

The following tables summarize the financing obligations and the presentation in the Consolidated Statements of Operations for the periods presented:

	Year Ended December 31,	
	2024	2023
	(in thousands)	
Amortization of financing obligation assets	\$ 2,036	\$ 1,619
Interest on financing liabilities	5,545	4,220

The following table summarizes future financing obligation payments by fiscal year:

	Montana Facility Financing Obligation	California Facilities Financing Obligation
	(in thousands)	
2025	\$ 1,623	\$ 3,401
2026	1,655	3,503
2027	1,688	3,608
2028	1,722	3,717
2029	1,756	3,828
Thereafter	21,431	94,518
Total financing obligation payments	29,875	112,575
Unamortized deferred financing costs	—	(211)
Amount representing interest	(20,024)	(91,693)
Net financing obligation and asset at end of term	4,145	15,240
Total financing obligation	<u>\$ 13,996</u>	<u>\$ 35,911</u>

9. Leases

The Company has operating leases primarily for facility equipment. The Company also has a financing lease for intra-facility transport vehicles. Certain lease agreements include options to renew or terminate the lease, which are not reasonably certain to be exercised and, therefore, are not factored into the determination of lease payments.

The components of lease expense were as follows:

	Year Ended December 31,	
	2024	2023
	(in thousands)	
Operating lease cost	\$ 83	\$ 102
Finance lease cost:		
Amortization of right-of-use assets	37	—
Interest on lease obligations	24	—
Short-term lease cost	723	816
Total lease expense	<u>\$ 867</u>	<u>\$ 918</u>

As of December 31, 2024, the weighted average remaining lease term and weighted average discount rate for all operating leases was 2.8 years and 7.3%, respectively. As of December 31, 2024, the weighted average remaining lease term and weighted average discount rate for all finance leases was 4.4 years and 13.8%, respectively.

As of December 31, 2024, the maturities of lease liabilities under non-cancelable operating and finance leases were as follows:

	Operating Leases		Finance Leases	
	(in thousands)		(in thousands)	
2025	\$	35	\$	86
2026		35		86
2027		26		86
2028		—		86
2029		—		30
Total minimum lease payments		96		374
Less: imputed interest		(9)		(87)
Total	\$	87	\$	287

10. Fair Value Measurements

The following table sets forth, by level within the fair value hierarchy, the accounting of the Company's financial assets and liabilities at fair value on a recurring and nonrecurring basis according to the valuation techniques the Company uses to determine their fair value:

	December 31, 2024		
	Level 1	Level 2	Level 3
	(in thousands)		
Recurring fair value measurements			
Assets:			
Money market funds	\$ 7,448	\$ —	\$ —
Liabilities:			
March 2023 Cargill Warrant Liability	\$ —	\$ —	\$ 6,403
December 31, 2023			
	Level 1	Level 2	Level 3
	(in thousands)		
Recurring fair value measurements			
Assets:			
Money market funds	\$ 16,322	\$ —	\$ —
Liabilities:			
March 2023 Cargill Warrant Liability	\$ —	\$ —	\$ 7,214

The fair value of the Company's money market funds is determined using quoted market prices in active markets for identical assets.

The fair value of the March 2023 Cargill Warrant Liability is determined using a Black-Scholes model. The following table presents changes in the Level 3 fair value measurement for the warrant liability on a recurring basis:

	December 31, 2024	
	(in thousands)	
Balance as of March 28, 2023 (initial measurement)	\$	25,697
Fair value measurement adjustments through other income (expense)		(18,483)
Balance as of December 31, 2023		7,214
Fair value measurement adjustments through other income (expense)		(811)
Balance as of December 31, 2024	\$	<u>6,403</u>

The key inputs into the Black-Scholes model used to determine the fair value of the 2023 Cargill Warrant Liability were as follows at their measurement dates:

Input	December 31, 2024		December 31, 2023	
Share price	\$	2.07	\$	2.07
Risk-free interest rate		4.4%		3.8%
Volatility		122%		133%
Exercise price	\$	6.50	\$	13.00
Warrant life (years)		3.2		4.2
Dividend yield		—%		—%

As of December 31, 2024 and 2023, the carrying value of the Company's cash and cash equivalents, restricted cash accounts receivable, accounts payable, and accrued expenses approximated their respective fair values due to their short-term maturities. There were no transfers of financial instruments between Level 1, Level 2, and Level 3 during the periods presented.

11. Stockholders' Equity (Deficit)

Common Stock

Pursuant to the terms of the Company's Certificate of Incorporation, as amended, the Company is authorized to issue up to 400,000,000 common stock, \$0.0001 par value per share, and 100,000,000 shares of Preferred Stock, \$0.0001 par value per share.

The rights of the holders of the voting common stock and nonvoting common stock are as follows:

Voting Common Stock - Each holder of common stock is entitled to one vote for each share of common stock held.

Nonvoting Common Stock - Each holder of nonvoting common stock is entitled to zero votes for each share of nonvoting common stock held. Holders of nonvoting common stock are not entitled to information rights or rights to dividends or other distributions until immediately prior to a liquidation event.

Reverse Stock Split Stockholder Approval

On April 3, 2023, the Company's board of directors (the "Board") authorized an amendment to the Company's Certificate of Incorporation to, at the discretion of the Board, effect a reverse stock split of the shares of Local Bounti's common stock, at any time prior to June 30, 2024, at a ratio within a range of 1-for-2 to 1-for-25, with the exact ratio and effective time of the reverse stock split to be determined at the discretion of the Board without further approval or authorization of the Company's stockholders. The amendment was approved by stockholders at a special meeting of stockholders held on April 26, 2023. On June 4, 2023, the Board approved a 1-for-13 reverse stock split (the "Reverse Stock Split") of the Company's issued and outstanding shares of common stock, par value \$0.0001 per share. Trading of the Company's common stock on the NYSE commenced on a split-adjusted basis on June 15, 2023.

As a result of the Reverse Stock Split, every 13 shares of common stock issued and outstanding were automatically reclassified into one new share of common stock without any action on the part of the holders. The Company paid cash in lieu of fractional shares resulting from the Reverse Stock Split. Proportionate adjustments were

made to the exercise prices and the number of shares underlying the Company's outstanding equity awards, as applicable, and warrants exercisable for shares of Common Stock, as well as to the number of shares issuable under the Company's equity incentive plans and certain existing agreements. Also, for the Company's outstanding warrants to purchase up to 81,139,179 shares of common stock, every 13 shares issuable under warrants became exercisable for one share of common stock at an exercise price of \$49.50 per share of common stock for the Company's 2021 warrants and \$13.00 per share of common stock for the March 2023 Cargill Warrant. The common stock issued pursuant to the Reverse Stock Split will remain fully paid and non-assessable. The Reverse Stock Split did not affect the number of authorized shares of common stock or the par value of the common stock.

All share and per share amounts presented herein with respect to common stock have been retroactively adjusted to reflect the June 15, 2023 Reverse Stock Split for all periods presented.

Share Repurchase Program

On October 29, 2023, the Company's Board of Directors authorized a common stock repurchase program that allowed the Company to repurchase up to \$.0 million in shares of the Company's common stock through December 31, 2024. The Company did not repurchase any shares under the repurchase program, and it expired on December 31, 2024.

2021 Warrants and Private Placement Warrants

Prior to the Business Combination of Local Bounti and Leo Investors III LP (the "Sponsor") on November 19, 2021, Leo issued 833,333 warrants to purchase shares of the Company's common stock. Each whole warrant entitles the registered holder to purchase one whole share of the Company's common stock at a price of \$149.50 per share, subject to adjustment as discussed below, 30 days after the Closing, provided that the Company has an effective registration statement under the Securities Act covering the shares of common stock issuable upon exercise of the warrants and a current prospectus relating to them is available and such shares are registered, qualified or exempt from registration under the securities, or blue sky, laws of the state of residence of the holder. Pursuant to the warrant agreement, a warrant holder may exercise its warrants only for a whole number of shares of common stock. The warrants will expire on November 19, 2026, or earlier upon redemption or liquidation.

The private placement warrants are identical to the 2021 warrants, except that the private placement warrants and the common stock issuable upon exercise of the private placement warrants were not transferable, assignable, or salable until 30 days after the completion of the Business Combination, subject to certain limited exceptions. Additionally, the private placement warrants are non-redeemable so long as they are held by Leo or any of its permitted transferees. If the private placement warrants are held by someone other than the Sponsor or its permitted transferees, the private placement warrants will be redeemable by the Company and exercisable by such holders on the same basis as the 2021 warrants. The Company may redeem the outstanding warrants in whole and not in part at a price of \$0.13 per warrant upon a minimum of 30 days' prior written notice of redemption if and only if the last sale price of the Company's common stock equals or exceeds \$234.00 per share for any 20-trading days within a 30-trading day period ending three business days before the Company sends the notice of redemption to the warrant holders. In no event will the Company be required to net cash settle the warrant exercise. As of December 31, 2024, outstanding 2021 warrants and private placement warrants, excluding warrants issued to Cargill Financial, were 833,330.

Assumed Warrants

In March 2021, the Company entered into a loan with Cargill Financial to finance the general working capital for the Company. This loan had a principal balance of up to \$10.0 million and bore interest at 8% per annum with a maturity date of March 22, 2022. In September 2021, this loan was repaid in full. In connection with the original loan, Cargill Financial also received a total of 54,299 warrants (the "Assumed Warrants"), which are still outstanding. On November 19, 2021, the Company issued the Assumed Warrants for the right to purchase Common Stock, with an exercise price of \$110.50 per share pursuant to those certain Warrant Agreements, dated as of March 22, 2021 and September 3, 2021 between the Company and Cargill Financial. The Assumed Warrants are exercisable in whole or in part at any time and from time to time on or after November 19, 2021, and on or before November 19, 2026.

Delisting of 2021 Warrants

On October 17, 2023, the Company received notice from the NYSE that the NYSE had halted trading in the Company's 2021 warrants. The trading halt of the warrants on the NYSE was due to the low trading price of the warrants.

On October 18, 2023, the NYSE provided written notice to the Company and publicly announced that NYSE Regulation has determined to commence proceedings to delist the warrants and that the warrants are no longer suitable for listing based on "abnormally low" price levels, pursuant to Section 802.01D of the NYSE Listed Company Manual. The delisting was effective as of November 13, 2023, and the 2021 warrants are no longer listed on the NYSE.

Common Stock Listing

The Company's common stock is listed on the NYSE under the ticker symbol "LOCL." The NYSE requires the Company to continue to meet certain listing standards. On April 3, 2024, the Company received a written notice (the "Notice") from the NYSE that it was not in compliance with the continued listing standards set forth in Rule 802.01B of the NYSE Listed Company Manual (the "Minimum Market Capitalization Standard") because its average global market capitalization over a consecutive 30 trading-day period was less than \$50 million and, at the same time, its last reported stockholders' equity was less than \$0 million. Subsequently, the Company submitted, and the NYSE accepted, a plan setting forth the actions the Company was taking that were designed to regain compliance with the Minimum Market Capitalization Standard within 18 months of receipt of the Notice (the "Market Capitalization Cure Period"). The Company's common stock continues to be listed and traded on the NYSE during the Market Capitalization Cure Period, subject to the Company's compliance with other NYSE continued listing standards and continued quarterly review by the NYSE of the Company's progress with respect to its plan. The Company can provide no assurances that it will be able to satisfy any of the steps outlined above and maintain the listing of its common stock on the NYSE.

12. Stock-Based Compensation

In 2020, the Company adopted an Equity Incentive Plan (the "2020 Plan"), pursuant to which the Company's Board of Directors could grant stock awards to employees and service providers. According to the 2020 Plan, incentive stock options could only be granted to eligible employees. Non-statutory stock options, stock appreciation rights, restricted stock, RSUs, and employee stock purchase plan were also included in the 2020 Plan and could be granted to service providers. In October 2021, the Company adopted a new Equity Incentive Plan (the "2021 Plan"), which replaced the 2020 Plan. The 2020 Plan terminated upon the effectiveness of the 2021 Plan, at which time the outstanding awards previously granted thereunder were assumed by the Company. Following termination of the 2020 Plan, no new awards will be granted under such plan, but previously granted awards will continue to be subject to the terms and conditions of the 2020 Plan and the stock award agreements pursuant to which such awards were granted. Under the 2021 Plan, the Company can grant stock options, stock appreciation rights, restricted stock, restricted stock units, and certain other awards which are settled in the form of common shares under the 2021 Plan.

Restricted Common Stock Awards

The Company has granted change in control restricted common stock awards ("RSAs") under the 2020 Plan. Upon a "change in control" (as defined in the 2020 Plan) of Local Bounti, the change in control restricted common stock awards would vest in full. If a "qualified public offering" of the common stock of Local Bounti occurred (as defined in the 2020 Plan, which includes the consummation of the Business Combination) prior to a change in control, then the change in control restricted common stock would vest upon the vesting schedule set forth in the 2020 Plan or individual award agreements. The fair value of the restricted common stock-based compensation awards was determined using the fair market value of the Company's common stock on the date of the grant as determined by the Board.

In November 2021, Legacy Local Bounti and certain restricted stockholders amended their change in control restricted stock awards to remove the vesting trigger and converted the vesting to four-year time-based vesting, with 10% vesting on the first anniversary of the original vesting commencement date and 30% vesting on each anniversary thereafter, subject to the grantee's continued service on each applicable vesting date. As the vesting trigger was removed, the Company was required to recognize the compensation expenses through the Consolidated Statements of Operations.

A summary of the RSA activity for 2024 and 2023 is as follows:

	Number of Shares of Restricted Common Stock Awards ⁽¹⁾	Average Grant-Date Fair Value ⁽¹⁾
Unvested at December 31, 2022	288,804	\$ 24.05
Vested, settled	(19,175)	\$ 36.27
Vested, unsettled	(133,928)	\$ 22.71
Unvested at December 31, 2023	135,701	\$ 23.60
Vested	(111,344)	\$ 20.83
Unvested and outstanding at December 31, 2024	<u>24,357</u>	\$ 36.27

⁽¹⁾Share and per share amounts have been retroactively adjusted to reflect the June 15, 2023 Reverse Stock Split. See Note 11, *Stockholders' Equity (Deficit)*, for additional detail.

Total expense of RSAs for the years ended December 31, 2024 and 2023 was \$0.6 million and \$1.2 million, respectively. As of December 31, 2024, the total compensation cost related to unvested RSAs not yet recognized is \$0.1 million. Unvested RSA expense not yet recognized is expected to be recognized over a weighted average period of 0.2 years.

Restricted Stock Units

The Company has granted restricted stock units ("RSUs") under the 2020 Plan and the 2021 Plan. The Company has entered into various RSU agreements with both employees and nonemployees. The vesting for these RSUs range from zero to four years on a graded vesting schedule.

A summary of the RSU activity for 2024 and 2023 is as follows:

	Number of RSUs ⁽¹⁾	Average Grant-Date Fair Value ⁽¹⁾
Unvested at December 31, 2022	727,484	\$ 81.51
Granted	840,570	\$ 8.44
Forfeited	(483,246)	\$ 15.50
Vested	(421,414)	\$ 62.41
Vested, unsettled	26,443	\$ 4.73
Unvested and outstanding at December 31, 2023	689,837	\$ 47.43
Granted	1,108,882	\$ 2.96
Forfeited	(139,621)	\$ 33.26
Vested	(432,790)	\$ 36.53
Vested, unsettled	—	\$ —
Unvested and outstanding at December 31, 2024	<u>1,226,308</u>	\$ 12.60

⁽¹⁾Share and per share amounts have been retroactively adjusted to reflect the June 15, 2023 Reverse Stock Split. See Note 11, *Stockholders' Equity (Deficit)*, for additional detail.

The total expense value of RSUs for the years ended December 31, 2024 and 2023 was \$7.7 million and \$15.1 million, respectively. As of December 31, 2024, the total compensation cost related to unvested RSUs not yet recognized is \$3.2 million. Unvested RSUs not yet recognized are expected to be recognized over a weighted average period of 1.63 years.

13. Income Taxes

For the years ended December 31, 2024 and 2023, the Company incurred net losses and, accordingly, no federal provision for income taxes has been recorded. In addition, no deferred benefit for income taxes has been recorded due to the uncertainty of the realization of any tax assets. On December 31, 2024, the Company had approximately \$595.6 million of U.S. federal and state net operating losses. On December 31, 2023, the Company had approximately \$382.9 million of federal and state net operating losses. The federal net operating losses can be carried forward indefinitely while the state carryforwards will begin to expire in 2030. Federal net operating losses carryforwards generated in tax years ending after December 31, 2017 may be carried forward indefinitely, but the deductibility of such federal net operating losses carryforwards is limited to 80% of current year taxable income. Similar rules may apply under state tax laws.

The components of the Company's deferred tax assets and liabilities are as follows:

	Year Ended December 31,	
	(in thousands)	
	2024	2023
Currently reportable expense		
Federal	\$ —	\$ —
State	—	—
	—	—
Deferred benefit:		
Federal	22,737	24,610
State	8,356	10,032
	31,093	34,642
Less: Valuation allowance	(31,093)	(34,642)
Total provision for income tax expense	\$ —	\$ —

The following table presents the reconciliation of the U.S. federal statutory income tax rate to the Company's effective tax rate:

	Year Ended December 31,	
	2024	2023
Federal statutory income tax rate	21.0%	21.0%
State tax	5.5%	6.4%
Stock-based compensation	0.1%	(2.6)%
Non-deductible expenses	(0.8)%	3.4%
Research and development credit	—%	(0.3)%
Change in valuation allowance	(25.8)%	(27.9)%
Effective tax rate	— %	— %

	December 31, (in thousands)	
	2024	2023
Gross deferred tax assets arising from:		
Net operating loss carryforwards	\$ 81,865	\$ 51,490
ASC 842 lease liability	3,838	3,846
Acquired intangibles	10,672	11,576
Accruals and reserves	11,688	11,780
Capitalized research expenditures	7,592	4,662
Research and development credit carryforward	269	—
Gross deferred tax assets	115,924	83,354
Less: Valuation allowance	(97,220)	(66,129)
Deferred tax assets, net of valuation allowance	18,704	17,225
Deferred tax liabilities arising from:		
ASC 842 right-of-use asset	(2,924)	(3,077)
Fixed assets and land	(15,780)	(14,148)
Gross deferred tax liabilities	(18,704)	(17,225)
Net deferred tax liabilities	\$ —	\$ —

For financial reporting purposes, the Company has incurred a loss in each period since its inception. Based on the available objective evidence, including the Company's history of losses, management believes it is more likely than not that the net deferred tax assets will not be fully realizable. Accordingly, the Company provided for a full valuation allowance against its net deferred tax assets at December 31, 2024 and 2023. During the years ended December 31, 2024 and 2023, the change in the valuation allowance of \$31.1 million and \$34.6 million, respectively, was primarily due to the generation of additional net operating losses.

As of December 31, 2024 and 2023, the Company had \$0.5 million and \$0.5 million of federal research and development credits, respectively, which will begin to expire in 2042.

Beginning in 2022, the Tax Cuts and Jobs Act of 2017 eliminates the right to deduct research and development expenditures for tax purposes in the period the expenses were incurred and instead requires all U.S. and foreign research and development expenditures to be amortized over five and fifteen tax years, respectively. As a result, the Company recognized a deferred tax asset for the future tax benefit of the amortization deductions of the capitalized research and development expenditures that was fully offset by a change in valuation allowance.

As of December 31, 2024 and 2023, the total amount of unrecognized tax benefits was \$0.3 million and \$0.3 million, respectively, none of which impact income tax expense. The Company does not expect the unrecognized tax benefits to change significantly over the next 12 months.

The Company's income tax returns and the amount of income or loss reported are subject to examination by the respective taxing authorities. If such examinations result in changes to the profits or losses, the Company's tax liabilities could be changed accordingly.

14. Net Loss Per Share

Net loss per share is computed by dividing net loss by the weighted average number of common stock outstanding during the period. In computing net loss per share, the Company's unvested restricted common stock and warrants are not considered participating securities. Diluted loss per common share is the same as basic loss per common share for the years ended December 31, 2024 and 2023 because the effects of potentially dilutive items were anti-dilutive given the Company's net loss. Diluted net loss per common share represents an adjustment to basic net loss per share attributable to common stockholders giving effect to all potential common shares that were dilutive and outstanding during the period.

The following table sets forth the computation of the Company's net loss per share attributable to common stockholders:

	Year Ended December 31,	
	(in thousands, except share and per share data)	
	2024	2023
Net loss	\$ (119,902)	\$ (124,015)
Weighted average common stock outstanding, basic and diluted	8,480,247	7,943,874
Net loss per common share, basic and diluted	\$ (14.14)	\$ (15.61)

The following table discloses the weighted average shares outstanding of securities that could potentially dilute basic net loss per share in the future that were not included in the computation of diluted net loss per share as the impact would be anti-dilutive:

	Year Ended December 31,	
	2024	2023
Restricted Stock	76,254	222,282
Warrants	6,241,475	4,980,021

15. Segment Reporting

The Company has a single operating and reportable segment that derives its revenue from customers through the production and sale of agricultural produce, consisting primarily of grown living and loose leaf lettuce, arugula, spinach, and basil. All of the Company's revenue is generated in the U.S., and the Company manages its business activities on a consolidated basis. The Company's chief operating decision maker ("CODM") is the Chief Executive Officer, who reviews financial information presented on a consolidated basis for purposes of making operating decisions, assessing financial performance, and allocating resources.

The CODM assesses segment performance and decides how to allocate resources based on net loss, which is also reported on the Consolidated Statements of Operations, and net cash generated by or used in operating activities, which is also reported on the Consolidated Statements of Cash Flows. The measure of segment assets is reported on the Consolidated Balance Sheets as total assets. Significant expenses reviewed by the CODM include those that are presented in the Consolidated Statements of Operations. The accounting policies of the Company's single reportable segment are the same as those described in Note 2, *Summary of Significant Accounting Policies*.

Segment operating results, including significant expenses regularly provided to the CODM, along with a reconciliation of segment operating loss to consolidated net loss, are as follows:

	Year Ended December 31,	
	(in thousands)	
	2024	2023
Revenue	\$ 38,138	\$ 27,557
Less:		
Salaries and wages	34,907	35,757
Transportation and delivery	2,662	1,837
Depreciation and amortization	18,871	13,132
Interest expense, net	58,923	25,745
Stock-based compensation expense, net of amounts capitalized	3,348	16,274
Other segment items ⁽¹⁾	39,329	58,827
Segment net loss	(119,902)	(124,015)
<i>Reconciliation of profit or loss</i>		
Adjustments and reconciling items	—	—
Net loss	\$ (119,902)	\$ (124,015)

⁽¹⁾Other segment items included in Segment net loss include goodwill impairment, change in fair value of warrant liability, research and development expense, facilities expense, legal expense, accounting expense, insurance expense, loss on disposal of fixed assets, software expense, and other overhead expense.

16. Commitments and Contingencies

Legal Matters

The Company has and may become party to various legal proceedings and other claims that arise in the ordinary course of business. The Company records a liability when it believes that it is probable that a loss will be incurred, and the amount of loss or range of loss can be reasonably estimated. Management is currently not aware of any matters that it expects will have a material adverse effect on the financial position, results of operations, or cash flows of the Company.

Non-Cancelable Purchase Commitments

As of December 31, 2024, the Company had non-cancelable purchase commitments of \$1.8 million, primarily related to software products and services used to facilitate the Company's operations at the enterprise level.

Defined Contribution Plan

The Company sponsors 401(k) defined contribution plans covering all eligible U.S. employees. Contributions to the 401(k) plan are discretionary. The Company's contributions to the 401(k) plans for the years ended December 31, 2024 and 2023, totaled \$0.9 million and \$0.6 million, respectively.

17. Related Party Transactions

Grow Bitterroot Sale Lease Back Transaction and Services Agreement

In June 2020, the Company sold for total consideration of \$6.9 million a greenhouse facility to Grow Bitterroot, a qualified opportunity zone fund owned in part by Live Oak Ventures, LLC, which owns more than 10% of the Company's common stock, and Orange Strategies LLC, of which Pamela Brewster, a member of the Company's Board of Directors, is principal. Travis M. Joyner, our Co-Founder and a member of the Company's Board of Directors, is manager of Grow Bitterroot. Concurrently, Local Bounti's predecessor entity and Grow Bitterroot entered into an agreement whereby the Company leases land and the greenhouse facility from Grow Bitterroot. See Note 8, *Financing Obligations*, for more information regarding the Montana Facility lease and accounting treatment.

The Company paid Grow Bitterroot \$1.2 million and \$1.5 million under the lease agreement for the years ended December 31, 2024 and 2023, respectively.

18. Subsequent Events

On March 31, 2025, the Company entered into an agreement with an investor for a \$5.0 million investment (the "PIPE Financing"). In connection with the PIPE Financing, the Company issued 1,771,586 shares of common stock and 10,728,414 shares of Series A Preferred Stock (the "Series A Preferred Stock"), a newly created series of non-voting convertible preferred stock, at a purchase price of \$2.00 per share.

The Series A Preferred Stock will be non-voting (except as required by applicable law) with no liquidation preference and will be redeemable at the option of the holder at the purchase price. Each share of Series A Preferred Stock will automatically convert to one share of common stock upon the Company's receipt of stockholder approval, which the Company intends to seek at its upcoming Annual Meeting of Stockholders on June 11, 2025.

In connection with the PIPE Financing, the Company also entered into a debt restructuring agreement with Cargill Financial (the "Debt Restructuring Agreement") on March 31, 2025 (the "Restructuring Date"), to amend the Amended Credit Agreements and Facilities with Cargill Financial, as described in Note 7, *Debt*. Pursuant to the Debt Restructuring Agreement, (i) \$139.0 million of loans outstanding under the Amended Credit Agreements, together with all accrued and unpaid interest was cancelled, and (ii) \$58.0 million of loans outstanding under the Subordinated Credit Agreement, dated as of September 3, 2021 (as amended, supplemented or otherwise modified, the "Subordinated Credit Agreement"), by and among the Company, Local Bounti Operating Company LLC, the other borrowers and guarantors party thereto, and Cargill Financial, as lender, together with all accrued and unpaid interest, was cancelled, constituting all of the loans and interest outstanding under the Subordinated Credit Agreement (the "Debt Restructuring"). Following the Debt Restructuring, the aggregate principal amount of loans outstanding under the Amended Credit Agreements was \$312.0 million. Additionally, in connection with the Debt Restructuring Agreement, the per share exercise price of the March 2023 Cargill Warrant was amended from \$ 6.50 to \$4.00 per share with an amended expiration date of March 31, 2033.

Subsequent to the Debt Restructuring Date, interest on the Facilities will accrue at three-month SOFR plus 2.0%. On March 31, 2031, the interest rate will increase to three-month SOFR plus 6.0%. From January 1, 2027 to December 31, 2029, interest will accrue on \$100 million of the Facilities and will be due and payable in cash starting the first business day after the close of each calendar quarter, beginning with the quarter commencing April 1, 2027, and continuing through December 31, 2029. Interest accruing on the outstanding principal balance of the Facilities in excess of \$100 million will, at the Company's option, either be paid in cash or paid in kind, beginning with the quarter commencing April 1, 2027, and continuing through December 31, 2029.

From January 1, 2030 to March 31, 2031, interest will accrue on up to \$200 million of the Facilities and will be due and payable in cash starting the first business day after the close of each calendar quarter, beginning with the quarter commencing April 1, 2030, and continuing through March 31, 2031. Interest accruing on the outstanding principal balance of the Facilities in excess of \$200 million will, at the Company's option, either be paid in cash or paid-in-kind, beginning with the quarter commencing April 1, 2027, and continuing through March 31, 2031.

At all times after March 31, 2031, interest shall be payable only in cash on the first business day after each calendar quarter end. Additionally, beginning in the fourth quarter of 2027, 50% of the free cash flow generated in the preceding quarter must be used for principal repayment on a quarterly basis. The maturity date of the Facilities subsequent to the Debt Restructuring Agreement is December 31, 2035.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2024. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive officer and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

In designing and evaluating our disclosure controls and procedures, our management recognizes that disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable assurance that the objectives of the disclosure controls and procedures are met. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2024, disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the reports we file and submit under the Exchange Act is recorded, processed, summarized, and reported as and when required, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding its required disclosure.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with U.S. GAAP.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate due to changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

The Company's internal control over financial reporting includes policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP and that receipts and expenditures are being made only in accordance with authorizations of management and the directors; and
- Provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the Consolidated Financial Statements.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our internal control over financial reporting as of December 31, 2024, based on the criteria described in the *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the results of its evaluation, management concluded that our internal control over financial reporting was effective as of December 31, 2024.

This report does not include an attestation report of internal controls from our independent registered public accounting firm due to our status as an emerging growth company under the JOBS Act.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended December 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

Rule 10b5-1 Trading Plans

During the fiscal quarter ended December 31, 2024, none of our directors or officers informed us of the adoption, modification, or termination of a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as those terms are defined in Regulation S-K, Item 408.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Information required by this Item will be included in our definitive Proxy Statement relating to our 2025 annual meeting of stockholders to be filed with the SEC within 120 days after the end of our fiscal year ended December 31, 2024, and is incorporated herein by reference.

Our Board has adopted a Code of Business Conduct and Ethics that applies to all our directors, officers, and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. The Code of Business Conduct and Ethics is available under the investors section of our website at <http://www.localbounti.com>. In addition, we intend to post under the investors section of our website all disclosures required by law or NYSE listing standards relating to any amendments to, or waivers from, any provision of the Code of Business Conduct and Ethics.

We will provide disclosure of delinquent Section 16(a) reports, if any, in our Proxy Statement, and this disclosure, if any, is incorporated herein by reference.

Item 11. Executive Compensation

Information required by this Item will be included in our definitive Proxy Statement relating to our 2025 annual meeting of stockholders to be filed with the SEC within 120 days after the end of our fiscal year ended December 31, 2024, and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information required by this Item will be included in our definitive Proxy Statement relating to our 2025 annual meeting of stockholders to be filed with the SEC within 120 days after the end of our fiscal year ended December 31, 2024, and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information required by this Item will be included in our definitive Proxy Statement relating to our 2025 annual meeting of stockholders to be filed with the SEC within 120 days after the end of our fiscal year ended December 31, 2024, and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

Information required by this Item will be included in our definitive Proxy Statement relating to our 2025 annual meeting of stockholders to be filed with the SEC within 120 days after the end of our fiscal year ended December 31, 2024, and is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) The following documents are filed as a part of this Annual Report on Form 10-K:

1. *Financial Statements*: The information concerning our Consolidated Financial Statements and Report of Independent Registered Public Accounting Firm required by this Item is incorporated by reference herein to the section of this Annual Report on Form 10-K in Item 8, entitled "Financial Statements."

2. *Financial Statement Schedules*: The Financial Statement Schedules have been omitted because they are not applicable or are not required or are not present in material amounts or the information required to be set forth herein is included in the Consolidated Financial Statements or Notes thereto.

3. *Exhibits*: See "Index to Exhibits."

(b) Exhibits

The documents listed in the Exhibit Index are incorporated by reference or are filed with this report, in each case as indicated therein (numbered in accordance with Item 601 of Regulation S-K). In reviewing the agreements included as exhibits to this Annual Report on Form 10-K, please remember they are included to provide you with information regarding their terms and are not intended to provide any other factual or disclosure information about the Company or the other parties to the agreements. Some agreements contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties have been made solely for the benefit of the other parties to the applicable agreement and:

- should not be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate;
- may have been qualified by disclosures that were made to the other party in connection with the negotiation of the applicable agreement, which disclosures are not necessarily reflected in the agreement;
- may apply standards of materiality in a way that is different from what may be viewed as material to you or other investors; and
- were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement and are subject to more recent developments.

Accordingly, these representations and warranties may not describe the actual state of affairs as of the date they were made or at any other time. Additional information about the Company may be found elsewhere in this Annual Report on Form 10-K and the Company's other public filings, which are available without charge through the SEC's website at sec.gov.

Exhibit Number	Description
2.1*	<u>Agreement and Plan of Merger, dated as of June 17, 2021, by and among Leo Holdings III Corp, Longleaf Merger Sub, Inc., Longleaf Merger Sub II, LLC, and Local Bounti Corporation (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K, filed with the SEC on June 21, 2021).</u>
2.2*	<u>Purchase and Sale Agreement, dated as of March 14, 2022, by and among Local Bounti Corporation and (i) the Hollandia Produce Group, Inc. Employee Stock Ownership Trust, (ii) Mosaic Capital Investors I, L.P. True West Capital Partners Fund II, L.P. f/k/a Seam Fund II, L.P., (iii) Mosaic Capital Investors LLC, solely in its capacity as Sellers' Representative, (iv) Hollandia Produce Group, Inc., and (v) Local Bounti Operating Company LLC (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on March 15, 2022).</u>
2.3*	<u>Unit Purchase and Sale Agreement, dated as of March 14, 2022, by and among Local Bounti Corporation, Local Bounti Operating Company LLC, and each of the holders of Class B Common Units of Hollandia Produce GA, LLC (incorporated by reference to Exhibit 2.2 to the Company's Current Report on Form 8-K, filed with the SEC on March 15, 2022).</u>

2.4*	<u>Purchase and Sale Agreement, dated as of March 14, 2022, by and among Local Bounti Corporation, Local Bounti Operating Company LLC, Mosaic Capital Investors I, LP, True West Capital Partners Fund II, L.P. f/k/a Seam Fund II, L.P., and Hollandia Produce, Ga Investor Corporation (incorporated by reference to Exhibit 2.3 to the Company's Current Report on Form 8-K filed with the SEC on March 15, 2022).</u>
3.1	<u>Certificate of Incorporation of Local Bounti Corporation (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, filed with the SEC on November 22, 2021).</u>
3.2	<u>Certificate of Amendment to Certificate of Incorporation of Local Bounti Corporation (incorporated by reference to Exhibit 3.2 to the Company's Annual Report on Form 10-K, filed with the SEC on March 30, 2022).</u>
3.3	<u>Certificate of Amendment to Certificate of Incorporation of Local Bounti Corporation (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, filed with the SEC on June 15, 2023).</u>
3.4	<u>Certificate of Amendment to Certificate of Incorporation of Local Bounti Corporation (incorporated by reference to Exhibit 3.1 to the Company's Form 8-K, filed with the SEC on June 14, 2024).</u>
3.5	<u>Amended and Restated Bylaws of Local Bounti Corporation (incorporated by reference to Exhibit 3.2 to the Company's Form 8-K, filed with the SEC on June 14, 2024).</u>
4.1	<u>Amended and Restated Warrant Agreement, dated as of November 18, 2021, by and between Local Bounti Corporation (f/k/a Leo Holdings III Corp) and Continental Stock Transfer & Trust Company (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K, filed with the SEC on November 22, 2021).</u>
4.2	<u>Specimen Warrant Certificate of the Registrant (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K, filed with the SEC on November 24, 2021).</u>
4.3	<u>Warrants, dated as of November 19, 2021, by and between Local Bounti Corporation and Cargill Financial Services International, Inc. (incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K, filed with the SEC on November 24, 2021).</u>
4.4	<u>Description of Securities (incorporated by reference to Exhibit 4.4 to the Company's Annual Report on Form 10-K, filed with the SEC on March 30, 2022).</u>
4.5	<u>Form of Indenture (incorporated by reference to Exhibit 4.3 to the Company's Registration Statement on Form S-3, filed with the SEC on December 30, 2022).</u>
4.6	<u>Common Stock Purchase Warrant, dated as of March 28, 2023, by and between Local Bounti Corporation and Cargill Financial Services International, Inc. (incorporated by reference to Exhibit 4.6 to the Company's Annual Report on Form 10-K, filed with the SEC on March 31, 2023).</u>
4.7	<u>Amendment to Common Stock Purchase Warrant, dated as of January 23, 2024, by and between Local Bounti Corporation and Cargill Financial Services International, Inc. (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K, filed with the SEC on January 26, 2024).</u>
4.8	<u>Certificate of Designations of Preferences, Rights and Limitations of Series A Non-Voting Convertible Preferred Stock (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K, filed with the SEC on March 31, 2025).</u>
10.1	<u>Amended and Restated Registration Rights Agreement, dated as of November 19, 2021, by and among Local Bounti Corporation (f/k/a Leo Holdings III Corp) and certain investors (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on November 22, 2021).</u>
10.2	<u>Form of Lock-up Agreement (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on November 22, 2021).</u>
10.3	<u>Form of Indemnification Agreement (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K, filed with the SEC on November 22, 2021).</u>
10.4	<u>Sponsor Agreement, dated as of June 17, 2021, by and among Leo Holdings III Corp, Local Bounti Corporation, Leo Investors III LP, and certain individual holders of Parent Class B Ordinary Shares of Leo Holdings III Corp. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on June 21, 2021).</u>
10.5*	<u>Credit Agreement dated as of September 3, 2021, by and among Local Bounti Operating Company LLC, Local Bounti Corporation and certain subsidiaries, and Cargill Financial Services International, Inc. (as conformed through the Tenth Amendment to Credit Agreements, dated as of June 28, 2024).</u>
10.6*	<u>Subordinated Credit Agreement dated as of September 3, 2021 by and among Local Bounti Operating Company LLC, Local Bounti Corporation and certain subsidiaries, and Cargill Financial Services International, Inc. (as conformed through the Tenth Amendment to Credit Agreements, dated as of June 28, 2024).</u>

10.7†	Local Bounti Corporation 2021 Equity Incentive Plan and related forms of award agreements (incorporated by reference to Exhibit 10.7 to the Company's Current Report on Form 8-K, filed with the SEC on November 24, 2021).
10.8†	Amendment to Local Bounti Corporation 2021 Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K, filed with the SEC on June 14, 2024).
10.9†	Local Bounti Corporation 2021 Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.8 to the Company's Current Report on Form 8-K, filed with the SEC on November 24, 2021).
10.10†	Form of Employment Agreement with Chief Executive Officer of Local Bounti Corporation (incorporated by reference to Exhibit 10.9 to the Company's Current Report on Form 8-K, filed with the SEC on November 24, 2021).
10.11†	Form of Employment with Executive Officer of Local Bounti Corporation (incorporated by reference to Exhibit 10.10 to the Company's Current Report on Form 8-K, filed with the SEC on November 24, 2021).
10.12†	Form of Separation and Release Agreement with former Chief Executive Officer (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on December 15, 2023).
10.13†	Local Bounti Corporation Director Compensation Policy, amended and restated December 11, 2023.
10.14	Registration Rights Agreement, dated as of March 14, 2022, by and among Local Bounti Corporation and certain security holders of Hollandia Produce Group, Inc., and its subsidiaries (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on March 15, 2022).
10.15	Securities Purchase Agreement, dated as of October 21, 2022, by and among Local Bounti Corporation and the Investors identified therein (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed with the SEC on November 14, 2022).
10.16	Registration Rights Agreement, dated as of October 21, 2022, by and among Local Bounti Corporation and the Investors identified therein (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed with the SEC on November 14, 2022).
10.17	Form of Support Agreement, dated as of March 28, 2023 (incorporated by reference to Exhibit 10.21 to the Company's Annual Report on Form 10-K, filed with the SEC on March 31, 2023).
10.18	Master Lease Agreement, dated as of April 27, 2023, by and between STORE Master Funding XXXI, LLC and Hollandia Real Estate, LLC (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on May 3, 2023).
10.19	Unconditional Guaranty of Payment and Performance, dated as of April 27, 2023, by Local Bounti Corporation for the benefit of STORE Master Funding XXXI, LLC (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on May 3, 2023).
10.20*	Restructuring Agreement and Eleventh Amendment to Senior Credit Agreement, dated as of March 31, 2025, by and among Local Bounti Operating Company LLC, Local Bounti Corporation, the subsidiary borrowers and guarantors signatory thereto, Cargill Financial Services International, Inc., in its capacity as the senior lender, and Cargill Financial Services International, Inc., in its capacity as the subordinated lender (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on March 31, 2025).
10.21*	Credit Agreement dated as of September 3, 2021, by and among Local Bounti Operating Company LLC, Local Bounti Corporation and certain subsidiaries, and Cargill Financial Services International, Inc. (as conformed through the Restructuring Agreement and Eleventh Amendment to Senior Credit Agreement, dated as of March 31, 2025) (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on March 31, 2025).
10.22	Form of Warrant Amendment (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K, filed with the SEC on March 31, 2025).
10.23*	Securities Purchase Agreement, dated as of March 31, 2025, by and among Local Bounti Corporation and each of the investors party thereto (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K, filed with the SEC on March 31, 2025).
10.24	Investor Rights Agreement, dated as of March 31, 2025, by and among Local Bounti Corporation and each of the investors party thereto (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K, filed with the SEC on March 31, 2025).
10.25	Form of Support Agreement, dated as of March 31, 2025, by and among Local Bounti Corporation and each stockholder party thereto (incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K, filed with the SEC on March 31, 2025).
19.1	Insider Trading Policy, revised April 12, 2023.

21.1	List of Subsidiaries (incorporated by reference to Exhibit 21.1 to the Company's Current Report on Form 8-K, filed with the SEC on November 24, 2021).
23.1	Consent of WithumSmith+Brown, PC.
24.1	Power of attorney (included on the signature page hereof).
31.1	Certification of Principal Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Principal Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code).
32.2**	Certification of Principal Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code).
97.1	Compensation Recovery Policy, adopted October 2, 2023 (incorporated by reference to Exhibit 97.1 to the Company's Annual Report on Form 10-K, filed with the SEC on March 28, 2024).
101	The following financial statements from Local Bounti's Annual Report on Form 10-K for the year ended December 31, 2024, formatted in Inline XBRL: (a) Consolidated Statements of Cash Flows, (b) Consolidated Statements of Operations, (c) Consolidated Statements of Comprehensive Income, (d) Consolidated Balance Sheets, and (e) Notes to Consolidated Financial Statements, tagged as blocks of text and including detailed tags.
104	The cover page from Local Bounti's Annual Report on Form 10-K for the year ended December 31, 2024, formatted in Inline XBRL (included as Exhibit 101).

* Schedules to this exhibit have been omitted in accordance with Regulation S-K Item 601(b)(2). The registrant hereby agrees to furnish supplementally a copy of any omitted schedule to the SEC upon its request.

** This document is being furnished in accordance with SEC Release Nos. 33-8212 and 34-47551.

† Indicates a management contract or compensatory plan, contract or arrangement.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Local Bounti Corporation

/s/ Craig M. Hurlbert

Name: Craig M. Hurlbert

Title: Chief Executive Officer and Director

Date: March 31, 2025

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Craig M. Hurlbert and Kathleen Valiasek, and each of them, as his true and lawful attorney-in-fact with power of substitution and resubstitution to sign in his or her name, place and stead, in any and all capacities, to do any and all things and execute any and all instruments that such attorney may deem necessary or advisable under the Securities Exchange Act of 1934 and any rules, regulations, and requirements of the Securities and Exchange Commission in connection with this Annual Report on Form 10-K and any and all amendments hereto, as fully and for all intents and purposes as he or she might do or could do in person, and hereby ratifies and confirms all said attorneys-in-fact and agents, each acting alone, and his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Craig M. Hurlbert</u> Craig M. Hurlbert	Chief Executive Officer and Director <i>(Principal Executive Officer)</i>	March 31, 2025
<u>/s/ Kathleen Valiasek</u> Kathleen Valiasek	President and Chief Financial Officer <i>(Principal Financial and Accounting Officer)</i>	March 31, 2025
<u>/s/ Travis M. Joyner</u> Travis M. Joyner	Director	March 31, 2025
<u>/s/ Pamela Brewster</u> Pamela Brewster	Director	March 31, 2025
<u>/s/ Jennifer Carr-Smith</u> Jennifer Carr-Smith	Director	March 31, 2025
<u>/s/ Edward C. Forst</u> Edward C. Forst	Director	March 31, 2025
<u>/s/ Mark J. Nelson</u> Mark J. Nelson	Director	March 31, 2025
<u>/s/ Matthew Nordby</u> Matthew Nordby	Director	March 31, 2025

Conformed copy reflecting
First Amendment to Credit Agreements and Subordination Agreement, dated March 14, 2022
Second Amendment to Credit Agreements, dated August 11, 2022 and effective as of June 30, 2022
Third Amendment to Credit Agreements, dated December 30, 2022
Fourth Amendment to Credit Agreements, dated January 6, 2023
Fifth Amendment to Credit Agreements, dated March 13, 2023
Sixth Amendment to Credit Agreements, dated March 28, 2023
Seventh Amendment to Credit Agreements, dated October 2, 2023
Eighth Amendment to Credit Agreements, dated January 23, 2024
Ninth Amendment to Credit Agreements, dated March 26, 2024
Tenth Amendment to Credit Agreements, dated June 28, 2024
Letter Amendments dated December 22, 2023, February 22, 2024, June 18, 2024 and June 28, 2024

CREDIT AGREEMENT

dated as of

September 3, 2021

between

LOCAL BOUNTI COMPANY OPERATING COMPANY LLC
and
CERTAIN SUBSIDIARIES THEREOF,
as Borrowers,

and

CARGILL FINANCIAL SERVICES INTERNATIONAL, INC.,
as Lender

TABLE OF CONTENTS

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Exhibits

- Exhibit A - Form of Term Loan Note
- Exhibit B - Form of Loan Request
- Exhibit C - Form of Compliance Certificate
- Exhibit D - Form of Officer's Certificate (Project Costs)
- Exhibit E - Form of Final Completion Certificate
- Exhibit F - Form of Joinder Agreement
- Exhibit G - Form of Capital Expenditures Compliance Certificate

Schedules

- Schedule A - [Reserved]
- Schedule B - Excluded Subsidiaries
- Schedule 3.1 - Loan Parties and Subsidiaries
- Schedule 3.7 - Litigation
- Schedule 3.14(b) - Environmental Disclosures
- Schedule 3.23(h) - Farms and Farm Projects
- Schedule 6.1 - Indebtedness
- Schedule 6.2 - Liens

CREDIT AGREEMENT

This Agreement is entered into as of September 3, 2021 by and among LOCAL BOUNTI OPERATING COMPANY LLC, a Delaware limited liability company previously known as Local Bounti Corporation, a Delaware corporation (the “Company”), each Subsidiary of the Company identified as a “Borrower” on the signature pages hereto (each such Subsidiary, a “Subsidiary Borrower”; all Subsidiary Borrowers, together with the Company and with any Person subsequently joining in this Agreement as a borrower pursuant to Section 5.14 hereof, collectively, the “Borrowers”), and CARGILL FINANCIAL SERVICES INTERNATIONAL, INC., a Delaware corporation (the “Lender”).

The Borrowers have requested that the Lender make a multiple-advance term loan to the Borrowers, and the Lender is willing to do so on the terms and conditions set forth herein. In consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

ARTICLE I DEFINITIONS

Section 1.1 Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

“2023 Warrant” means the Common Stock Purchase Warrant dated as of the Sixth Amendment Effective Date issued by Holdings, as company, in favor of Cargill Financial Services International, Inc., as holder.

“ABR” means, for any day, a rate per annum equal to the highest of (a) the Prime Rate in effect on such day and (b) the Federal Funds Effective Rate in effect on such day plus 0.50%. Any change in the ABR due to a change in the Prime Rate or the Federal Funds Effective shall be effective from and including the effective date of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

“ABR Loan” means a Term Loan that bears interest based on the ABR.

“Account Control Agreement” means, with respect to any deposit, securities or commodity account of any Loan Party or any Subsidiary, an account control agreement (including any blocked account agreement) in favor of and in form and substance acceptable to the Lender, duly executed by the parties thereto.

“Affiliate” means, with respect to a specified Person, another Person that directly or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified; provided that, except with respect to Section 6.7, the term “Affiliate” (with respect to any Loan Party) shall not include any private equity funds owned or managed by Lion Capital LLP, an English limited liability partnership, or any unrelated portfolio companies of such funds or Lion Capital LLP (other than the Loan Parties and their Subsidiaries); provided, further, that the term “Affiliate” shall not at any time include the Lender or any of its affiliates.

“Aggregate Paragon Consideration” means the aggregate consideration payable under the Paragon Purchase Documents (including, without limitation, purchase price consideration, issuance of equity, payoff of indebtedness, and remittance of funds into escrow).

“Agreement” means this Credit Agreement.

“Agricultural License” means each License held (or required to be held) by a Loan Party pursuant to any Agricultural Lien Statutes applicable to such Loan Party.

“Agricultural Lien Statutes” means, collectively, PACA, PASA, the Food Security Act and all other Applicable Laws that could create or give rise to any Lien, trust, charge, encumbrance or claim, including without limitation any “agricultural lien” (as defined in the UCC), in or against (a) any portion of the “farm products” (as defined in the UCC) or any other agricultural products purchased, stored or otherwise handled by any Loan Party, by any Person from whom any Loan Party purchases goods or by any other Person from whom such first Person purchases or otherwise receives goods in the ordinary course of business, or (b) any products, proceeds or derivatives of any such farm product or other agricultural product (including, without limitation, any accounts receivable arising from the sale of any such farm product, other agricultural product or any products, proceeds or derivatives thereof).

“Anti-Corruption Laws” means the FCPA, the U.K. Bribery Act 2010, and any other anti-bribery or anti-corruption laws, regulations or ordinances in any jurisdiction in which any Loan Party or any of its Subsidiaries is located or doing business.

“Anti-Terrorism Laws” means any Laws relating to terrorism, Sanctions or other trade sanctions programs and embargoes, import/export licensing or money laundering (including the PATRIOT Act), and any regulation, order, or directive promulgated, issued or enforced pursuant to such Laws.

“Applicable Food and Feed Safety Law” means each Applicable Law with respect to the safety of food and feed products, including without limitation the FDA Food Safety Modernization Act, Pub. L. No. 111-353, 124 Stat. 3885 (2011) and corresponding rules and regulations, each as amended from time to time.

“Applicable Interest Rate” means a rate per annum equal to Term SOFR plus the Applicable Margin.

“Applicable Law” means, as to any Person, all applicable Laws binding upon such Person or to which such Person is subject.

“Applicable Margin” means, as applicable:

(a) the percentage spread to be added to Term SOFR Loans, as set forth in the Pricing Grid based on the then-current Consolidated Senior Net Leverage Ratio; or

(b) the percentage spread to be added to ABR Loans, as set forth in the Pricing Grid based on the then-current Consolidated Senior Net Leverage Ratio.

“Approved Budget” means, at any time, the budget most recently submitted to the Lender pursuant to Section 5.2(c), but only so long as such budget has been approved by the Lender in its reasonable discretion in writing.

“Attributable Indebtedness” means, as of any date of determination, (a) in respect of any Capitalized Lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, and (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a capital lease.

“Available Tenor” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if the then-current Benchmark is a term rate, any tenor for such Benchmark that is or may be used for determining the length of an Interest Period or (y) otherwise, any payment period for interest calculated with reference to such Benchmark, as applicable, pursuant to this Agreement as of such date.

“Benchmark” means, initially, Term SOFR; provided that if a replacement of the Benchmark has occurred pursuant to Section 2.11, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate. Any reference to “Benchmark” shall include, as applicable, the published component used in the calculation thereof.

“Benchmark Replacement” means the sum of:

- (1) the alternate benchmark rate; and
- (2) an adjustment;

where an alternate benchmark and an adjustment (which may be a positive or negative value or zero) has been selected by the Lender as the replacement for relevant tenor giving due consideration to any evolving or then-prevailing market convention, including any applicable recommendations made by the Relevant Governmental Body. In the event the Benchmark Replacement as determined above is less than zero, the Benchmark Replacement shall be deemed to be zero for the purposes of this Agreement and the other Loan Documents.

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “ABR,” the definition of “Business Day,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Lender (in consultation with the Company) decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Lender in a manner substantially consistent with market practice (or, if the Lender decides that adoption of any portion of such market practice is not administratively feasible or if the Lender determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Lender (in consultation with the Company) decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

“Benchmark Transition Event” means, with respect to any then-current Benchmark, the occurrence of a public statement or publication of information by or on behalf of the administrator of the then-current Benchmark, the regulatory supervisor for the administrator of such Benchmark, the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark, a resolution authority with jurisdiction over the administrator for such Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark, announcing or stating that (a) such administrator has ceased or will cease on a specified date to provide all Available Tenors of such Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark or (b) all Available Tenors of such Benchmark are or will no longer be representative of the underlying market and

economic reality that such Benchmark is intended to measure and that representativeness will not be restored.

“Beneficial Ownership Certification” has the meaning specified in Section 8.12.

“Beneficial Ownership Regulation” shall mean 31 C.F.R. § 1010.230.

“Bitterroot Lease Agreement” means the Lease (Single Tenant; Gross) dated as of June 12, 2020, between Grow Bitterroot, LLC, as landlord, and Bounti Bitterroot, as tenant.

“Borrowers” has the meaning specified in the preamble.

“Bounti Bitterroot” means Bounti Bitterroot LLC, a Delaware limited liability company.

“Business Day” means any day other than (a) a Saturday or Sunday, (b) a day that is a legal holiday under the laws of the State of New York or Minnesota or is a day on which banking institutions in such state are authorized or required by Law to close, and (c) for purposes of Term SOFR setting, a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

“Capital Expenditure” means, with respect to any Person, any expenditure that is required under GAAP, consistently applied, to be capitalized on the balance sheet of such Person.

“Capital Expenditures Compliance Certificate” means a certificate substantially in the form of Exhibit G attached hereto or such other form approved by the Lender.

“Capitalized Lease” means each lease that has been or is required to be, in accordance with GAAP, recorded as a capital or finance lease.

“Carpinteria (California) Deed of Trust (Senior)” means the Deed of Trust, Security Agreement, Assignment of Rents and Fixture Filing (Senior) dated as of June 6, 2022, made by Hollandia Real Estate, as grantor, to First American Title Insurance Company, as trustee, in favor of the Lender, as beneficiary, recorded June 8, 2022 as document number 2022-0027539 in the real property records of Santa Barbara County, California.

“Carpinteria (California) Farm” means a Farm or Farm Project located at the Carpinteria (California) Property.

“Carpinteria (California) Property” means the real property described on Exhibit A to the Carpinteria (California) Deed of Trust (Senior).

“Cash Equivalents” means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of acquisition thereof;

(b) investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from a Credit Rating Agency;

(c) investments in certificates of deposit, banker's acceptances and time deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States of America or any state thereof that has a combined capital and surplus and undivided profits of not less than \$500,000,000;

(d) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above; and

(e) money market funds that (i) comply with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940, (ii) are rated AAA and Aaa (or equivalent rating) by at least two Credit Rating Agencies and (iii) have portfolio assets of at least \$5,000,000,000.

“Change in Law” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any Law, rule, regulation or treaty, (b) any change in any Law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of Law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“Change of Control” means any event, circumstance or occurrence that results in:

(a) at any time prior to the Qualified SPAC Transaction Effective Date, (i) the Closing Date Holders failing to own and Control, directly or indirectly, 75% of the Equity Interests of the Company; (ii) the Company failing to own and Control, directly or indirectly, 100% of the Equity Interests of each Subsidiary (it being agreed that a Change of Control shall not occur to the extent a Loan Party or other Subsidiary dissolves or merges into a Loan Party in accordance with Section 6.3, with such Loan Party continuing as the surviving entity), (iii) [reserved], or (iv) a change in the composition of the Governing Board of the Company such that Continuing Directors cease to constitute 50% or more of the Company's Governing Board.

(b) at any time after the Qualified SPAC Transaction Effective Date, (i) Holdings failing to own and Control, directly or indirectly, 100% of the Equity Interests of the Company, free and clear of all Liens other than Liens in favor of the Lender, (ii) the Company failing to own and Control, directly or indirectly, 100% of the Equity Interests of each other Loan Party, free and clear of all Liens other than Liens in favor of the Lender (it being agreed that a Change of Control shall not occur to the extent a Loan Party or other Subsidiary dissolves or merges into a Loan Party in accordance with Section 6.3, with such Loan Party continuing as the surviving entity), (iii) [reserved], (iv) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its Subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have “beneficial ownership” of all securities that such person or group has the right

to acquire, whether such right is exercisable immediately or only after the passage of time (such right, an “option right”), directly or indirectly, of 30% or more of the Equity Interests of Holdings entitled to vote for members of the Governing Board of Holdings on a fully diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right), except in each case, in respect of any beneficial ownership of the Lender or any of its Affiliates arising under the Warrant Agreements or resulting from the exercise of the warrants thereunder, or (v) a change in the composition of the Governing Board of Holdings, the Company or any Subsidiary Borrower such that Continuing Directors cease to constitute 50% or more of such Person’s Governing Board.

For the avoidance of doubt, the occurrence of the First Merger (as defined in the SPAC Merger Agreement) shall not result in any Change of Control hereunder so long as such First Merger (i) is consummated in accordance with the terms and conditions of the SPAC Merger Agreement and (ii) occurs substantially concurrently with the Second Merger (as defined in the SPAC Merger Agreement).

“Closing Date” means the date of this Agreement.

“Closing Date Holders” means, collectively, the beneficial owners of all Equity Interests of the Company as of the Closing Date as listed in the Perfection Certificate delivered to the Lender pursuant to Section 4.1(f).

“Closing Date Letter Agreement” means Letter Agreement dated as of the Closing Date between the Company and the Lender.

“Closing Date Warrant Agreement” means the Warrant Agreement dated as of the Closing Date made by Holdings, as company, in favor of Cargill Financial Services International, Inc., as holder.

“Code” means the Internal Revenue Code of 1986, as amended.

“Collateral” means any and all assets on which a Lien is granted to the Lender to secure any or all of the Obligations.

“Collateral Assignment” means:

(a) with respect to any Material Project Document, a collateral assignment in favor of and in form and substance reasonably acceptable to the Lender, duly executed by the applicable parties thereto and consented to and acknowledged by (x) with respect to any GC Contract, the applicable General Contractor, and (y) with respect to any other Material Project Document, to the extent reasonably requested by the Lender, the Material Project Participant party to such Material Project Document; provided that, solely with respect to Project Licenses, the Loan Parties shall only be required to use commercially reasonable efforts to deliver consents and acknowledgments of collateral assignments in respect of Project Licenses under this clause (a)(y); and

(b) with respect to any Material Agreement (other than a Material Project Document), when reasonably requested by the Lender, (x) a collateral assignment in favor of and in form and substance reasonably acceptable to the Lender, duly executed by the applicable Loan Party or Subsidiary and (y) consented to and acknowledged by each other Person party to or other Person who has an interest in such Material Agreement; provided that, except in the case of Third-Party Farm Lease Agreements, the Loan Parties shall only be required to use commercially

reasonable efforts to deliver consents and acknowledgments of collateral assignments from third parties under this clause (b)(y).

“Collateral Documents” means, collectively, the Security Agreement, each Account Control Agreement, each Mortgage, each Collateral Assignment, each Lien Waiver Agreement and each other instrument, certificate or document pursuant to which any Borrower or any other Loan Party has granted a Lien to the Lender to secure any or all of the Obligations.

“Commodity Exchange Act” means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

“Completion” means, with respect to a Farm Project, (a) the completion of such Farm Project in accordance with the terms of the applicable Project Documents and the Loan Documents and the requirements of all Applicable Laws and third-party and governmental consents and approvals; (b) without limiting the foregoing, construction of such Farm Project has been certified as complete by the applicable General Contractor, the other Material Project Contractors and the Project Consultant; (c) the Borrowers have delivered to the Lender evidence that a valid notice of completion has been recorded to establish commencement of the shortest statutory period in the filing of mechanics’ and materialmen’s Liens, if applicable; (d) full and final unconditional waivers of mechanics’ Liens from all contractors engaged in connection with such Farm Project shall have been delivered to the Lender; (e) a final, unconditional certificate of occupancy or other applicable approval from the appropriate Governmental Authority permitting occupancy of the applicable Farm shall have been issued as to the applicable Farm; and (f) the Company has delivered to the Lender a duly executed Final Completion Certificate. “Complete” shall have a correlative meaning.

“Completion Deadline” means, with respect to each Farm Project, the date determined by the Borrowers and reasonably acceptable to the Lender by which Completion of such Farm Project must occur, which date will be set forth in the Initial Construction Budget and Construction Schedule applicable to such Farm Project.

“Compliance Certificate” means a certificate substantially in the form of Exhibit C attached hereto or such other form approved by the Lender.

“Consolidated Adjusted EBITDA” means, with respect to the Consolidated Group, for the applicable Covenant Computation Period, Consolidated Net Income for such period plus, without duplication and to the extent deducted in determining Consolidated Net Income for such period, the sum of (a) Consolidated Interest Expense, (b) provision for Taxes based on income, (c) depreciation expense, (d) amortization expense, (e) unusual or non-recurring charges, expenses or losses and (f) other non-cash charges, expenses or losses (excluding any such non-cash charge to the extent it represents an accrual or reserve for potential cash charge in any future period or amortization of a prepaid cash charge that was paid in a prior period), minus, to the extent included in determining Consolidated Net Income for such period, the sum of (i) unusual or non-recurring gains and non-cash income, (ii) any other non-cash income or gains increasing Consolidated Net Income for such period (excluding any such non-cash gain to the extent it represents the reversal of an accrual or reserve for potential cash charge in any prior period) and (iii) any gains realized from the disposition of property outside of the ordinary course of business, all as determined on a consolidated basis.

“Consolidated Group” means, prior to the Qualified SPAC Transaction Effective Date, the Company and the other Loan Parties, and after the Qualified SPAC Transaction Effective Date, Holdings, the Company and the other Loan Parties, in each case, including, but not limited to, each Borrower.

“Consolidated Interest Coverage Ratio” means, as of any date of determination, the ratio of (a) Consolidated Adjusted EBITDA for the most recently completed Covenant Computation Period, to (b) Consolidated Interest Expense for the most recently completed Covenant Computation Period.

“Consolidated Interest Expense” means, with respect to the applicable Covenant Computation Period, total interest expense (including that attributable to Capitalized Leases) net of total interest income of the Consolidated Group on a consolidated basis for such period with respect to all outstanding Indebtedness of the Consolidated Group (including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers’ acceptance financing and net costs under Swap Contracts to the extent that such net costs are allocable to such period).

“Consolidated Net Income” means, with respect to the applicable Covenant Computation Period, the consolidated net income (or loss) of the Consolidated Group on a consolidated basis in accordance with GAAP; provided that there shall be excluded (a) the income (or deficit) of any Person accrued prior to the date it becomes a Subsidiary of a Loan Party or is merged into or consolidated with a Loan Party or any of its Subsidiaries, (b) the income (or deficit) of any Person (other than a Subsidiary of a Loan Party) in which a Loan Party or any of its Subsidiaries has an ownership interest, except to the extent that any such income is actually received by such Loan Party or such Subsidiary in the form of dividends or similar distributions, and (c) the undistributed earnings of any Subsidiary of a Loan Party to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any Contractual Obligation (other than under any Loan Document) or requirement of Law applicable to such Subsidiary.

“Consolidated Operating Expense Ratio” means, with respect to the Consolidated Group, the ratio of (a) (i) all operating costs and expenses of the Consolidated Group plus, without duplication, (ii) all costs of goods sold of the Consolidated Group (but excluding, in the case of the preceding subclauses (i) and (ii), any non-cash costs and expenses), in each case with respect to all Farms and Farm Projects as of the last day of the applicable calendar quarter for the quarter then ending, to (b) revenue of the Consolidated Group during such calendar quarter arising from the sale of produce and other inventory produced at the Farms and Farm Projects, all determined in accordance with GAAP.

“Consolidated Senior Funded Indebtedness” means, as of any date of determination, the sum of (1) the aggregate amount of Indebtedness of the Consolidated Group outstanding on such date, determined on a consolidated basis in accordance with GAAP, consisting only of Indebtedness included in clauses (a), (b) (but with respect to earn-out obligations, only to the extent due and payable), (c) (but with respect to letters of credit, only to the extent of any drawn and unreimbursed amounts in respect thereof), (e), (f), (g) and (k) (only with respect to guarantees of Indebtedness otherwise included in this definition) of the definition of “Indebtedness,” less (2) the aggregate amount of Junior Debt of the Consolidated Group outstanding on such date, less (3) [reserved]. For the avoidance of doubt, it is understood and agreed that Indebtedness with respect to lease or rental obligations are excluded from this definition.

“Consolidated Senior Net Leverage Ratio” means, as of any date of determination, the ratio of (a) Consolidated Senior Funded Indebtedness as of such date, minus Unrestricted Cash of the Loan Parties as of such date in an amount not to exceed \$20,000,000, to (b) Consolidated Adjusted EBITDA for the most recently completed Covenant Computation Period.

“Construction Budget” means, with respect to a Farm Project, a budget in form and substance reasonably satisfactory to the Lender (and, in the discretion of the Lender, after consultation with the Project Consultant), which may be revised from time to time by the Borrowers in accordance with the

terms and conditions of this Agreement, and which sets forth all anticipated Project Costs, including, but not limited to, all construction and non-construction costs, all interest, fees and other carrying costs relating to such Farm Project, and all applicable contingency reserves. Each Construction Budget shall contain a statement of sources and uses of proceeds, broken down as to separate construction phases and components, including line item costs breakdowns for all costs by trade, job and subcontractor.

“Construction Schedule” means, with respect to a Farm Project, a progress schedule in form and substance reasonably satisfactory to the Lender (and, in the discretion of the Lender, after consultation with the Project Consultant), showing the estimated commencement and completion dates for each material phase of such Farm Project, including the construction, equipping and completion of such Farm Project, and setting forth the estimated Final Completion Date with respect to such Farm Project, as such progress schedule may be revised from time to time by the Borrowers in accordance with the terms and conditions of this Agreement.

“Continuing Directors” means, as of any date, (a) those members of the Governing Board of a Person who assumed office prior to such date, and (b) those members of the Governing Board of a Person who assumed office after such date and whose appointment or nomination for election by such Person’s members was approved by the Governing Board of such Person in accordance with such Person’s Organizational Documents.

“Contractual Obligation” means, 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.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings analogous thereto.

“Corresponding Tenor” with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

“Covenant Compliance Date” means the last day of each calendar quarter.

“Covenant Computation Period” means the four consecutive calendar quarters immediately preceding and ending on a Covenant Compliance Date.

“Credit Rating Agency” means a nationally recognized credit rating agency that evaluates the financial condition of issuers of debt instruments and then assigns a rating that reflects its assessment of the issuer’s ability to make debt payments.

“CRM” means Cargill Risk Management, a division of Cargill, Incorporated, or any Affiliate thereof.

“Debt Service Coverage Ratio” means, with respect to the Consolidated Group, for the applicable Covenant Computation Period, the ratio of (a) Consolidated Adjusted EBITDA during such period, to (b) the sum of (without duplication) (i) all scheduled principal payments on all Indebtedness for borrowed money (other than any such Indebtedness described in clause (j) of the definition thereof) due during such period or on demand, (ii) all interest paid in cash during such period, and (iii) all rental payments under leases of real or personal property (including, for the avoidance of doubt, all rental payments under the

STORE Lease Agreement), regardless of whether such leases are characterized as operating leases or finance (or capital) leases, all determined in accordance with GAAP on a consolidated basis.

“Debt Service Reserve Account” means a deposit account established by the Company with a financial institution acceptable to the Lender and containing such minimum funds as required under Section 5.17.

“Debtor Relief Laws” means the Bankruptcy Code of the United States of America and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

“Default” means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

“Default Rate” means, as of any date of determination, the following: (a) for each Term Loan, the Applicable Interest Rate plus 3.00% per annum; and (b) for all other Obligations, the Applicable Interest Rate plus 3.00%.

“Delaware Code” means the “Delaware Code” as defined in 1 Del. C. § 101, as amended from time to time.

“Disbursing Agent” means First American Title Insurance Company or such other title insurance company to the Lender in its sole discretion.

“Disbursing Agreement” means, individually and collectively, (i) the Disbursing Agreement of even date herewith among the Company, the Lender and the Disbursing Agent, and (ii) any other disbursing agreement entered into from time to time among one or more of the Loan Parties, the Lender and the Disbursing Agent.

“Disposition” or “Dispose” means the sale, transfer, license, lease or other disposition of any property or asset by any Person, including, but not limited to, any sale and leaseback transaction, any “division” under the Delaware Code, any issuance of Equity Interests by a Subsidiary of such Person, or any sale, discounting, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

“Disqualified Equity Interest” means any Equity Interest that, by its terms (or the terms of any security or other Equity Interests into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition (a) matures or is mandatorily redeemable (other than solely for Equity Interests that are not Disqualified Equity Interests), pursuant to a sinking fund obligation or otherwise (except as a result of a change of control or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event shall be subject to the prior Payment in Full of all Obligations), (b) is redeemable at the option of the holder thereof, in whole or in part, (c) provides for scheduled payments of dividends in cash, or (d) is or becomes convertible into or exchangeable for Indebtedness or any other Equity Interests that would constitute Disqualified Equity Interests, in each case, prior to the date that is 91 days after the Maturity Date; provided that if such Equity Interests are issued in the ordinary course of business pursuant to a plan for the benefit of employees of the Company or any of its Subsidiaries or by any such plan to such employees, such Equity Interests shall not constitute Disqualified Equity Interests solely because they may be required to be repurchased by the Company or any of its Subsidiaries in order to satisfy applicable statutory or regulatory obligations.

“Dollar”, “Dollars”, “U.S. Dollars” and “\$” mean lawful money of the United States.

“DSRA Shortfall” has the meaning specified in Section 5.17(b).

“Environmental Indemnity” means the Environmental Indemnity Agreement of even date herewith by the Borrowers in favor of the Lender.

“Environmental Laws” means any and all federal, state, local and foreign statutes, Laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions, including all common law, relating to pollution or the protection of health, safety or the environment (including, without limitation, water rights and entitlements, including the right to extract and beneficially use groundwater) or the release of any materials into the environment, including those related to Hazardous Materials, air emissions, discharges to waste or public systems and health and safety matters.

“Environmental Liability” means any liability or obligation, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), directly or indirectly, resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment, disposal or permitting or arranging for the disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“EPA” means the United States Environmental Protection Agency or any successor agency thereto, whether acting through a local, state, federal or other office.

“Equity Interests” means, as to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“ERISA Affiliate” means any trade or business (whether or not incorporated) under common control with the Borrowers or another Loan Party within the meaning of Sections 414(b), (c), (m) and (o) of the Code or Section 4001(a) of ERISA.

“ESOP Share Seller” means the Hollandia Produce Group, Inc. Employee Stock Ownership Trust.

“Event of Default” has the meaning specified in Article VII.

“Excluded Accounts” has the meaning assigned to such term in the Security Agreement.

“Excluded Contractor or Subcontractor” means each contractor or subcontractor engaged to furnish materials or services in connection with a Farm Project pursuant to contracts, purchase orders or

other agreements that in the aggregate are less than \$50,000 (or such greater amount as the Disbursing Agent and the Lender may agree to in writing) with respect to each such contractor or subcontractor.

“Excluded Subsidiary” means any Subsidiary that satisfies the following conditions: (a) such Subsidiary is identified on Schedule B hereto (as such schedule may be amended or supplemented from time to time with the Lender’s prior written consent (not to be unreasonably withheld)), (b) all of the tangible assets of such Subsidiary are located in a “qualified opportunity zone” as defined in Section 1400Z-1(a) of the Code, and (c) such Subsidiary at no time received or receives, directly or indirectly, any proceeds of any Term Loan made hereunder.

“Excluded Swap Obligations” means with respect to any Guarantor, any obligations in respect of Swap Obligations if, and to the extent that, all or a portion of the guaranty of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligations (or any guaranty thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the United States Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor’s failure for any reason not to constitute an “eligible contract participant” as defined in the Commodity Exchange Act at the time the guaranty of such Guarantor becomes effective with respect to such related Swap Obligations. For purposes of this definition, “Swap Obligations” means, with respect to any Guarantor, any obligations to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of section 1a(47) of the Commodity Exchange Act.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to the Lender or required to be withheld or deducted from a payment to the Lender: (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of the Lender being organized under the laws of, or having its principal office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of the Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of the Lender with respect to an applicable interest in the Term Loan pursuant to a Law in effect on the date on which the Lender acquires such interest in the Term Loan, and (c) any withholding Taxes imposed under FATCA.

“Existing Bridge Indebtedness” means the Indebtedness under the Credit Agreement dated as of March 22, 2021 between the Company and the Lender (as defined therein).

“Exiting Lenders” means, as of the Closing Date, the holders of any Indebtedness of any Loan Party (other than Permitted Indebtedness).

“Farm” means a greenhouse facility and associated infrastructure.

“Farm Lease Agreement” means each lease agreement in respect of a Farm Project Site.

“Farm Project” means the development, design, construction, equipping, retrofitting, improvement, testing and completion of a Farm in accordance with the terms of the relevant Project Documents, including (a) all equipment, buildings, structures, improvements, fixtures, attachments, appliances, machinery and systems in connection with such Farm and (b) all Project Documents and other contracts and agreements related thereto.

“Farm Project Site” means the real property in which a Loan Party has a fee simple or leasehold interest and upon which a Farm Project or Farm is or will be located.

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

“FCPA” means the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations promulgated thereunder.

“Federal Funds Effective Rate” means, for any day, the greater of (a) the rate calculated by the Federal Reserve Bank of New York based on such day’s Federal funds transactions by depository institutions (as determined in such manner as the Federal Reserve Bank of New York shall set forth on its public website from time to time) and published on the next succeeding Business Day by the Federal Reserve Bank of New York as the Federal funds effective rate and (b) 0%.

“Federal Reserve Board” means the Board of Governors of the Federal Reserve System of the United States.

“Fee Determination Date” means the earlier of (a) the Maturity Date, (b) the date on which any of the Obligations are prepaid pursuant to Section 2.4 or 2.5, and (c) the date on which any Obligations are accelerated pursuant to the Loan Documents or Applicable Law.

“Fee Letter” means each of (a) the Fee Letter dated as of the Closing Date among the Borrowers and the Lender, (b) the First Amendment Fee Letter and (c) each separate agreement entered into from time to time by and between the Borrowers or any other Loan Party and the Lender, in each case setting forth certain fees to be paid by the Borrowers or such other Loan Party to the Lender, as more fully set forth therein.

“Fifth Amendment Effective Date” means March 13, 2023.

“Final Completion Certificate” means a certificate of a Responsible Officer of the Company in the form of Exhibit E attached hereto.

“Final Completion Date” means the date of Completion.

“Financial Officer” means, as to any Person, the chief financial officer, principal accounting officer, treasurer or controller of such Person.

“First Amendment” means the First Amendment to Credit Agreements and Subordination Agreement dated as of the First Amendment Effective Date among the Borrowers, Holdings, the Lender and the Subordinated Creditor.

“First Amendment Effective Date” means March 14, 2022.

“First Amendment Fee Letter” means the Fee Letter dated as of the First Amendment Effective Date among the Loan Parties and the Lender.

“First Amendment Funding Date” means the date on which the First Amendment Term Loan hereunder is funded to the Borrowers.

“First Amendment Joinder Parties” means the Paragon Entities (other than Hollandia GA Investor Corp. and Hollandia GP) and Greeley LLC.

“First Amendment Term Loan” means, subject to the terms and conditions set forth herein and in the First Amendment, the Term Loan to be made on the Paragon Acquisition Effective Date.

“Fiscal Year” means, with respect to the Borrowers or any Subsidiary, a calendar year ending December 31.

“Flood Laws” means, collectively, (a) the National Flood Insurance Act of 1968, (b) the Flood Disaster Protection Act of 1973, (c) the National Flood Insurance Reform Act of 1994 and (d) the Biggert-Waters Flood Insurance Act of 2012, in each case, as now or hereinafter in effect, and any successor statute thereto, and all such other Applicable Laws related thereto.

“Food Security Act” means 7 U.S.C. Section 1631, and any successor statute thereto, together with each law establishing a “central filing system” (as defined in 7 U.S.C. Section 1631) that has been certified by the Secretary of the United States Department of Agriculture.

“GAAP” means, subject to Section 1.3, United States generally accepted accounting principles as in effect as of the date of determination thereof.

“GA/TX/WA Term Loan” means a Term Loan made after the Sixth Amendment Effective Date to pay Project Costs relating to the Warner Robins (Georgia) Farm, the Mt. Pleasant (Texas) Farm or the Pasco (Washington) Farm.

“GC Contract” means, with respect to a Farm Project, an agreement for general contract services entered into between the General Contractor engaged for such Farm Project, on the one hand, and any Borrower or any other Loan Party or Subsidiary, on the other hand.

“General Contractor” means, with respect to a Farm Project, a Person engaged by any Borrower or any other Loan Party or Subsidiary to act as the general contractor for such Farm Project, which Person shall in each case be acceptable to the Lender in its reasonable discretion.

“Governing Board” means, with respect to any corporation, limited liability company or similar Person, the board of directors, board of governors or other body or entity that sets overall institutional direction for such Person (including, with respect to any trust, the trustees thereof).

“Governmental Authority” means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“Greeley LLC” means 2139 E. 8th Street Greeley, LLC, a Delaware limited liability company.

“Grow Bounti Northwest” means Grow Bounti NorthWest, LLC, a Delaware limited liability company.

“Guarantor” means each Person guarantying the payment of the Obligations pursuant to a Guaranty.

“guaranty” means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guarantying or having the economic effect of guarantying any Indebtedness or other obligation payable or performable by another Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part) or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien); provided that the term “guaranty” shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any guaranty shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such guaranty is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guarantying Person in good faith. The term “guaranty” as a verb has a corresponding meaning.

“Guaranty” means each guaranty, in form and substance acceptable to the Lender, guarantying the payment of the Obligations.

“Hamilton (Montana) Deed of Trust (Senior)” means the Leasehold Real Estate Deed of Trust, Security Agreement, Assignment of Rents and Fixture Filing (Senior) dated as of November 23, 2021, made by Bounti Bitterroot, as grantor, to First American Title Insurance Company, as trustee, in favor of the Lender, as beneficiary, recorded November 24, 2021 as document number 769180 of the real property records of Ravalli County, Montana.

“Hamilton (Montana) Farm” means a Farm or Farm Project located at the Hamilton (Montana) Property.

“Hamilton (Montana) Property” means the real property described on Exhibit A to the Hamilton (Montana) Deed of Trust (Senior).

“Hazardous Materials” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes, and any other substance or wastes defined as a “hazardous waste,” “hazardous material,” “hazardous substance,” “extremely hazardous waste,” “restricted hazardous waste,” “toxic waste” or “toxic substance” pursuant to any Environmental Law.

“Holdings” means, following the Qualified SPAC Transaction Effective Date, Local Bounti Corporation, a Delaware corporation, as successor to Leo Holdings III Corp, a Cayman Islands exempted company which shall have domesticated as a Delaware corporation in accordance with the terms of the SPAC Merger Agreement.

“Hollandia GA” means Hollandia Produce GA, LLC, a Delaware limited liability company.

“Hollandia GA Investor Corp.” means Hollandia Produce GA Investor Corporation, a Delaware corporation.

“Hollandia GP” means Hollandia GP, LLC, a California limited liability company.

“Hollandia Real Estate” means Hollandia Real Estate, LLC, a Delaware limited liability company.

“Indebtedness” means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

- (a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;
- (b) all obligations of such Person for the deferred purchase price of property, assets or services (other than trade payables, in each case to the extent payable in the ordinary course of business);
- (c) all direct or contingent obligations of such Person arising under (i) letters of credit (including standby and commercial), bankers’ acceptances and bank guaranties and (ii) surety bonds, performance bonds and similar instruments issued or created by or for the account of such Person;
- (d) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements);
- (e) all obligations, contingent or otherwise, of such Person in connection with any securitization of any products, receivables or other property or assets which obligations are recourse to such Person or such Person’s property or assets;
- (f) all obligations of such Person under factoring agreements or similar arrangements;
- (g) all Attributable Indebtedness;
- (h) all obligations of such Person in respect of Disqualified Equity Interests;
- (i) all other obligations of such Person which are required to be reflected in, or are reflected in, such Person’s financial statements recorded or treated as indebtedness under GAAP;
- (j) net obligations of such Person under any Swap Contract; and
- (k) all guaranties of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person. The amount of any Indebtedness of any Person for purposes of clause (d) that is expressly made non-recourse or limited-recourse (limited solely to the assets securing such Indebtedness) to such Person shall be deemed to be equal to the lesser of (i) the aggregate principal amount of such Indebtedness and (ii) the fair market value of the property encumbered thereby as

determined by such Person in good faith. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date.

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of the Obligations under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

“Indemnitee” has the meaning specified in Section 8.3(b).

“Initial Construction Budget” means, with respect to each Farm Project, the initial Construction Budget delivered to the Lender in respect of such Farm Project, in each case in form and substance satisfactory to the Lender in its reasonable discretion.

“Interest Period” means, with respect to any Term Loan, the period commencing on the last Business Day of a calendar quarter and ending on the last day of the immediately succeeding calendar quarter; provided that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar quarter, in which case such Interest Period shall end on the next preceding Business Day, and (ii) no Interest Period shall extend beyond the Maturity Date. Notwithstanding the foregoing or anything herein to the contrary, however, (A) the initial Interest Period with respect to any Term Loan (other than a Term Loan made on the last Business Day of a calendar quarter) shall be the period commencing on the date on which such Term Loan is made and ending on the last Business Day of the calendar quarter in which such Term Loan is made.

“Investment” means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of Equity Interests or debt or other securities of another Person, (b) a loan, advance or capital contribution to, guaranty or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person and any arrangement pursuant to which the investor incurs Indebtedness of the type referred to in clause (k) of the definition of “Indebtedness” in respect of such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of all or substantially all of the property and assets or business of another Person or assets constituting a business unit, line of business or division of such Person. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment but giving effect to any returns or distributions of capital or repayment of principal actually received in cash by such Person with respect thereto.

“Joinder Agreement” means a joinder agreement substantially in the form of Exhibit F hereto or any other form accepted by the Lender in its sole discretion.

“Junior Debt” means unsecured Indebtedness, the Subordinated Indebtedness and any other Indebtedness that (a) is secured by Liens on Collateral that have a priority that is junior to the Liens on Collateral that secure the Obligations, and/or (b) by its terms, is contractually subordinated in right of payment to the Obligations.

“Laws” means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed

duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“Lender” has the meaning specified in the preamble.

“Lender Discretionary Prepayment Event” has the meaning specified in Section 2.5.

“Licenses” means all franchises, permits, licenses and other rights, including all governmental approvals, authorizations, consents, licenses and permits, that are necessary or required for the conduct of the businesses conducted by any Loan Party or any of its Subsidiaries, including, without limitation, the construction and operation of any Farm.

“Lien” means any mortgage, pledge, hypothecation, collateral assignment, deposit arrangement, encumbrance, lien (statutory or other, including, without limitation, mechanics’ liens), charge, or preference, priority or other security interest or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

“Lien Waiver Agreement” means any landlord’s waiver, bailee waiver or other lien waiver or subordination agreement, in form and substance reasonably satisfactory to the Lender, duly executed by the parties thereto.

“Liquidity” means, as of any date of determination, the sum, without duplication, of (a) the amount at such time of all Unrestricted Cash of the Loan Parties, plus (b) the amount at such time of all cash held in the Debt Service Reserve Account, plus (without duplication) (c) the amount at such time of all cash held in the Interest Reserve Account (as defined in the Subordinated Credit Agreement) (it being understood and agreed, for the avoidance of doubt, that the Debt Service Reserve Account and the Interest Reserve Account may both be maintained in a single deposit account of the Company).

“Loan Documents” means, collectively, this Agreement, the First Amendment, the Term Loan Note, the Collateral Documents, the Guaranty, the Subordination Agreement, the Disbursing Agreement, the Environmental Indemnity, the Perfection Certificate, the Closing Date Letter Agreement, each Fee Letter and each other instrument, certificate or document delivered in connection herewith or therewith; provided that, for the avoidance of doubt, no Warrant Agreement shall be a Loan Document.

“Loan Parties” means the Borrowers, any Guarantor and any other Person that grants a Lien on any of its assets to secure the Obligations.

“Loan Request” means a request for a Term Loan, in each case substantially in the form of Exhibit B hereto or any other form accepted by the Lender in its sole discretion.

“Management Agreement” has the meaning specified in Section 6.7(b).

“Margin Stock” means margin stock within the meaning of Regulation T, U or X of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

“Material Adverse Effect” means (a) a material adverse change in or a material adverse effect on the operations, business, properties or condition (financial or otherwise) of the Borrowers (taken as a whole) or of any other Loan Party (individually), or (b) a material adverse effect on (i) the ability of any

Loan Party to punctually perform any of the Obligations, (ii) the legality, validity, binding effect or enforceability of any Loan Document or (iii) the rights, remedies and benefits available to, or conferred upon, the Lender under any Loan Documents.

“Material Agreement” means (a) the SPAC Merger Agreement, (b) each Material Project Document, (c) each Farm Lease Agreement, (d) each STORE Document, (e) the Bitterroot Lease Agreement and each other Farm Lease Agreement, (f) each Warrant Agreement, (g) each Paragon Purchase Agreement and each other Paragon Purchase Document, (h) each agreement, contract, note, bond, debenture or other instrument evidencing Indebtedness of any Loan Party or Subsidiary in an aggregate principal amount in excess of \$2,000,000; and (i) without limiting the foregoing, each other agreement, contract, License or instrument (including any supply, sales, input or offtake agreement) binding on any Loan Party or Subsidiary pursuant to which either (x) such Person shall pay or receive more than \$2,000,000 per annum in the aggregate, or (y) the cancellation, termination or suspension of which, or the failure of any party thereto to perform its obligations thereunder, could reasonably be expected to have a Material Adverse Effect. Notwithstanding the foregoing, however, in no event will any Loan Document or any Subordinated Indebtedness Document constitute a Material Agreement for purposes of this Agreement.

“Material Project Contractor” means, with respect to a Farm Project, the General Contractor engaged for such Farm Project and any contractor whose work, equipment and/or supplies provided with respect to such Farm Project exceeds \$500,000 in the aggregate.

“Material Project Documents” means, with respect to a Farm Project, the applicable Project Plans, Project Licenses, GC Contract, Construction Budget, Construction Schedule, construction payment and performance bonds (if any), insurance certificates, and each contract or supply agreement entered into by any Borrower, any other Loan Party or Subsidiary in connection with such Farm Project pursuant to which such Person shall pay or receive more than \$500,000 per annum in the aggregate.

“Material Project Participants” means, collectively, any Borrower, each other Loan Party and each other Person that is from time to time a party to a Material Project Document.

“Maturity Date” means September 3, 2028.

“Maximum Rate” has the meaning specified in Section 8.13.

“Minimum P&I Amount” means, as of any date of determination occurring during the periods described in the table below, the amount set forth opposite each such applicable period:

Period	Minimum P&I Amount
The period commencing on the Third Amendment Effective Date and ending on the day immediately preceding the Fifth Amendment Effective Date	\$11,271,693.32

The period commencing on the Fifth Amendment Effective Date and continuing through March 31, 2025	\$0
The period commencing on April 1, 2025 and at all times thereafter	An amount equal to the sum of interest and principal payments that would be required pursuant to Section 2.3 for two (2) calendar quarters, calculated based on the outstanding principal balance of the Term Loans as of the Term Loan Termination Date

“Montana Property” means the real property and related improvements leased by Bounti Bitterroot in Hamilton, Montana pursuant to the Bitterroot Lease Agreement.

“Mortgage” means a mortgage (including a leasehold mortgage), deed of trust or similar security instrument from a Loan Party, pursuant to which such Loan Party grants the Lender a Lien on real property and related improvements to secure payment of the Obligations.

“Mt. Pleasant (Texas) Deed of Trust (Senior)” means the Deed of Trust, Security Agreement, Assignment of Rents and Financing Statement (Senior) dated as of February 28, 2023, made by Grow Bounti Northwest, as grantor, to Peter S. Graf, Republic Title of Texas, Inc., as trustee, in favor of the Lender, as beneficiary, recorded March 3, 2023 as document number 20230658 in the real property records of Titus County, Texas

“Mt. Pleasant (Texas) Farm” means a Farm or Farm Project located at the Mt. Pleasant (Texas) Property.

“Mt. Pleasant (Texas) Property” means the real property described on Exhibit A to the Mt. Pleasant (Texas) Deed of Trust (Senior).

“Net Proceeds” means (a) with respect to any Disposition, the cash and Cash Equivalent proceeds thereof received by any Borrower, any other Loan Party or Subsidiary, net of reasonable and documented brokerage, legal, accounting and other fees and expenses, to the extent actually paid from such gross proceeds to Persons other than Affiliates of any Loan Party, (b) with respect to any issuance or incurrence of Indebtedness or Equity Interests, the cash and Cash Equivalent proceeds thereof, net of reasonable and documented fees, commissions, costs, underwriting discounts and other fees and expenses incurred in connection therewith, and (c) with respect to any casualty or condemnation event, the cash and Cash Equivalent proceeds thereof received by any Loan Party or Subsidiary, net of reasonable and documented legal, accounting and other fees and expenses, to the extent actually paid from such gross proceeds to Persons other than Affiliates of any Loan Party. If any proceeds are received in a form other than cash or Cash Equivalents and subsequently converted into cash or Cash Equivalents, then such proceeds shall be treated as Net Proceeds for purposes of this definition at such time as they are converted into cash or Cash Equivalents.

“Ninth Amendment Effective Date” means March 26, 2024.

“Obligations” means (a) all advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party arising under any Loan Document, and (b) all Swap Obligations, and other obligations with respect to any Swap Contract, of any Loan Party to a Swap Party, in each case (whether under the foregoing clause (a) or clause (b)) direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party or Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding. Without limiting the foregoing, the Obligations include (x) the obligation to pay principal, interest, charges, expenses, fees, indemnities and other amounts payable by any Loan Party or Subsidiary under any Loan Document and (y) the obligation of each Loan Party or Subsidiary to reimburse any amount in respect of any of the foregoing that the Lender, in each case in its sole discretion, may elect to pay or advance on behalf of the Borrowers. Notwithstanding the foregoing or the terms of any other Loan Document, the Obligations guaranteed by any Loan Party or secured by any Lien granted by any Loan Party shall exclude any obligations constituting Excluded Swap Obligations with respect to such Loan Party.

“OFAC” means the United States Department of the Treasury’s Office of Foreign Assets Control.

“Organizational Documents” means (a) as to any corporation, the charter or certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction), (b) as to any limited liability company, the certificate or articles of formation or organization and operating or limited liability agreement and (c) as to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

“Other Connection Taxes” means, with respect to the Lender, Taxes imposed as a result of a present or former connection between the Lender and the jurisdiction imposing such Tax (other than connections arising from the Lender having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in the Term Loan or any Loan Document).

“Other Taxes” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment.

“Oxnard (California) Deed of Trust (Senior)” means the Deed of Trust, Security Agreement, Assignment of Rents and Fixture Filing (Senior) dated as of June 6, 2022, made by Hollandia Real Estate, as grantor, to First American Title Insurance Company, as trustee, in favor of the Lender, as beneficiary, recorded June 8, 2022 as document number 2022000065277 in the real property records of Ventura County, California.

“Oxnard (California) Farm” means a Farm or Farm Project located at the Oxnard (California) Property.

“Oxnard (California) Property” means the real property described on Exhibit A to the Oxnard (California) Deed of Trust (Senior).

“PACA” means the Perishable Agricultural Commodities Act, 1930, as amended (7 U.S.C. § 499(e)(c)(2) et seq.), together with all rules and regulations relating thereto or promulgated thereunder by any Governmental Authority (including 7 C.F.R. § 46.1 et seq.).

“Paragon” means Hollandia Produce Group, Inc., a California corporation.

“Paragon Acquisition” means the acquisition by the Company of Paragon, Hollandia GA Investor Corp., Hollandia GA and their respective Subsidiaries and the acquisition of the Paragon Properties, in each case pursuant to the Paragon Purchase Documents.

“Paragon Acquisition Effective Date” means the date on which each of (a) the “Closing Date” under and as defined in the Paragon California PSA has occurred in accordance with the terms and conditions of the Paragon California PSA, (b) the “Closing Date” under and as defined in the Paragon Georgia PSA has occurred in accordance with the terms and conditions of the Paragon Georgia PSA, (c) the “Closing Date” under and as defined in the Paragon Georgia UPA has occurred in accordance with the terms and conditions of the Paragon Georgia UPA, and (d) the “Closing Date” under and as defined in the Paragon Property PSA has occurred in accordance with the terms and conditions of the Paragon Property PSA.

“Paragon California PSA” means the Purchase and Sale Agreement dated as of March 14, 2022 among (1) the ESOP Share Seller, as share seller, (2) Mosaic Capital Investors I, LP, a Delaware limited partnership, and True West Capital Partners Fund II, L.P. formerly known as Seam Fund II, L.P., a Delaware limited partnership, as warrant sellers, (3) Mosaic Capital Investors LLC, a Delaware limited liability company, solely in its capacity as sellers’ representative (the “Sellers’ Representative”), (4) Paragon, (5) the Company, as purchaser, and (6) Holdings, as parent, pursuant to which the Company agreed to purchase all of the issued and outstanding capital stock of, and all of the issued and outstanding warrants to purchase shares of capital stock of, Paragon. The Borrowers acknowledge and agree that a true, correct and complete copy of the Paragon California PSA was delivered to the Lender on the First Amendment Effective Date.

“Paragon Entities” means, collectively, Paragon, Hollandia GA Investor Corp., Hollandia GA and their respective Subsidiaries.

“Paragon Georgia PSA” means the Purchase and Sale Agreement dated as of March 14, 2022 among (1) Mosaic Capital Investors I, LP and True West Capital Partners Fund II, LP, as sellers, (2) the Sellers’ Representative, (3) the Company, as purchaser, (4) Hollandia GA Investor Corporation, a Delaware corporation, and (5) Holdings, as parent, pursuant to which the Company agreed to purchase all of the issued and outstanding shares of capital stock of Hollandia GA Investor Corp. holding all of the issued and outstanding Series A Preferred Units of Hollandia GA. The Borrowers acknowledge and agree that a true, correct and complete copy of the Paragon Georgia PSA was delivered to the Lender on the First Amendment Effective Date.

“Paragon Georgia UPA” means the Unit Purchase Agreement dated as of March 14, 2022 among (1) the individuals identified therein, as sellers, (2) the Company, as purchaser, and (3) Holdings, as parent, pursuant to which the Company agreed to purchase all of the issued and outstanding Class B Common Units of Hollandia GA. The Borrowers acknowledge and agree that a true, correct and

complete copy of the Paragon Georgia UPA was delivered to the Lender on the First Amendment Effective Date.

“Paragon Material Adverse Effect” means a “Company Material Adverse Effect,” as defined in the Paragon California PSA as in effect on the First Amendment Effective Date.

“Paragon Properties” means, collectively, (i) the real property and related improvements owned by the Paragon Property Purchaser, having a common address of 1550 Santa Monica Road, Carpinteria, Santa Barbara County, California 93013, (ii) the real property and related improvements owned by the Paragon Property Purchaser, having a common address of 6135 North Rose Avenue, Oxnard, Ventura County, California 93036, and (iii) the real property and related improvements owned by the Paragon Property Purchaser, having a common address of Highway 41, Warner Robins, Peach County, Georgia 31088.

“Paragon Property PSA” means the Purchase and Sale Agreement dated as of March 14, 2022 between (1) STORE Master Funding XVIII, LLC, as seller, and (2) Hollandia Real Estate, LLC, as purchaser (the “Paragon Property Purchaser”), pursuant to which the seller agreed to sell, and Hollandia Real Estate, LLC agreed to purchase, the Paragon Properties. The Borrowers acknowledge and agree that a true, correct and complete copy of the Paragon Property PSA was delivered to the Lender on the First Amendment Effective Date.

“Paragon Property Purchaser” has the meaning specified therefor in the definition of “Paragon Property PSA”.

“Paragon Purchase Agreements” means, collectively, the Paragon California PSA, the Paragon Georgia PSA, the Paragon Georgia UPA and the Paragon Property PSA.

“Paragon Purchase Documents” means (a) the Paragon Purchase Agreements (including, for the avoidance of doubt, all exhibits and schedules thereto), (b) the Registration Rights Agreement substantially in the form attached to the Paragon California PSA as Exhibit B, and (c) the Escrow Agreement substantially in the form attached to the Paragon California PSA as Exhibit E.

“PASA” means the Packers and Stockyards Act, 1921, as amended (7 U.S.C. § 181 et seq.), together with all rules and regulations relating thereto or promulgated thereunder (including 9 C.F.R. § 200 et seq.).

“Pasco (Washington) Deed of Trust (Senior)” means the Real Estate Deed of Trust and Fixture Filing, Assignment of Rents, Issues and Profits (Senior) dated as of November 10, 2021, made by Grow Bounti Northwest, as grantor, to First American Title Insurance Company, as trustee, in favor of the Lender, as beneficiary, recorded November 10, 2021 as document number 1950798 in the real property records of Franklin County, Washington.

“Pasco (Washington) Farm” means a Farm or Farm Project located at the Pasco (Washington) Property.

“Pasco (Washington) Property” means the real property described on Exhibit A to the Pasco (Washington) Deed of Trust (Senior).

“PATRIOT Act” means the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

“**Payment in Full**” means, as of any date of determination, that (a) all commitments of the Lender with respect to the Term Loan Facility and all obligations of the Swap Parties in respect of Swap Contracts are terminated, and (b) the entire amount of principal of and interest on the Term Loans, and all other amounts of fees, payments and other Obligations under this Agreement and the other Loan Documents (including, without limitation, all obligations of the Loan Parties under Swap Contracts entered into with any Swap Party) are paid in full in cash (other than contingent indemnification obligations and reimbursement obligations in respect of which no claim for payment has yet been asserted by the Person entitled thereto). “**Paid in Full**” shall have a correlative meaning.

“**Perfection Certificate**” means a certificate in form and substance satisfactory to the Lender signed by a Responsible Officer of the Borrowers setting forth certain information with respect to the Loan Parties, their Subsidiaries and their respective assets.

“**Permitted Going Concern Qualification**” means, solely with respect to the audited financial statements of the Company and its Subsidiaries (or, if delivered after the Qualified SPAC Transaction Effective Date, of the Consolidated Group) delivered to the Lender pursuant to Section 5.1(a) for the Fiscal Year ending December 31, 2021 and the Fiscal Year ending December 31, 2022, a “going concern” or like qualification, exception or explanatory paragraph.

“**Permitted Indebtedness**” has the meaning specified in Section 6.1.

“**Permitted Liens**” has the meaning specified in Section 6.2.

“**Person**” means any natural Person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“**Plan**” means any “employee benefit plan” (as such term is defined in Section 3(3) of ERISA) maintained for current or former employees, officers, members or directors of any Loan Party or any ERISA Affiliate, or any such plan to which any Loan Party or Subsidiary is required to contribute on behalf of any of its current or former employees or with respect to which such Loan Party or Subsidiary has any liability.

“**Pricing Grid**” means the table and text set forth below:

Level	Consolidated Senior Net Leverage Ratio	Applicable Margin with respect to Term SOFR Loans	Applicable Margin with respect to ABR Loans
I	Greater than 2.25 to 1.00	8.50%	7.50%
II	Equal to or less than 2.25 to 1.00, but greater than 2.00 to 1.00	8.00%	7.00%
III	Equal to or less than 2.00 to 1.00	7.50%	6.50%

For purposes of determining the Applicable Margin:

(a) Commencing as of the First Amendment Funding Date, the Applicable Margin shall be set at Level I until receipt of the Compliance Certificate for the calendar quarter ending June 30, 2022.

(b) Except as set forth above, the Applicable Margin shall be recomputed as of the end of each calendar quarter based on the Consolidated Senior Net Leverage Ratio as of such quarter end. Any increase or decrease in the Applicable Margin as of a calendar quarter end shall be effective no later than five (5) Business Days following the date on which the Compliance Certificate evidencing such computation is due to be delivered under Section 5.2(a). If a Compliance Certificate is not delivered when due in accordance with such Section 5.2(a), then the rates in Level I shall apply as of the first Business Day after the date on which such Compliance Certificate was required to have been delivered and shall remain in effect until the date on which such Compliance Certificate is delivered.

(c) If, as a result of any restatement of or other adjustment to the financial statements of the Consolidated Group or for any other reason, the Borrowers or the Lender determine that (i) the Consolidated Senior Net Leverage Ratio as calculated by the Borrowers as of any applicable date was inaccurate and (ii) a proper calculation of the Consolidated Senior Net Leverage Ratio would have resulted in higher pricing for such period, the Borrowers shall immediately and retroactively be obligated to pay to the Lender, promptly on demand by the Lender (or, after the occurrence of an actual or deemed entry of an order for relief with respect to any Loan Party under the Bankruptcy Code of the United States, automatically and without further action by the Lender), an amount equal to the excess of the amount of interest and fees that should have been paid for such period over the amount of interest and fees actually paid for such period. In addition, upon the occurrence of any Event of Default, the Applicable Margin shall automatically be set at Level I until such Event of Default has been cured or waived as set forth in this Agreement. This paragraph shall not limit the rights of the Lender under Article VII or any other provision of any Loan Document or Applicable Law.

“Prime Rate” means the rate of interest per annum last quoted by *The Wall Street Journal* as the “Prime Rate” in the U.S. or, if *The Wall Street Journal* ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the “bank prime loan” rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Lender) or any similar release by the Federal Reserve Board (as determined by the Lender). Any change in the Prime Rate shall take effect at the opening of business on the day such change is publicly announced or quoted as being effective.

“Producer” means any producer, packer, processor, manufacturer, dealer, broker, agent, person engaged in farming operations, cooperative whose members consist of any such Persons or other seller of perishable agricultural products or other agricultural goods, including, without limitation, potatoes, corn, “Meat Food Products”, “Livestock”, “Livestock Products”, “Poultry”, “Poultry Products” (each as defined in PASA) and “Perishable Agricultural Commodities” (as defined in PACA).

“Project Consultant” means a project consultant appointed or retained by the Lender and approved by the Company (such approval not to be unreasonably withheld or delayed) to review, on behalf of the Lender, Construction Budgets, Construction Schedules, ongoing construction of any Farm Project, and/or other matters related to any Farm Project. To the extent a Project Consultant has not been appointed or retained, the references in this Agreement to Project Consultant and related provisions shall

have no force and effect and any required approvals, consents or other actions of the Project Consultant which are required or to be performed shall be deemed given or performed, as the case may be.

“Project Costs” means the following costs and expenses incurred by the Borrowers or any other Loan Party or Subsidiary in connection with a Farm Project and set forth in the applicable Construction Budget or otherwise approved by the Lender (and, in the discretion of the Lender, after consultation with the Project Consultant): (a) costs incurred by a Borrower or any other Loan Party or Subsidiary under any Project Documents with respect to the acquisition (including the acquisition of a Farm Project Site), site preparation, design, engineering, procurement of equipment, construction, installation, start-up, mobilization and testing of a Farm Project (including costs associated with structural matters, piping, labor, electrical, design and management and contingency matters); (b) fees and expenses incurred by or on behalf of a Borrower or any other Loan Party or Subsidiary in connection with any Farm Project and the consummation of the transactions contemplated by this Agreement and the other Loan Documents with respect to financing such Farm Project, including financial, working capital, accounting, legal, surveying and consulting fees, and the costs of engineering; (c) interest and fees on the Term Loans with respect to a Farm Project; (d) insurance premiums with respect to any Mortgages for a Farm Project and as otherwise required pursuant to this Agreement; and (e) without duplication of the foregoing, Taxes, salaries, rent and general administrative and overhead costs that are incurred by a Borrower or any other Loan Party or Subsidiary in connection with a Farm Project.

“Project Documents” means the Material Project Documents, all other contracts or subcontracts entered into in connection with a Farm Project and any other agreement, instrument or document relating to the ownership, design, development, construction, lease, maintenance, repair, improvement, management, operation or use of a Farm.

“Project Licenses” means the Licenses required for construction and operation of a Farm Project.

“Project Plans” means, with respect to a Farm Project, the plans and specifications for the construction and equipping of such Farm Project, as the same may be revised from time to time in accordance with the Project Documents and the Loan Documents.

“Project Status Report” means a reasonably detailed report signed by a Responsible Officer of the Company and setting forth (a) the aggregate amount of all Project Costs expended during the preceding calendar quarter and through the date of each such report; (b) an assessment of the overall construction progress of each Farm Project since the date of the last report and since the Closing Date, together with an assessment of how such progress compares to each applicable Construction Schedule; (c) the anticipated Final Completion Date of each Farm Project; (d) a detailed description of all material problems (including actual and anticipated cost overruns, if any, in excess of \$500,000 in the aggregate) encountered or anticipated in connection with the construction of each Farm Project since the date of the last report, together with (i) an assessment of how such problems may impact the applicable Construction Schedule and the meeting of critical path dates thereunder and (ii) a detailed description of the proposed solutions to any such problems; (e) the delivery status of material equipment and the negative effect, if any, that the anticipated delivery dates of such equipment has on each applicable Construction Schedule; (f) any proposed or pending change orders in an amount exceeding \$250,000; (g) a discussion of any material change in the status of any pending Project Licenses or, if there has been no such change in the status of such consents and approvals since the most recent report delivered pursuant to this clause, a statement that there has been no such change; and (h) an analysis of such other material matters related to each Farm Project as the Lender may reasonably request.

“Projected Production Model” means a financial model, in form and substance reasonably satisfactory to the Lender, setting forth, for each Farm and Farm Project, and for each calendar quarter during the forthcoming Fiscal Year, the Loan Parties’ reasonable and good faith projections of (i) the amount of produce and other inventory produced (in pounds) and (ii) the amount of produce and other inventory sold (measured both in Dollars and weighed in pounds), in each case, at each such Farm or Farm Project for each such calendar quarter.

“Properties” has the meaning specified in Section 3.14(b)(i).

“Purchase Money Security Interest” means Liens upon fixed or capital assets or other tangible personal property securing loans to any Loan Party or Subsidiary of a Loan Party or deferred payments by such Loan Party or Subsidiary for the purchase of such fixed or capital assets or other tangible personal property.

“Qualified SPAC Transaction” means the transactions contemplated by that certain Agreement and Plan of Merger dated as of June 17, 2021 (the “SPAC Merger Agreement”), by and among Holdings, Longleaf Merger Sub, Inc., a Delaware corporation, Longleaf Merger Sub II, LLC, a Delaware limited liability company, and the Company, which shall result in minimum cash to the balance sheet of the Company, after the payment of transaction costs and expenses, of not less than \$100,000,000.

“Qualified SPAC Transaction Effective Date” means the date on which the Closing (as defined in the SPAC Merger Agreement) has occurred in accordance with the terms and conditions of the SPAC Merger Agreement (and including, for the avoidance of doubt, the satisfaction or waiver of all conditions set forth in Article VI of the SPAC Merger Agreement). The Qualified SPAC Transaction Effective Date occurred on November 19, 2021.

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors, representatives, successors and assigns of such Person and of such Person’s Affiliates.

“Release” means a release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration into the indoor or outdoor environment or into or out of any property, in each case, of Hazardous Materials through or in the air, soil, surface water, groundwater or property.

“Relevant Governmental Body” means the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto.

“Responsible Officer” means, with respect to any Loan Party, (a) the chief executive officer, president, executive vice president or a Financial Officer of such Person, and (b) solely for purposes of the delivery of incumbency certificates and certified Organizational Documents and resolutions, any vice president, secretary or assistant secretary of such Loan Party. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

“Restricted Payment” means any dividend or other distribution (including a return of capital and whether in cash, securities or other property) with respect to any Equity Interest of any Person, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on

account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interest, or on account of any return of capital to such Person's shareholders, partners or members (or the equivalent Persons thereof).

“Sanctions” means all economic or financial sanctions, sectoral sanctions, secondary sanctions, trade embargoes and anti-terrorism laws imposed, administered or enforced from time to time by (a) the United States of America (including those administered by OFAC, the U.S. State Department, the U.S. Department of Commerce, or through any existing or future Executive Order), (b) the United Nations Security Council, (c) the European Union, (d) the United Kingdom or (e) any other Governmental Authority in any jurisdiction in which (i) any Loan Party is located or conducts business, (ii) in which any of the proceeds of the Term Loan will be used, or (iii) from which repayment of the Term Loan will be derived.

“SEC” means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

“Second Amendment Effective Date” means June 30, 2022.

“Security Agreement” means a security agreement from one or more Loan Parties, pursuant to which such Loan Parties grant a Lien on any or all of their assets to secure payment of the Obligations in favor of the Lender and in form and substance acceptable to the Lender, duly executed by the parties thereto.

“Sellers' Representative” has the meaning specified therefor in the definition of “Paragon California PSA”.

“Sixth Amendment Effective Date” means March 28, 2023.

“SOFR” means a rate per annum equal to the secured overnight financing rate for such Business Day published by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate) on the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org> (or any successor source for the secured overnight financing rate identified as such by the administrator of the secured overnight financing rate from time to time).

“Solvent” means, as to any Person as of any date of determination, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person, (b) the present fair saleable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay such debts and liabilities as they mature and (d) such Person is not engaged in a business or a transaction, and is not about to engage in a business or a transaction, for which such Person's property would constitute an unreasonably small capital. The amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

“SPAC Merger Agreement” has the meaning specified therefor in the definition of “Qualified SPAC Transaction”.

“Specified 2022 PIK Interest” has the meaning specified in Section 2.3(a).

“Specified 2023 PIK Interest” has the meaning specified in Section 2.3(a).

“Specified Event of Default” means any Event of Default set forth in Sections 7.1(a), 7.1(b), 7.1(h), 7.1(i), 7.1(j), 7.1(o) or 7.1(w).

“Specified PIK Amount” means the sum of the Specified PIK Interest and the Specified PIK Fee.

“Specified PIK Fee” has the meaning specified in Section 2.6(a).

“Specified PIK Interest” has the meaning specified in Section 2.3(a).

“Specified Purchase Agreement Representations” means such of the representations and warranties in the Paragon Purchase Agreements made by or with respect to the Paragon Entities or any seller party to a Paragon Purchase Agreement to the extent the Company has the right (taking into account any applicable cure provisions) to terminate its obligations under the Paragon Purchase Agreements (without giving effect to the proviso in Section 9.01(f) of the Paragon California PSA) or to decline to consummate the Paragon Acquisition as a result of a breach of such representations in the Paragon Purchase Agreements.

“Specified Q1 2024 PIK Interest” has the meaning specified in Section 2.3(a).

“Specified Q1/Q2 2023 PIK Interest” has the meaning specified in Section 2.3(a).

“Specified Q2/Q4 2024 PIK Interest” has the meaning specified in Section 2.3(a).

“Specified Q3/Q4 2023 PIK Interest” has the meaning specified in Section 2.3(a).

“Specified Representations” means the representations and warranties of the Loan Parties set forth in Sections 3.1 (solely with respect to valid existence), 3.2(a), 3.4 (solely with respect to the Loan Documents), 3.9(d), 3.15, 3.17 and 3.18.

“STORE Documents” means the STORE Purchase Agreement, the STORE Lease Agreement, the STORE Guaranty and all other “Transaction Documents” as defined in the STORE Purchase Agreement.

“STORE Guaranty” means the “Guaranty” as defined in the STORE Purchase Agreement.

“STORE Lease Agreement” means the “Lease” as defined in the STORE Purchase Agreement.

“STORE Letter of Credit” means the “Letter of Credit” as defined in the STORE Purchase Agreement.

“STORE Purchase Agreement” means the Purchase and Sale Agreement dated as of the Sixth Amendment Effective Date between the STORE Sale-Leaseback Buyer, as purchaser, and Hollandia Real Estate, as seller, as amended, supplemented or otherwise modified from time to time (subject to any restrictions on such amendments, supplements or modifications set forth in the Loan Documents).

“STORE Sale-Leaseback” means the sale and leaseback transaction effected and governed by the STORE Purchase Agreement, the STORE Lease Agreement and the other STORE Documents.

“STORE Sale-Leaseback Buyer” means STORE Capital Acquisitions, LLC, a Delaware limited liability company.

“STORE Sale-Leaseback Closing Date” means the date on which the “Transaction” (as defined in the STORE Purchase Agreement) is consummated and the STORE Sale-Leaseback becomes effective in accordance with the terms of the STORE Purchase Agreement, the STORE Lease Agreement and the other STORE Documents.

“STORE Sale-Leaseback Conditions” means the following conditions precedent, to be satisfied on or prior to the STORE Sale-Leaseback Closing Date:

(a) the STORE Sale-Leaseback Closing Date has occurred by no later than May 12, 2023;

(b) the Lender shall have received true, correct and complete copies of the STORE Lease Agreement and the other STORE Documents to be executed and delivered on or before the STORE Sale-Leaseback Closing Date, all in form and substance reasonably acceptable to the Lender;

(c) the Lender shall have received a certificate, dated as of the STORE Sale-Leaseback Closing Date and signed by a Responsible Officer of the Company, certifying that (i) the STORE Purchase Agreement has not been amended, restated, supplemented or otherwise modified since the Sixth Amendment Effective Date in a manner adverse to the Lender, in each case without the prior written approval of the Lender, (ii) no Specified Event of Default exists before giving effect to the STORE Purchase Agreement, the STORE Sale-Leaseback or any other STORE Document on the STORE Sale-Leaseback Closing Date or would result therefrom, and (iii) attached thereto are true, correct and complete copies of the STORE Lease Agreement and the other STORE Documents received or delivered on or before the STORE Sale-Leaseback Closing Date; and

(d) the Lender shall have received an amendment to each of the Carpinteria (California) Deed of Trust (Senior) and the Oxnard (California) Deed of Trust (Senior), duly executed by the Loan Parties party thereto, in form for recording in the recording office of the applicable political subdivision where the Carpinteria (California) Farm and the Oxnard (California) Farm is situated and accompanied by (i) a landlord waiver and consent to the Carpinteria (California) Deed of Trust (Senior) and the Oxnard (California) Deed of Trust (Senior) as so amended, in form and substance satisfactory to the Lender and duly executed by the STORE Sale-Leaseback Buyer, (ii) an amendment or endorsement to the respective existing lender’s title policy in favor of the Lender insuring the Carpinteria (California) Deed of Trust (Senior) and the Oxnard (California) Deed of Trust (Senior), in form and substance satisfactory to the Lender, and (iii) such legal opinions, certificates, affidavits, questionnaires or reports as shall be required or requested by the Lender in connection therewith.

“Subordinated Credit Agreement” means the Subordinated Credit Agreement of even date herewith among the Company, the Subsidiary Borrowers and the Subordinated Creditor, governing a subordinated multi-advance term loan facility.

“Subordinated Creditor” means the lender party to the Subordinated Credit Agreement.

“Subordinated Indebtedness” means all Indebtedness under the Subordinated Credit Agreement.

“Subordinated Indebtedness Documents” means, collectively, the Subordinated Credit Agreement and all other “Loan Documents” (as defined in the Subordinated Credit Agreement).

“Subordination Agreement” means the Subordination Agreement of even date herewith among the Company, the Subordinated Creditor, and the Lender.

“Subsidiary” of a Person means a corporation, partnership, limited liability company, association or joint venture or other business entity of which a majority of the Equity Interests having ordinary voting power for the election of directors or other Governing Board (other than securities or interests having such power only by reason of the happening of a contingency) are at the time owned or the management of which is Controlled, directly, or indirectly through one or more intermediaries, by such Person. Unless otherwise specified, all references herein to a “Subsidiary” or to “Subsidiaries” shall refer to a Subsidiary or Subsidiaries of any Loan Party.

“Swap Contract” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, that are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “Master Agreement”), including any such obligations or liabilities under any Master Agreement.

“Swap Obligation” means, with respect to any Person, any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of section 1a(47) of the Commodity Exchange Act.

“Swap Party” means any party to a Swap Contract that is the Lender or any Affiliate of the Lender (including, without limitation, CRM).

“Swap Termination Value” means, as to any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include the Lender or any Affiliate of the Lender).

“Synthetic Lease Obligation” means the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease or (b) an agreement for the use or possession of property creating obligations that do not appear on the balance sheet of such Person but, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

“Taxes” means all present or future taxes, levies, tariffs, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Term Loan Amount” means up to \$321,240,402.91 plus the Specified PIK Amount.

“Term Loan Facility” means the term loan facility being made available to the Borrowers by the Lender pursuant to Section 2.1.

“Term Loan Note” means a promissory note of the Borrowers payable to the Lender substantially in the form of Exhibit A, as such promissory note may be amended, extended or otherwise modified from time to time, and including each other promissory note accepted from time to time in substitution therefor or in renewal thereof.

“Term Loan Termination Date” means the earlier of (a) December 31, 2023 and (b) the date on which any Obligations are accelerated pursuant to Article VII hereof or Applicable Law.

“Term Loans” has the meaning specified in Section 2.1.

“Term SOFR” means the “CME Term SOFR Reference Rate” as administered by CME Group Benchmark Administration Limited (or a successor administrator of that rate) displayed on the applicable Bloomberg screen page that displays such rate (or any replacement page which displays that rate and is chosen by the Lender) as of approximately 5:00 a.m. for a tenor approximately equal to the number of days contained in the applicable Interest Period on the date that is two (2) Business Days prior to the first day of such Interest Period; provided that if such tenor is not displayed on a screen or other information service that publishes such rate or the regulatory supervisor of the administrator of such rate has announced that such tenor is not or will not be representative, then the Lender may modify the definition of “Interest Period” to provide for a different tenor.

If, for whatever reason, Term SOFR is not published on a rate setting date as stated above and no Benchmark Transition Event has occurred, then the rate used will be that as published by CME Group Benchmark Administration Limited (or a successor) for the first preceding Business Day for such tenor, so long as such first preceding Business Day is not more than three (3) Business Days prior to the applicable rate setting date.

In the event Term SOFR as determined above is less than zero, Term SOFR shall be deemed to be zero for the purposes of this Agreement.

“Third Amendment Effective Date” means December 30, 2022.

“Third-Party Farm Lease Agreement” means a Farm Lease Agreement in respect of real property not owned in fee by a Loan Party.

“Treasury Rate” means, as of any Fee Determination Date, the yield to maturity at the time of computation of United States Treasury Securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519), which has become publicly available at least (2) two Business Days prior to such Fee Determination Date (or, if such Statistical Release is no longer published, any publicly available source or similar market data) most nearly equal to the period from such Fee Determination Date to the Maturity Date (the “Applicable Period”); provided, however, that if there are no United States Treasury Securities having a term equal to the Applicable Period, the Treasury Rate shall be obtained by interpolating linearly between (1) the yield to maturity of U.S. Treasury Securities with a constant maturity so reported having the term closest to and greater than the Applicable Period and (2) the yield to maturity of U.S. Treasury Securities with a constant maturity so reported having the term closest to and less than the Applicable Period.

“UCC” and “Uniform Commercial Code” means the Uniform Commercial Code as the same may, from time to time, be in effect in the State of New York (the “NY UCC”); provided, however, in the event that, by reason of mandatory provisions of law, any or all of the perfection or priority of the security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, the term “UCC” shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or priority and for purposes of definitions related to such provisions.

“United States” and “U.S.” mean the United States of America.

“Unrestricted Cash” means, with respect to any Person, the aggregate amount of cash and Cash Equivalents reflected on the consolidated balance sheet of such Person and its Subsidiaries and over which the Lender has a perfected first priority security interest.

“Unused Commitment Fee Rate” means 1.25% per annum.

“USDA” means the United States Department of Agriculture, Office of Rural Development or any successor agency thereto, whether acting through a local, state, federal or other office.

“Warner Robins (Georgia) Deed of Trust (Senior)” means the Deed to Secure Debt, Security Agreement, Assignment of Rents and Fixture Filing (Senior) dated as of June 6, 2022, made by Hollandia GA, as grantor, to the Lender, as grantee, recorded June 9, 2022 in Book 678, Page 699 of the real property records of Peach County, Georgia.

“Warner Robins (Georgia) Farm” means a Farm or Farm Project located at the Warner Robins (Georgia) Property.

“Warner Robins (Georgia) Property” means the real property described on Exhibit A to the Warner Robins (Georgia) Deed of Trust (Senior).

“Warrant Agreement” means (i) the Closing Date Warrant Agreement, (ii) the 2023 Warrant, and (iii) any other warrant made or issued from time to time by Holdings in favor of the Lender or an affiliate thereof.

Section 1.2 Terms Generally. The definitions of terms herein shall apply equally to 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. All terms used in this Agreement which are

defined in Article 8 or Article 9 of the NY UCC and which are not otherwise defined herein shall have the same meanings herein as set forth therein.

Section 1.3 Accounting Terms; Changes in GAAP.

(a) *Accounting Terms.* Except as otherwise expressly provided herein, all accounting terms not otherwise defined herein shall be construed in conformity with GAAP. Financial statements and other information required to be delivered by the Company pursuant to Sections 5.1(a) and 5.1(b) shall be prepared in accordance with GAAP as in effect at the time of such preparation. Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness of the Loan Parties and their Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470-20 on financial liabilities shall be disregarded. Notwithstanding anything to the contrary contained in this Agreement, any lease that was or would have been treated as an operating lease under GAAP as in effect on December 1, 2018 that would become or be treated as a Capitalized Lease solely as a result of a change in GAAP after December 1, 2018 shall always be treated as an operating lease for purposes of determining compliance with the financial and other covenants set forth in this Agreement and the other Loan Documents.

(b) *Changes in GAAP.* If the Borrowers notify the Lender that the Borrowers request an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Lender notifies the Borrowers that it requests an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

Section 1.4 Time. All references to times of day in this Agreement shall be references to Minnesota time unless otherwise specifically provided.

Section 1.5 Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

Section 1.6 Interest Rates. The interest rate on a Term Loan may be derived from an interest rate benchmark that is, or may in the future become, the subject of regulatory reform. Regulators have signaled the need to use alternative benchmark reference rates for some of these interest rate benchmarks and, as a result, such interest rate benchmarks may cease to comply with Applicable Laws, may be permanently discontinued, and/or the basis on which they are calculated may change. Section 2.11 provides a mechanism for determining an alternative rate of interest. The Lender does not warrant or accept any responsibility for, and shall not have any liability with respect to, (a) the administration, submission, calculation or any other matter related to any Benchmark, any component definition thereof or rates referenced in the definition thereof or any alternative, comparable or successor rate thereto (including any Benchmark Replacement), including whether the composition or characteristics of any such alternative, comparable or successor rate (including any Benchmark Replacement) will be similar to,

or produce the same value or economic equivalence of, or have the same volume or liquidity as, such Benchmark or any other Benchmark, or (b) the effect, implementation or composition of any Benchmark Replacement Conforming Changes.

ARTICLE II TERMS OF THE TERM LOAN FACILITY

Section 2.1 Term Loan Facility.

(a) *Term Loans*. Subject to the terms and conditions herein set forth, including specifically satisfaction of all conditions set forth in Article IV, prior to the Sixth Amendment Effective Date the Lender agrees to, and on and after the Sixth Amendment Effective Date the Lender may, in its sole discretion, make one or more term loans (the "Term Loans") to the Borrowers from time to time during the period from the Closing Date to and including the Term Loan Termination Date in an aggregate principal amount not to exceed the Term Loan Amount. Each request by the Borrowers for a Term Loan shall be deemed to be a representation by each Borrower that it shall be in compliance with the preceding sentence and with Article IV both before and after giving effect to the requested Term Loan. The Term Loan Facility is not a revolving credit facility; the Borrowers shall have no right to reborrow any portion of any Term Loan that has been repaid.

(b) *Requests for Term Loans*. The Company may from time to time prior to the Term Loan Termination Date request that the Lender make a Term Loan by delivering to the Lender, not later than 11:00 a.m. seven (7) Business Days prior to the proposed borrowing date (or, solely in the case of the First Amendment Term Loan, three (3) Business Days prior to the First Amendment Funding Date), a duly completed Loan Request. No more than two (2) Loan Request for any Term Loan may be submitted each month (other than with respect to the funding of a Term Loan pursuant to Section 5.17(b)). Each Loan Request shall be irrevocable and shall specify the amount of the proposed Term Loan, which amount shall be not less than \$2,000,000.

Section 2.2 Interest on the Term Loans

. Interest shall accrue on the unpaid principal amount of the Term Loans for the period commencing on the Closing Date until the unpaid principal amount thereof is Paid in Full, in accordance with the following:

(a) *Interest*. Except as set forth in paragraph (b) below, the outstanding principal balance of each Term Loan shall bear interest from the date such Term Loan is made until the Term Loan Facility is Paid in Full at the Applicable Interest Rate.

(b) *Default Interest*. Notwithstanding paragraph (a), immediately and automatically upon the occurrence and during the continuation of an Event of Default under clauses (a), (b), (h), (i) or (j) of Section 7.1, or immediately after written notice by the Lender to the Company after the occurrence and during the continuation of any other Event of Default (and, to the extent specified in such notice, commencing as of the date of the occurrence of such Event of Default), all outstanding and unpaid Obligations shall bear interest at the Default Rate.

(c) *Interest Computation*. All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the ABR at times when the ABR is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a

leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(d) *Continuation of Term SOFR Loans*. In the case of any Term SOFR Loan, the Interest Period shall commence on the date of advance of such Term SOFR Loan to the Borrowers and, in the case of immediately successive Interest Periods, each successive Interest Period shall automatically commence on the date on which the immediately preceding Interest Period expires.

Section 2.3 Payment of Principal and Interest.

(a) The Borrowers shall pay accrued interest on the Term Loans in cash on the first Business Day of each calendar quarter (in arrears through the last day of the immediately preceding quarter) and on the Maturity Date. Notwithstanding the foregoing, unless a Default or Event of Default has occurred and is continuing:

(I) the quarterly interest payment of the Borrowers due and payable on January 2, 2023 (for interest accruing for the quarter ending December 31, 2022) may be paid in kind (such interest, the "Specified 2022 PIK Interest"),

(II) the quarterly interest payments of the Borrowers due and payable on (x) April 3, 2023 (for interest accruing for the quarter ending March 31, 2023) and (y) July 3, 2023 (for interest accruing for the quarter ending June 30, 2023) may be paid in kind (such interest, the "Specified Q1/Q2 2023 PIK Interest"),

(III) the quarterly interest payments of the Borrowers due and payable on (x) October 2, 2023 (for interest accruing for the quarter ending September 30, 2023) and (y) January 2, 2024 (for interest accruing for the quarter ending December 31, 2023) may be paid in kind (such interest, the "Specified Q3/Q4 2023 PIK Interest"),

(IV) the quarterly interest payments of the Borrowers due and payable on April 1, 2024 (for interest accruing for the quarter ending March 31, 2024) may be paid in kind (such interest, the "Specified Q1 2024 PIK Interest"), and

(V) the quarterly interest payments of the Borrowers due and payable on (x) July 1, 2024 (for interest accruing for the quarter ending June 30, 2024), (y) October 1, 2024 (for interest accruing for the quarter ending September 30, 2024), and (z) January 2, 2025 (for interest accruing for the quarter ending December 31, 2024) may be paid in kind (such interest, the "Specified Q2/Q4 2024 PIK Interest" and, together with the Specified 2022 PIK Interest, the Specified Q1/Q2 2023 PIK Interest, the Specified Q3/Q4 2023 PIK Interest and the Specified Q1 2024 PIK Interest, the "Specified PIK Interest");

provided, notwithstanding the foregoing, that the amount of interest paid in kind in respect of the quarter ending June 30, 2023, when combined with any amount of interest paid in kind under the Subordinated Credit Agreement in respect of the quarter ending June 30, 2023, may not exceed \$7,000,000. The Specified PIK Interest shall be deemed paid and discharged, without the taking of any further action by the Borrowers, by automatically adding such Specified PIK Interest to the principal balance of the Term Loans. After such Specified PIK Interest is added to the principal balance, such Specified PIK Interest shall be treated as principal for all purposes hereunder and shall itself bear interest.

(b) In addition to any prepayments made pursuant to Sections 2.4 and 2.5, commencing on April 1, 2025, and on the first Business Day of each calendar quarter thereafter, the Borrowers shall pay the outstanding principal balance of the Term Loans in equal consecutive quarterly installments, with such installments calculated by applying a 10-year amortization schedule to the outstanding principal balance of the Term Loans as of the Term Loan Termination Date; provided, if not sooner paid, the outstanding principal balance of the Term Loans, all accrued interest thereon, any unpaid fees with respect thereto and all other Obligations shall be due and payable in full in cash on the Maturity Date.

(c) Without limiting the foregoing, interest accruing at the Default Rate hereunder shall be due and payable upon the Lender's demand. Likewise, interest on the principal amount of the Term Loan or other monetary Obligation shall be due and payable on demand after such principal amount or other monetary Obligation becomes due and payable (whether on the stated Maturity Date, upon an accelerated Maturity Date or otherwise).

(d) At the election of the Lender, all payments of principal, interest, fees, premiums, costs, expenses and other Obligations (including, without limitation, all fees, costs and expenses pursuant to Section 8.3), and other sums payable under the Loan Documents, may at any time be deducted by the Lender from the Debt Service Reserve Account or, following an Event of Default, any other deposit account of the Borrowers subject to an Account Control Agreement in favor of the Lender. Without limiting any other provision of this Agreement (including, but not limited to, the Borrowers' payment obligations hereunder), the Borrowers hereby irrevocably authorize the Lender (but with absolutely no obligation) to charge the Debt Service Reserve Account and, following an Event of Default, any other deposit account of the Borrowers subject to an Account Control Agreement in favor of the Lender for each payment of principal, interest and fees as it becomes due hereunder or any other amount due under the Loan Documents.

Section 2.4 Voluntary Prepayments. The Borrowers may at any time upon at least five (5) days' (or such shorter period as is acceptable to the Lender) prior written notice by the Borrowers to the Lender, prepay the Term Loans in whole or in part (provided, that any partial prepayment shall be in an amount greater than or equal to \$10,000,000) without premium except as provided in Section 2.10. A prepayment notice delivered by the Borrowers to the Lender shall be irrevocable. An optional prepayment of the Term Loans scheduled or anticipated to occur during any month (x) shall be made and effected on the last day of the Interest Period applicable to the Term Loans being prepaid, (y) shall be accompanied by accrued but unpaid interest on the principal amount being prepaid and any Specified Fee, and (z) to the extent such optional prepayment prepaes the Term Loans in whole, shall be accompanied by payment in full of all other Obligations. The proceeds of each optional partial prepayment of the Term Loans shall be applied to the principal repayment installments thereof in inverse order of maturity.

Section 2.5 Lender Discretionary Prepayment.

(a) Promptly (and in any event within two (2) Business Days) after the occurrence of any Lender Discretionary Prepayment Event, the Borrowers shall inform the Lender in writing of the occurrence of such Lender Discretionary Prepayment Event and, solely to the extent requested by the Lender in writing in its sole discretion, the Borrowers shall promptly (and in any event within two (2) Business Days after such request) remit to the Lender an amount equal to 100% of the Net Proceeds realized by any Borrower or any other Loan Party or Subsidiary from such Lender Discretionary Prepayment Event. For the purpose of this Section 2.5, a "Lender Discretionary Prepayment Event" means the receipt by any Borrower, any other Loan Party or Subsidiary of proceeds from:

(i) the Disposition of any assets by any Borrower, any other Loan Party or Subsidiary (except for Dispositions to the extent permitted by Section 6.4);

(ii) any casualty or other insurance maintained by any Borrower, any other Loan Party or Subsidiary in excess of \$2,000,000 in the aggregate in any Fiscal Year (provided that such \$2,000,000 minimum threshold shall not apply if any Default or Event of Default has occurred and is continuing); provided, however, that if (A) the Company shall deliver a certificate of a Financial Officer to the Lender at the time of receipt thereof setting forth the Borrowers' intent to reinvest such proceeds in productive assets of a kind then used or usable in the business of the Company and its Subsidiaries (or to repair any property damaged in a casualty event) within 365 days of receipt of such proceeds and (B) no Default or Event of Default shall have occurred and shall be continuing at the time of such certificate or at the time of the application of such proceeds, such proceeds shall not constitute Net Proceeds except to the extent not so used at the end of such 365-day period, at which time such proceeds shall be deemed to be Net Proceeds; provided, further, if any Default or Event of Default shall have occurred and shall be continuing at the time of delivery of the foregoing certificate or at the time of the application of proceeds contemplated thereunder, then 100% of such proceeds (without giving effect to the \$2,000,000 minimum threshold set forth above) shall be applied to the Obligations in accordance with Section 2.5(b);

(iii) any condemnation award with respect to property owned by any Borrower, any other Loan Party or Subsidiary in excess of \$2,000,000 in the aggregate in any Fiscal Year (provided that such \$2,000,000 minimum threshold shall not apply if any Default or Event of Default has occurred and is continuing); provided, however, that if (A) the Company shall deliver a certificate of a Financial Officer to the Lender at the time of receipt thereof setting forth the Borrowers' intent to reinvest such proceeds in productive assets of a kind then used or usable in the business of the Company and its Subsidiaries within 365 days of receipt of such proceeds and (B) no Default or Event of Default shall have occurred and shall be continuing at the time of such certificate or at the time of the application of such proceeds, such proceeds shall not constitute Net Proceeds except to the extent not so used at the end of such 365-day period, at which time such proceeds shall be deemed to be Net Proceeds; provided, further, if any Default or Event of Default shall have occurred and shall be continuing at the time of delivery of the foregoing certificate or at the time of the application of proceeds contemplated thereunder, then 100% of such proceeds (without giving effect to the \$2,000,000 minimum threshold set forth above) shall be applied to the Obligations in accordance with Section 2.5(b);

(iv) the issuance or incurrence of Indebtedness other than Indebtedness permitted by Section 6.1; and

(v) the issuance of any Equity Interests of any Loan Party or Subsidiary, except for (x) Equity Interests issued to the Company or (y) other Equity Interests (the issuance of such other Equity Interests, the "Permitted Equity Issuances"), but only so long as, in the case of this clause (y), (1) no Default or Event of Default shall have occurred and be continuing at the time of any such Permitted Equity Issuance, (2) such Permitted Equity Issuances do not exceed, individually or in the aggregate, \$150,000,000, and (3) no less than 75% of the Net Proceeds of the Permitted Equity Issuances are used

by the Borrowers to pay costs in respect of Farm Projects; it being understood and agreed, for the avoidance of doubt, that (I) the issuance of any Equity Interests (other than issuances described in the preceding clause (x)) after March 31, 2024 shall constitute a Lender Discretionary Prepayment Event, and (II) to the extent any Permitted Equity Issuance, individually or in the aggregate, exceeds \$150,000,000, such excess shall constitute a Lender Discretionary Prepayment Event.

(b) All amounts (if any) remitted to the Lender under this Section 2.5 shall be applied by the Lender to the payment of the Obligations in such order of application as the Lender may in its sole discretion determine. All prepayments pursuant to this Section 2.5 shall be accompanied by accrued and unpaid interest upon the principal amount of each such prepayment and, to the extent applicable, the Specified Fee set forth in Section 2.10. Notwithstanding anything herein to the contrary, any such prepayment shall not constitute or be deemed to be a cure of any Default or Event of Default arising as a result of any Disposition, casualty or condemnation event or otherwise.

Section 2.6 Fees.

(a) Unused Commitment Fee. Accruing from the Closing Date until (and including) the Sixth Amendment Effective Date, the Borrowers agree to pay to the Lender a nonrefundable unused commitment fee (the "Unused Commitment Fee") equal to the Unused Commitment Fee Rate (computed on the basis of a year of 360 days and actual days elapsed) multiplied by the average daily difference between (i) the Term Loan Amount and (ii) the aggregate principal amount of Term Loans actually funded under the Term Loan Facility. All Unused Commitment Fees shall be payable quarterly in cash on the first Business Day of each calendar quarter (in arrears through the last day of the immediately preceding quarter) and on April 3, 2023. Notwithstanding the foregoing, unless a Default or Event of Default has occurred and is continuing, the Unused Commitment Fee of the Borrowers due and payable on April 3, 2023 (for the fee accruing for the quarter ending March 31, 2023) may be paid in kind (such fee, the "Specified PIK Fee"). The Specified PIK Fee shall be deemed paid and discharged, without the taking of any further action by the Borrowers, by automatically adding such Specified PIK Fee to the principal balance of the Term Loans. After such Specified PIK Fee is added to the principal balance, such Specified PIK Fee shall be treated as principal for all purposes hereunder and shall itself bear interest.

(b) Other Fees. The Borrowers agree to pay to the Lender such other fees as agreed in the Fee Letters.

Section 2.7 Evidence of Debt. The Lender shall maintain in accordance with its usual practice records evidencing the Term Loans. The entries made in the records maintained pursuant to this Section shall be prima facie evidence absent manifest error of the existence and amounts of the obligations recorded therein. Any failure of the Lender to maintain such records or make any entry therein or any error therein shall not in any manner affect the obligations of the Borrowers under this Agreement and the other Loan Documents. Upon the request of the Lender at any time, the Borrowers shall prepare, execute and deliver to the Lender a Term Loan Note.

Section 2.8 Payments Generally.

(a) Payments by Borrowers. All payments to be made by the Borrowers hereunder and under the other Loan Documents shall be made on the date when due without presentment,

demand, protest or notice of any kind, all of which are hereby expressly waived by the Borrowers, and without condition or deduction (except as required under Section 2.8(c)) for any counterclaim, defense, recoupment or setoff. All payments shall be made to the Lender in U.S. Dollars in immediately available funds not later than 2:00 p.m. on the date specified herein. All amounts received by the Lender after such time on any date shall be deemed to have been received on the next succeeding Business Day and any applicable interest or fees shall continue to accrue. If any payment to be made by the Borrowers shall fall due on a day that is not a Business Day, payment shall be made on the next succeeding Business Day and such extension of time shall be reflected in computing interest or fees, as the case may be; provided that, if such next succeeding Business Day would fall after the Maturity Date, payment shall be made on the immediately preceding Business Day.

(b) Application of Insufficient Payments. If at any time insufficient funds are received by and available to the Lender to pay fully all amounts of principal, interest, fees and other amounts then due hereunder, such funds shall be applied in such order of application as the Lender in its sole discretion determines.

(c) Taxes. Any and all payments by or on account of any Obligation shall be made free and clear of and without deduction or withholding for any Taxes, except as required by any Law. If payor shall be required by any Laws to deduct or withhold any Taxes from or in respect of any sum payable under any Obligation, (i) if the Tax in question is an Indemnified Tax or Other Tax, then the sum payable shall be increased as necessary so that after making all required deductions or withholding (including deductions or withholding applicable to additional sums payable under this Section 2.8(c)), each payee receives an amount equal to the sum it would have received had no such deductions or withholding been made, (ii) the payor shall make such deductions or withholding, (iii) the payor shall pay the full amount deducted or withheld to the relevant taxation authority or other authority in accordance with Applicable Laws, and (iv) within 30 days after the date of such payment (or, if receipts or evidence are not available within 30 days, as soon as possible thereafter), the payor shall furnish to such payee the original or a copy of a receipt evidencing payment thereof or other evidence acceptable to such payee. In addition, the Borrowers agree to pay any Other Taxes. If the Lender is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document, the Lender shall deliver to the Borrowers, at the time or times reasonably requested by the Borrowers, such properly completed and executed documentation reasonably requested by the Borrowers as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, if reasonably requested by the Borrowers, the Lender shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrowers as will enable the Borrowers to determine whether or not the Lender is subject to backup withholding or information reporting requirements. For purposes of this Section 2.8(c), the terms "Law" and "Applicable Law" shall include FATCA (and any amendments made thereto after the date of this Agreement).

(d) Tax Indemnity. The Borrowers and each Guarantor agree to indemnify the Lender for (i) the full amount of Indemnified Taxes and Other Taxes payable by the Lender (including Indemnified Taxes and Other Taxes imposed on or attributable to amounts payable under this Section 2.8(d)) and (ii) any expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability prepared in good faith and delivered by the Lender, accompanied by a written statement thereof setting forth

in reasonable detail the basis and calculation of such amounts shall be conclusive absent manifest error.

Section 2.9 Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall (i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, the Lender, (ii) subject the Lender to any Taxes (other than Indemnified Taxes and Excluded Taxes) on its loans, loan principal or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto, or (iii) impose on the Lender any other condition, cost or expense (other than Taxes) affecting this Agreement or the Term Loans made by the Lender; and the result of any of the foregoing shall be to increase the cost to the Lender of making, continuing or maintaining the Term Loans, or to reduce the amount of any sum received or receivable by the Lender hereunder (whether of principal, interest or any other amount) then, upon request of the Lender, the Borrowers will pay to the Lender such additional amount or amounts as will compensate the Lender for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If the Lender determines that any Change in Law affecting the Lender regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on the Lender's capital as a consequence of this Agreement or the Term Loans to a level below that which the Lender could have achieved but for such Change in Law (taking into consideration the Lender's policies with respect to capital adequacy), then from time to time the Borrowers will pay to the Lender such additional amount or amounts as will compensate the Lender for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of the Lender setting forth the amount or amounts necessary to compensate the Lender as specified in this Section 2.9 and delivered to the Borrowers shall be conclusive absent manifest error. The Borrowers shall pay the Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of the Lender to demand compensation pursuant to this Section 2.9 shall not constitute a waiver of the Lender's right to demand such compensation, provided that the Borrowers shall not be required to compensate the Lender pursuant to this Section 2.9 for any increased costs incurred or reductions suffered more than nine (9) months prior to the date that the Lender notifies the Borrowers of the Change in Law giving rise to such increased costs or reductions and of the Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine (9)-month period referred to above shall be extended to include the period of retroactive effect thereof).

Section 2.10 Specified Fees. The Borrowers shall pay to the Lender:

(a) with respect to any Fee Determination Date occurring prior to the second (2nd) anniversary of the First Amendment Funding Date, a fee equal to the present value (such present value shall be computed using a discount rate equal to the Treasury Rate plus fifty (50) basis points) of the amount (to the extent positive) of interest that would have accrued on the Term Loan Facility in accordance with this Agreement had a principal balance equal to the Term Loan Amount remained outstanding during the period commencing on such Fee Determination Date

and ending on the Maturity Date, taking into account all interest accrued and paid prior to such Fee Determination Date;

(b) with respect to any Fee Determination Date occurring on or after the second (2nd) anniversary of the First Amendment Funding Date but prior to the third (3rd) anniversary of the First Amendment Funding Date, a fee equal to the present value (such present value shall be computed using a discount rate equal to the Treasury Rate plus fifty (50) basis points) of the amount (to the extent positive) of interest that would have accrued on the outstanding principal balance of the Term Loans as of such Fee Determination Date in accordance with this Agreement had such principal balance remained outstanding during the period commencing on such Fee Determination Date and ending on the Maturity Date, taking into account all interest accrued and paid prior to such Fee Determination Date and the outstanding principal balance of the Term Loans as of the Fee Determination Date;

(c) with respect to any Fee Determination Date occurring on or after the third (3rd) anniversary of the First Amendment Funding Date but prior to the fourth (4th) anniversary of the First Amendment Funding Date, a fee equal to 5.00% of the aggregate principal amount of the Term Loans being prepaid as of such Fee Determination Date;

(d) with respect to any Fee Determination Date occurring on or after the fourth (4th) anniversary of the First Amendment Funding Date but prior to the fifth (5th) anniversary of the First Amendment Funding Date, a fee equal to 3.00% of the aggregate principal amount of the Term Loans being prepaid as of such Fee Determination Date; and

(e) with respect to any Fee Determination Date occurring on or after the fifth (5th) anniversary of the First Amendment Funding Date but prior to the sixth (6th) anniversary of the First Amendment Funding Date, a fee equal to 2.00% of the aggregate principal amount of the Term Loans being prepaid as of such Fee Determination Date;

(the fees described in the foregoing clauses (a), (b), (c), (d) and (e), the “Specified Fees”); provided, that no Specified Fee shall apply to prepayments of the Term Loans made on or after the sixth (6th) anniversary of the First Amendment Funding Date. The Borrowers agree that each Specified Fee is a fee that, as of a Fee Determination Date, is deemed fully earned. Each Specified Fee shall be due and payable in full in immediately available funds on the applicable Fee Determination Date. Once paid, no Specified Fee or any portion thereof shall be refundable under any circumstance.

Section 2.11 Benchmark Replacement Setting. Notwithstanding anything to the contrary herein or in any other Loan Document:

(a) [Reserved].

(b) Replacing Future Benchmarks. Upon the occurrence of a Benchmark Transition Event, the Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Borrowers without any amendment to this Agreement or any other Loan Document, or further action or consent of the Borrowers. At any time that the administrator of the then-current Benchmark has permanently or indefinitely ceased to provide such Benchmark or such Benchmark has been announced by the regulatory supervisor for the administrator of such Benchmark pursuant to public statement or publication of information to be no longer

representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored, the Borrowers may revoke any request for a borrowing of, conversion to or continuation of Term Loans to be made, converted or continued that would bear interest by reference to such Benchmark until the Borrowers' receipt of notice from the Lender that a Benchmark Replacement has replaced such Benchmark, and, failing that, the Borrowers will be deemed to have converted any such request into a request for a borrowing of or conversion to ABR Loans. During the period referenced in the foregoing sentence, the component of ABR based upon the Benchmark (if any) will not be used in any determination of ABR.

(c) Benchmark Replacement Conforming Changes. In connection with the implementation and administration of a Benchmark Replacement, the Lender, in consultation with the Borrowers, will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

(d) Notices; Standards for Decisions and Determinations. The Lender will promptly notify the Borrowers of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Benchmark Replacement Conforming Changes. Any determination, decision or election that may be made by the Lender pursuant to this Section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section.

(e) Unavailability of Tenor of Benchmark. At any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including Term SOFR), then the Lender may remove any tenor of such Benchmark that is unavailable or non-representative for Benchmark (including Benchmark Replacement) settings and (ii) the Lender may reinstate any such previously removed tenor for Benchmark (including Benchmark Replacement) settings.

ARTICLE III REPRESENTATIONS AND WARRANTIES

Each Borrower represents and warrants to the Lender that:

Section 3.1 Existence, Qualification and Power; Subsidiaries. Each Loan Party is a corporation or limited liability company, as applicable, duly formed, validly existing and in good standing under the Laws of the jurisdiction of its incorporation or organization and each Loan Party and each Subsidiary thereof is duly formed, validly existing and in good standing under the Law of its jurisdiction of its incorporation or organization as set forth on Schedule 3.1 hereto. Each Loan Party and each Subsidiary (i) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (a) own or lease its assets and carry on its business and (b) execute, deliver and perform its obligations under the Loan Documents to which it is a party, and (ii) is duly qualified and is licensed and, if applicable, in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license, except, in the case of clause (ii), in jurisdictions where the failure to be so qualified or in good standing,

individually or in the aggregate, has not had and could not reasonably be expected to result in a Material Adverse Effect.

Section 3.2 Authorization; No Contravention. The execution, delivery and performance by each Loan Party of each Loan Document to which it is party have been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene the terms of its Organizational Documents, (b) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under, (i) any Contractual Obligation (including, without limitation, any Material Agreement or any Contractual Obligation relating to borrowed money) to which any Loan Party or Subsidiary is a party or affecting any Loan Party or Subsidiary or the properties of any Loan Party or any Subsidiary or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which any Loan Party or Subsidiary or its property is subject, or (c) violate any Law other than any violation, in the case of this clause (c), that could not reasonably be expected to result in a Material Adverse Effect.

Section 3.3 Governmental Authorization; Other Consents. No material approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document or is then necessary or required in connection with any Material Agreement, except for such approvals, consents, exemptions, authorizations or other actions, notices or filings that have already been duly obtained or made and that are in full force and effect.

Section 3.4 Execution and Delivery; Binding Effect. This Agreement has been, each other Loan Document, when delivered hereunder, will have been, and each Material Agreement has been, duly executed and delivered by the Loan Parties party thereto. Each Loan Document and each Material Agreement constitutes a legal, valid and binding obligation of the Loan Parties party thereto, enforceable against such Loan Parties in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other Laws affecting creditors' rights generally and by general principles of equity.

Section 3.5 Financial Statements; No Material Adverse Effect.

(a) *Financial Statements*. The financial statements delivered to the Lender on or before the Closing Date in accordance with Section 4.1 and thereafter most recently delivered in accordance with Section 5.1 (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, (ii) fairly present in all material respects the financial condition of the Company and its Subsidiaries (or, following the Qualified SPAC Transaction Effective Date, of Holdings and its Subsidiaries) as of the date thereof and their results of operations and cash flows for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein and (iii) show all material Indebtedness and other liabilities, direct or contingent, of the Company and its Subsidiaries (or, following the Qualified SPAC Transaction Effective Date, of Holdings and its Subsidiaries) as of the date thereof, including liabilities for Taxes, material commitments and Indebtedness.

(b) *No Material Adverse Effect*. Since December 31, 2020, there has been no event or circumstance that, either individually or in the aggregate, has had or could reasonably be expected to have a Material Adverse Effect.

Section 3.6 Outstanding Indebtedness. Except for the Obligations and the other Permitted Indebtedness, no Loan Party nor any Subsidiary has any Indebtedness.

Section 3.7 Litigation. Except as disclosed on Schedule 3.7, there are no actions, suits, proceedings, claims, disputes or investigations pending or, to the knowledge of the Borrowers, threatened in writing, at Law, in equity, in arbitration or before any Governmental Authority, by or against any Loan Party or Subsidiary or against any of their properties or revenues that (a) either individually or in the aggregate could reasonably be expected to have a Material Adverse Effect, (b) either individually or in the aggregate could reasonably be expected to result in losses, claims, damages, expenses or liabilities exceeding \$2,000,000 or (c) purport to affect or pertain to this Agreement or any other Loan Document or any of the transactions contemplated hereby.

Section 3.8 No Material Adverse Effect: No Default. No Loan Party or Subsidiary is (a) in material default under or with respect to any Material Agreement or (b) in default under or with respect to any other Contractual Obligation that, in the case of this clause (b), either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Loan Document.

Section 3.9 Property; Licenses; Margin Regulations.

(a) *Ownership of Properties*. Each Loan Party and Subsidiary has good legal and marketable title in fee simple (in the case of real property) and good title (in the case of personal property) to, or valid leasehold interests in, all real and personal property necessary in the ordinary conduct of its business, in each case free and clear of all Liens other than Liens in favor of the Lender and other Permitted Liens.

(b) *Intellectual Property*. Each Loan Party and Subsidiary owns, licenses or possesses the right to use all of the trademarks, trade names, service marks, copyrights, patents, franchises, licenses and other intellectual property rights that are necessary for the operation of their respective businesses, as currently conducted, and the use thereof by the Loan Parties and Subsidiaries does not conflict with the rights of any other Person, except to the extent that such failure to own, license or possess or such conflicts, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. The conduct of the business of the Loan Parties and Subsidiaries as currently conducted or as contemplated to be conducted does not infringe upon or violate any rights held by any other Person, except to the extent that such infringements and violations, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. No claim or litigation regarding any of the foregoing is pending or, to the knowledge of the Borrowers, threatened in writing that could reasonably be expected to have a Material Adverse Effect.

(c) *Licenses*. Each Loan Party and Subsidiary is in compliance with, and has procured and is now in possession of, all Licenses then required by any Applicable Law for the operation of its business in each jurisdiction wherein it is now conducting or proposes to conduct business, and each such License then required to be issued has been validly issued to the relevant Loan Party or Subsidiary. No Loan Party or Subsidiary has any knowledge of any basis upon which the renewal of any material License would be denied in the future. Each Project License then required to be issued has been validly issued to the relevant Loan Party or Subsidiary and is in full force and effect, and no Loan Party nor any Subsidiary is in violation in any material

respect of any such Project License. Each Loan Party and Subsidiary has posted such bonds then required to be posted under its Licenses (including its Project Licenses).

(d) *Margin Regulations.* None of the assets of any Loan Party or Subsidiary will be Margin Stock, and no part of the proceeds of the Term Loans hereunder will be used to buy or carry Margin Stock.

Section 3.10 Taxes. Each Loan Party and Subsidiary has (a) filed all federal, state and other material tax returns and reports required by Applicable Law to be filed by any Loan Party or Subsidiary, or extensions have been obtained, and (b) paid all Taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except to the extent that (i) Taxes that are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves are being maintained in accordance with GAAP, (ii) no foreclosure or similar proceedings have been commenced or notice of Liens filed with respect thereto, and (iii) the failure to pay such Taxes, either individually or in the aggregate, could not reasonably be expected to result in liability in excess of \$2,000,000.

Section 3.11 Disclosure. The Borrowers have disclosed to the Lender all agreements, instruments and corporate or other restrictions to which any Loan Party or Subsidiary is subject, and all other matters known to the Borrowers that, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. The reports, financial statements, certificates and other written information (other than projected or pro forma financial information) furnished by or on behalf of the Loan Parties to the Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Loan Document (in each case, as amended, modified or supplemented by other information so furnished), when taken as a whole, do not contain any material misstatement of fact or omit to state any material fact necessary to make the statements therein (when taken as a whole), in the light of the circumstances under which they were made, not materially misleading; provided that, with respect to projected or pro forma financial information, the Borrowers represent only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time of preparation and delivery (it being understood that such projected information may vary from the actual results and that such variances may be material). As of the First Amendment Funding Date, the Perfection Certificate is true, complete and correct in all material respects, and, as of the Closing Date, the Beneficial Ownership Certification is true, complete and correct in all material respects.

Section 3.12 Compliance with Laws. Each Loan Party and Subsidiary is in compliance with the requirements of all Laws (including, without limitation, all Environmental Laws and all Applicable Food and Feed Safety Laws) and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to so comply, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. Each Plan is in compliance, in all material respects, with all applicable requirements of ERISA, the Code and other Laws.

Section 3.13 ERISA Compliance. No Loan Party or ERISA Affiliate sponsors, maintains, contributes to, or has an obligation to, or has contributed to or been obligated to contribute to at any time during the immediately preceding seven plan years, a Plan that is covered by Title IV of ERISA or subject to the funding standards of Section 412 of the Code. There are no pending or, to the knowledge of the Borrowers, threatened or contemplated claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that, either individually or in the aggregate, could reasonably be

expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that, either individually or in the aggregate, has had or could reasonably be expected to have a Material Adverse Effect.

Section 3.14 Environmental Matters: Hazardous Materials.

(a) Except with respect to any matters that, either individually or in the aggregate, could not reasonably be expected to result in liability in excess of \$2,000,000 or have a Material Adverse Effect, no Loan Party or Subsidiary (a) has failed to comply with any Environmental Law or to obtain, maintain or comply with any License or other approval required under any Environmental Law, (b) knows of any basis for any License or other approval required under any Environmental Law to be revoked, canceled, limited, terminated, modified, appealed or otherwise challenged, (c) has or could reasonably be expected to become subject to any Environmental Liability, (d) has received notice of any claim, complaint, proceeding, investigation or inquiry with respect to any Environmental Liability (and no such claim, complaint, proceeding, investigation or inquiry is pending or, to the knowledge of the Borrowers, is threatened or contemplated) or (e) knows of any facts, events or circumstances that could give rise to any basis for any Environmental Liability of any Loan Party or Subsidiary.

(b) Except as disclosed on Schedule 3.14(b):

(i) All Farm Project Sites and the other facilities and properties currently or formerly owned, leased or operated by any Loan Party or Subsidiary (the "Properties") do not contain any Hazardous Materials attributable to such Loan Party's or Subsidiary's ownership, lease or operation of the Properties in amounts or concentrations or stored or utilized which (A) constitute or constituted a violation of Environmental Laws, or (B) could reasonably be expected to give rise to any Environmental Liability, in each case, to the extent that such violation could reasonably be expected to give rise, either individually or in the aggregate, to any Environmental Liability in excess of \$1,000,000; and

(ii) Hazardous Materials have not been transported or disposed of from the Properties (A) in violation of Environmental Law, or (B) in a manner or to a location which could reasonably be expected to give rise, either individually or in the aggregate, to any Environmental Liability in excess of \$1,000,000 for the Loan Parties and their Subsidiaries, nor have any Hazardous Materials been generated, treated, stored or disposed of by or on behalf of any Loan Party or Subsidiary at, on or under any of the Properties in violation of Environmental Laws or in a manner that could reasonably be expected to give rise, either individually or in the aggregate, to any Environmental Liability in excess of \$1,000,000.

Section 3.15 Investment Company Act. No Loan Party or Subsidiary is or is required to be registered as an "investment company" as defined in the Investment Company Act of 1940.

Section 3.16 Insurance. The properties of each Loan Party and each of its Subsidiaries are insured pursuant to policies and other bonds that are valid and in full force and effect and that provide coverage satisfying or surpassing the requirements set forth in Section 5.6.

Section 3.17 Sanctions and Anti-Terrorism; Anti-Corruption.

(a) No Loan Party or Subsidiary or director, officer, employee, agent or Affiliate of any Loan Party or Subsidiary is an individual or entity (“person”) that is, or is owned or controlled by persons that are, (i) the target of any Sanctions or Anti-Terrorism Laws, or (ii) located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions or Anti-Terrorism Laws (including, currently, Crimea, Cuba, Iran, North Korea and Syria).

(b) Each Loan Party and Subsidiary and their respective directors, officers and employees and, to the knowledge of the Borrowers, the agents of each Loan Party and Subsidiary are in compliance with all applicable Sanctions, Anti-Terrorism Laws and Anti-Corruption Laws. Each Loan Party and Subsidiary has instituted and maintains policies and procedures designed to ensure continued compliance with applicable Sanctions, Anti-Terrorism Laws and Anti-Corruption Laws.

Section 3.18 Solvency. The Company, individually, is, and the Loan Parties, together with their Subsidiaries on a consolidated basis, are, Solvent.

Section 3.19 Material Agreements. The Borrowers have delivered to the Lender a true, correct and complete copy of each Material Agreement. No Material Agreement has been terminated or otherwise modified except in accordance with the terms thereof, and each Material Agreement (other than those terminated in accordance with their terms) remains in full force and effect. No material default or event of default has occurred and is continuing under any Material Agreement, and no condition or event has occurred and is continuing that would be likely to result in a material default or event of default with the giving notice, the lapse of time or both. The terms of each Material Agreement conform, in all material respects, to all applicable governmental and third-party consents and approvals and the requirements of Applicable Law. The Loan Parties and their Subsidiaries have all Material Agreements, material Licenses and other rights necessary to carry out their business as conducted.

Section 3.20 Employee and Labor Matters.

(a) There is no unfair labor practice complaint pending or, to the knowledge of the Borrowers, threatened against any Loan Party or its Subsidiaries before any Governmental Authority and no grievance or arbitration proceeding pending or threatened against any Loan Party or its Subsidiaries which arises out of or under any collective bargaining agreement and that could reasonably be expected to result in liability in excess of \$2,000,000.

(b) There exists no strike, labor dispute, slowdown, stoppage or similar action or grievance pending or threatened in writing against any Loan Party or its Subsidiaries that could reasonably be expected to lead to an interruption of their respective operations at any location or result in liability in excess of \$2,000,000. To the knowledge of the Borrowers, no union representation question existing with respect to the employees of any Loan Party or its Subsidiaries and no union organizing activity is taking place with respect to any of the employees of any Loan Party or its Subsidiaries. No Loan Party or any of its Subsidiaries has incurred any liability or obligation under the Worker Adjustment and Retraining Notification Act or similar state law, which remains unpaid or unsatisfied. The hours worked and payments made to employees of each Loan Party and its Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable legal requirements, except to the extent such violations could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. All material payments due from any Loan Party or its Subsidiaries on account of wages

and employee health and welfare insurance and other benefits have been paid or accrued as a liability on the books of the Borrowers.

(c) The Loan Parties and their Subsidiaries are in material compliance with Applicable Laws respecting employment and employment practices (including employment insurance, employer health tax, employment standards, labor relations, occupational health and safety, human rights, workers' compensation, employment equity and pay equity) and, to the knowledge of the Borrowers, there are no pending or threatened proceedings before any Governmental Authority or otherwise with respect to any of the foregoing that could reasonably be expected to result in liability in excess of \$2,000,000.

Section 3.21 Compliance with Food Security Act and Agricultural Lien Statutes; Agricultural Lien Notices.

(a) Each Loan Party (i) is in compliance in all material respects with the Food Security Act, as applicable to it, and has filed all appropriate notices and requests and otherwise taken all applicable steps, if any, that are required of it to register with the "Central Filing System" and subscribe to the portions of the master list covering effective financing statements related to farm products and other agricultural products purchased by such Loan Party, in each case established, maintained and distributed by the Secretary of State (or such other similar state agency) of each state that maintains a "Central Filing System" in accordance with the Food Security Act, and (ii) is in compliance in all material respects with all other applicable Agricultural Lien Statutes.

(b) (x) No Loan Party has received notice (written or otherwise) from any Producer, unpaid seller, supplier, agent or secured party indicating such Person's intent to claim or preserve the benefits of any trust under any Agricultural Lien Statute or of any Lien in any "farm products" (as defined in the UCC) under Applicable Law (other than any standard boiler-plate language included on invoices or similar documentation in the ordinary course of business), and (y) no action has been commenced against any Loan Party or any Subsidiary thereof by (i) any beneficiary of any such Lien to enforce such Lien or (ii) any Governmental Authority or any beneficiary of a trust created under any Agricultural Lien Statute to enforce payment from such trust.

Section 3.22 Agricultural Licenses. Each Loan Party and each Subsidiary thereof maintains all necessary and material Agricultural Licenses required to operate its business.

Section 3.23 The Farm Projects.

(a) The Borrowers have delivered to the Lender a true, correct, and complete copy of each Material Project Document, and any modification or termination thereof, entered into on or prior to the Closing Date, will promptly deliver to the Lender a true, correct, and complete copy of each Material Project Document entered into or obtained after the Closing Date, and none of the Material Project Documents that have been delivered to the Lender have been terminated or otherwise modified except in accordance with the terms hereof and remains in full force and effect.

(b) The Project Documents that have been or will be delivered to the Lender comprise substantially all of the material services, materials and property interests required for Completion of the applicable Farm Project.

(c) No material default or event of default has occurred under any Material Project Document, and no material condition or event has occurred that would result in such a default or event of default with the giving notice, the lapse of time or both.

(d) (i) Each Farm and Farm Project (except, following satisfaction of the STORE Sale-Leaseback Conditions, any Farm or Farm Project subject to the STORE Sale-Leaseback) is and will continue to be owned by a Loan Party, and (ii) each Farm and Farm Project is and shall be subject to a Lien in favor of the Lender (subject only to Permitted Liens), and developed, constructed and maintained in accordance with the Project Documents (as amended from time to time in accordance with this Agreement, with respect to the Farm Project in Pasco, Washington) and Applicable Law in all material respects.

(e) The terms of each Material Project Document conform in all material respects to the applicable Project Licenses and any other applicable governmental and third-party consents and approvals and the requirements of Applicable Law.

(f) All material property interests, utility services, means of transportation, facilities and other material necessary for Completion and operation of the applicable Farm Project are, or will be when needed, available to such Farm Project.

(g) Each Initial Construction Budget and each other Construction Budget is realistic and feasible for achievement of Completion on or prior to the applicable Completion Deadline.

(h) As of the First Amendment Funding Date, the location of each Farm and Farm Project of the Loan Parties is set forth on Schedule 3.23(h).

Section 3.24 Warrant Agreement.

(a) AUTHORIZATION. All corporate action required to be taken by Holdings' board of directors and stockholders in order to authorize Holdings to issue the 2023 Warrant, and to perform its obligations thereunder, has been taken or will be taken prior to the issuance of that security. All action on the part of the officers of Holdings necessary for the execution and delivery of the 2023 Warrant, the performance of all obligations of Holdings under the 2023 Warrant, and the issuance and delivery of the 2023 Warrant has been taken or will be taken prior to the issuance of these securities. The 2023 Warrant, when executed and delivered by Holdings, shall constitute valid and legally binding obligations of Holdings, enforceable against Holdings in accordance with its terms except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, or other laws of general application relating to or affecting the enforcement of creditors' rights generally and (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

(b) VALID ISSUANCE OF SECURITIES. The 2023 Warrant, when issued, sold and delivered in accordance with the terms and for the consideration set forth therein, will be validly issued, fully paid and nonassessable and free of restrictions on transfer other than restrictions on transfer under the 2023 Warrant or the applicable securities, applicable state and federal securities laws and Permitted Liens. The 2023 Warrant will be issued in compliance with all Applicable Laws. The capital stock of Holdings issuable upon exercise of the 2023 Warrant, when issued in compliance with the provisions of the 2023 Warrant and Holdings' certificate of incorporation, will be duly authorized, validly issued, fully paid and nonassessable and free of

restrictions on transfer other than restrictions on transfer under the 2023 Warrant or the applicable securities, applicable federal and state securities laws and Permitted Liens.

(c) GOVERNMENT CONSENTS AND FILINGS. No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state or local governmental authority is required on the part of Holdings in connection with the consummation of the transactions contemplated by the 2023 Warrant, except for (i) filings pursuant to Regulation D of the Securities Act of 1933, as amended (the “Securities Act”), and applicable state securities laws, which have been made or will be made in a timely manner.

(d) COMPLIANCE WITH OTHER INSTRUMENTS AND LAWS. Holdings is not in violation or default of (a) any provisions of its certificate of incorporation or bylaws or (b) any provision of federal or state statute, rule or regulation applicable to Holdings, except with respect to clause (b) in such instances in which (x) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (y) the failure to so comply, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. The execution, delivery and performance of the 2023 Warrant and the consummation of the transactions contemplated thereunder will not result in any such violation or be in conflict with or constitute, with or without the passage of time and giving of notice, either (i) a default under any provision, instrument, judgment, order, writ, decree, contract or agreement of Holdings, in each case as would have a material impact on Holdings, or (ii) an event which results in the creation of any Lien upon any assets of Holdings or the suspension, revocation, forfeiture, or nonrenewal of any License applicable to Holdings.

(e) NO FINDER’S FEES. Holdings neither is nor will be obligated for any finder’s fee or commission in connection with the 2023 Warrant. The Borrowers jointly and severally agree to indemnify and hold harmless the Lender and the holder of the 2023 Warrant from any liability for any commission or compensation in the nature of a finder’s or broker’s fee arising out of the 2023 Warrant (and the costs and expenses of defending against such liability or asserted liability) for which Holdings or any of its officers, employees or representatives is responsible.

(f) BAD ACTOR DISQUALIFICATION.

(i) *No Disqualification Events*. With respect to the 2023 Warrant and shares of common stock issuable upon exercise of the 2023 Warrant to be offered and sold in reliance on Rule 506 under the Securities Act (“Regulation D Securities”), none of Holdings, any of its predecessors, any affiliated issuer, any director, executive officer, other officer of Holdings participating in the transactions contemplated hereby, any beneficial owner of 20% or more of Holdings’ outstanding voting equity securities (calculated on the basis of voting power), nor any promoter (as that term is defined in Rule 405 under the Securities Act) connected with Holdings in any capacity at the time of such sale (each, an “Issuer Covered Person” and, together, “Issuer Covered Persons”) is subject to any of the “Bad Actor” disqualifications described in Rule 506(d)(1)(i)-(viii) under the Securities Act (a “Disqualification Event”), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3). Holdings has exercised reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event. Holdings has complied, to the extent applicable, with its disclosure obligations under Rule 506(e), and has furnished to its investors a copy of any disclosures provided thereunder.

(ii) *Other Covered Persons*. Holdings is not aware of any Person (other than any Issuer Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of any Regulation D Securities.

(iii) *Notice of Disqualification Events*. Holdings will notify the Lender in writing prior to any closing of (A) any Disqualification Event relating to any Issuer Covered Person and (B) any event that would, with the passage of time, become a Disqualification Event relating to any Issuer Covered Person.

(g) SEC FILINGS. As to each report, form, proxy statement and other document filed by Holdings with the SEC since January 1, 2021, the information contained therein did not and does not, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein in light of the circumstances under which they were made not misleading.

(h) AUTHORIZATION OF SHARES UNDERLYING THE WARRANTS. There is a sufficient number of shares of common stock authorized under Holdings' certificate of incorporation and otherwise unreserved to permit the exercise of the 2023 Warrant in full in accordance with the terms and conditions thereunder. Holdings agrees that such shares of common stock have been reserved exclusively for issuance upon exercise of the 2023 Warrant and that such shares shall remain so exclusively reserved until such shares have been issued upon exercise of the 2023 Warrant or until the 2023 Warrant ceases to be exercisable. For the avoidance of doubt, unless Holdings is in full compliance with the covenant in the preceding sentence, Holdings shall not reserve any additional shares of common stock that become authorized after the Sixth Amendment Effective Date for any other purposes, including as shares underlying equity incentive awards for issuance to any persons.

(i) STOCK EXCHANGE LISTING; SUPPLEMENTAL LISTING APPLICATION. Holdings shall use its reasonable best efforts to maintain the listing of the common stock on The New York Stock Exchange. Holdings has filed a Supplemental Listing Application with The New York Stock Exchange covering the issuance of the 2023 Warrant and all of the shares of common stock issuable upon exercise of the 2023 Warrant.

(j) FORM S-3 ELIGIBILITY. Holdings is eligible to register the shares issuable upon exercise of the 2023 Warrant for resale using Form S-3 promulgated under the Securities Act.

ARTICLE IV CONDITIONS

Section 4.1 Conditions Precedent to Effectiveness. The obligation of the Lender to make any Term Loan hereunder is subject to the condition precedent that, on or before the Closing Date, the Lender shall have received each of the following, each in form and substance satisfactory to the Lender:

(a) this Agreement, the Collateral Documents and the other Loan Documents to be entered into on the Closing Date, each signed by a Responsible Officer of each Loan Party and a duly authorized officer of each other party thereto, together with all other original items required to be delivered pursuant to the Collateral Documents or any other Loan Document;

(b) a certificate of a Responsible Officer of each Loan Party, attaching (i) the Organizational Documents of such Loan Party, (ii) resolutions or other action of the Governing Board of such Loan Party approving the transactions and other matters contemplated by the Loan Documents to which it is a party, and (iii) an incumbency certificate evidencing the identity, authority and capacity of each Responsible Officer of such Loan Party authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which it is a party;

(c) such other documents and certificates as the Lender may request relating to the organization, existence and good standing of each Loan Party and any other legal matters relating to the Loan Parties, the Loan Documents or the transactions contemplated thereby;

(d) a certificate of status, compliance or like certificate for each Loan Party and Subsidiary from the appropriate Governmental Authority of the jurisdiction of incorporation or formation of such Person and each jurisdiction where it is required to qualify to do business, each dated not more than thirty (30) days prior to the Closing Date;

(e) a certificate of a Responsible Officer of the Company, dated as of the Closing Date and attaching reasonably detailed calculations demonstrating pro forma compliance with the minimum Liquidity covenant set forth in Section 6.8(d) after giving effect to the Term Loans to be funded on the Closing Date;

(f) an appropriately completed Perfection Certificate with respect to the Borrowers and the other Loan Parties, dated as of the Closing Date and duly executed by a Responsible Officer of the Borrowers;

(g) one or more opinions of counsel to the Loan Parties, addressed to the Lender and dated the Closing Date, in form and substance satisfactory to the Lender (covering the jurisdiction of formation of each Loan Party, the jurisdiction of the governing law of each Loan Document and the jurisdiction in which any Farm Project Site is located, as applicable);

(h) with respect to the Existing Bridge Indebtedness and any other Indebtedness or other obligations owing by the Loan Parties to any Exiting Lenders:

(i) evidence that all such Indebtedness has been, or as of the Closing Date will be, repaid in full in cash and all such obligations have been, or as of the Closing Date will be, terminated;

(ii) a payoff letter (accompanied by such other discharges, releases (including, without limitation, mortgage releases), terminations or other documents as the Lender may request in its sole discretion), in each case duly executed by the Exiting Lenders or their agent, as applicable, releasing effective as of the Closing Date all Liens on any assets of any Loan Parties or any Subsidiaries of any Loan Party granted in favor of the Exiting Lenders upon receipt of the payoff amount on the Closing Date and authorizing the Borrowers, the Lender or their respective designees to file UCC-3 termination statements and such other releases and terminations as necessary to terminate any and all such Liens;

(i) Lien searches with respect to the Loan Parties and any Subsidiary in scope satisfactory to the Lender and with results showing no Liens (other than Liens in favor of the

Lender, other Permitted Liens and Liens authorized to be released on the Closing Date in accordance with Section 4.1(h)) and otherwise satisfactory to the Lender;

(j) UCC financing statements for each jurisdiction as is necessary, in the Lender's sole discretion, to perfect the Lender's security interest in the Collateral to the extent such Liens can be perfected by filing or recordation;

(k) an executed Account Control Agreement with respect to (i) the Debt Service Reserve Account and (ii) each other deposit, securities and commodity account of the Loan Parties (other than Excluded Accounts);

(l) a written consent, duly executed by Holdings and confirming that this Agreement, the other Loan Documents, the Term Loan Facility and the Liens created pursuant to any Loan Document to secure the Obligations are permitted under, and do not conflict with or contravene, the SPAC Merger Agreement;

(m) [reserved];

(n) evidence from the Borrowers that all material governmental and third-party consents required to effectuate the transactions contemplated by the Loan Documents have been obtained;

(o) true, correct and complete copies of the Closing Date Warrant Agreement and all other Material Agreements then in effect (including, without limitation, to the extent not previously delivered to the Lender, all Farm Lease Agreements then in effect) of the Borrowers, the Guarantors and any Subsidiary, each of which shall be satisfactory to the Lender, together with such Collateral Assignments of such Material Agreements and acknowledgments by such counterparties as may be reasonably requested by the Lender in its sole discretion, duly executed by the parties thereto;

(p) at least five (5) Business Days prior to the Closing Date (or such shorter period as may be approved by the Lender in its sole discretion), completed background checks and such other documentation and information requested by (or on behalf of) the Lender, in each case satisfactory to the Lender, including information required by Lender to satisfy any "know your customer" requirements, including, without limitation, the Beneficial Ownership Certification;

(q) evidence that adequate liability, property, business interruption and builder's risk insurance required to be maintained under this Agreement is in full force and effect, in each case together with certificates naming the Lender as additional insured, mortgagee and lender's loss payee, as applicable, with respect to the Collateral and, in the case of any business interruption insurance, accompanied by an assignment of such business interruption insurance in favor of the Lender signed by the Loan Parties and the applicable insurer;

(r) payment of (i) all fees, costs and expenses then due and payable pursuant to Section 8.3 hereof, to the extent invoiced on or prior to the date hereof and (ii) payment of such fees as are set forth in the Fee Letter; and

(s) such financial statements, budgets, forecasts, projections and any other information or documents as the Lender reasonably requests.

Section 4.2 Additional Conditions to Initial Credit Extension. In addition to, and without limiting, the conditions set forth in Sections 4.1 and 4.3, the obligation of the Lender to make the initial Term Loan hereunder is subject to the Lender's receipt, on or prior to the date of such initial Term Loan, of the following, each of which shall be in form and substance satisfactory to the Lender in its sole discretion:

- (a) evidence of the consummation of the Qualified SPAC Transaction and the occurrence of the Qualified SPAC Transaction Effective Date (including, without limitation, in the form of copies of the relevant certificates of merger certified or recorded by the appropriate Governmental Authorities);
- (b) a certificate of a Responsible Officer of the Company, substantially in the form delivered to the Lender pursuant to Section 4.1(b) and, among other things, (i) certifying the Organizational Documents of the Company after giving effect to the Qualified SPAC Transaction and the occurrence of the Qualified SPAC Transaction Effective Date, and (ii) attaching true, correct, and complete copies of the SPAC Merger Agreement and all Ancillary Agreements (as defined in the SPAC Merger Agreement); and
- (c) [reserved].

Section 4.3 Additional Conditions to each Term Loan. In addition to, and without limiting, the conditions set forth in Sections 4.1, 4.2 and 4.4, to the extent any Term Loan is requested after the Sixth Amendment Effective Date, such Term Loan may be made at the Lender's sole and absolute discretion, with no commitment by the Lender to make such Term Loan; it being acknowledged and agreed that, in order for the Lender to consider funding any Term Loan hereunder in its discretion, the Borrowers shall satisfy the following additional conditions precedent (unless waived by the Lender) on or before the date of such Term Loan, each of which shall be in form and substance satisfactory to the Lender:

- (a) the representations and warranties set forth in this Agreement and the other Loan Documents shall be true and correct in all material respects (or, in the case of any such representation or warranty already qualified by materiality, in all respects) on and as of the date of such Term Loan;
- (b) no Default or Event of Default shall have occurred and be continuing or would result from such Term Loan or from the application of proceeds thereof;
- (c) the Borrowers shall have delivered to the Lender an appropriately completed and duly executed Loan Request for each Term Loan requested to be made pursuant to this Agreement;
- (d) the Lender shall have received evidence that (x) concurrently with the funding of each Term Loan requested hereunder, an equity or capital contribution is made by the Borrowers in accordance with Section 6.8(e), if applicable, and (y) all loans under the Subordinated Credit Agreement shall have been funded in full prior to the funding of any Term Loan requested hereunder;
- (e) (i) to the extent the proceeds of a requested Term Loan are to be used for the first payment of Project Costs in respect of a Farm Project, the Lender shall have received, on or prior to the date of such Term Loan:

(1) each of the items set forth in Section 5.15 with respect to the Farm Project Site where the Farm Project being funded by the applicable Term Loan is to be located (including, without limitation, Mortgages, insurance (including title insurance and flood insurance) documentation, surveys, appraisals and environmental assessment, in each case complying with Section 5.15); and

(2) such financial statements, budgets, forecasts, projections (including projected draw schedules) or other information or documents with respect to such Farm Project as the Lender reasonably requests, in each case in form and substance satisfactory to the Lender;

(ii) in addition, and without limiting any other conditions hereof:

(A) to the extent the proceeds of a requested Term Loan are to be used for the first payment of Project Costs after the Sixth Amendment Effective Date in respect of any Farm or Farm Project, the Lender shall have received, on or prior to the date of such Term Loan, an Agreement to Vote Shares of Common Stock of Holdings, in form and substance satisfactory to the Lender, duly executed by each of the directors and officers of Holdings and confirmed and agreed by Holdings;

(B) to the extent the proceeds of a requested Term Loan are to be used for the first payment of Project Costs after the Sixth Amendment Effective Date in respect of the Pasco (Washington) Farm, the Lender shall have received, on or prior to the date of such Term Loan:

(1) to the extent requested by the Lender or the Disbursing Agent, a Disbursing Agreement with respect to the Pasco (Washington) Farm;

(2) an Initial Construction Budget and Construction Schedule with respect to the Pasco (Washington) Farm, in form and substance reasonably acceptable to the Lender; and

(3) evidence of builder's risk insurance, in form and substance reasonably satisfactory to the Lender, with respect to the Pasco (Washington) Farm, accompanied by certificates naming the Lender as additional insured, mortgagee and lender's loss payee, as applicable; and

(C) to the extent the proceeds of a requested Term Loan are to be used for the first payment of Project Costs after the Sixth Amendment Effective Date in respect of either the Warner Robins (Georgia) Farm or the Mt. Pleasant (Texas) Farm, the Lender shall have received, on or prior to the date of such Term Loan:

(1) a certificate of a Responsible Officer of the Company certifying that the stockholders of Holdings, at either an annual or a special meeting of the stockholders properly held in accordance with Holdings' Organizational Documents, approved by an affirmative vote complying with Holdings' Organizational Documents (including, without limitation, any quorum or voting majority requirements set forth therein)

to permit the issuance of all of the Warrant Shares (as defined in the 2023 Warrant) to the holder without restriction pursuant to NYSE Listed Company Manual Rule 312.03 (both under the provisions of 312.03(c) and 312.03(d)) but only if required by the NYSE;

(2) a certificate of a Responsible Officer of the Company certifying that each of the STORE Sale-Leaseback Conditions has been satisfied;

(3) a Projected Production Model;

(4) to the extent requested by the Lender or the Disbursing Agent, Disbursing Agreements with respect to the Warner Robins (Georgia) Farm or the Mt. Pleasant (Texas) Farm, as applicable;

(5) if such Term Loan is requested for the Mt. Pleasant (Texas) Farm:

(I) an Initial Construction Budget and Construction Schedule with respect to the Mt. Pleasant (Texas) Farm, in form and substance acceptable to the Lender;

(II) an amendment to the Mt. Pleasant (Texas) Deed of Trust (Senior), duly executed by the Loan Parties party thereto, in form for recording in the applicable recording office and accompanied by such legal opinions, certificates, affidavits, questionnaires or reports as shall be required or requested by the Lender in connection therewith; and

(III) an ALTA title insurance policy in favor of the Lender, insuring the Mt. Pleasant (Texas) Deed of Trust (Senior) as a valid first priority Lien upon such parcel in an insured amount of not less than \$90,000,000, subject only to such exceptions as are acceptable to the Lender (including such endorsements as the Lender may require); and

(6) if requested by the Lender, an amendment to the Warner Robins (Georgia) Deed of Trust (Senior), the Hamilton (Montana) Deed of Trust (Senior) and any other Mortgage in favor of the Lender, duly executed by the Loan Parties party thereto, in form for recording in the applicable recording office accompanied by (I) an amendment or endorsement to the existing lender's title policy in favor of the Lender insuring the Warner Robins (Georgia) Deed of Trust (Senior), the Hamilton (Montana) Deed of Trust (Senior) or such other Mortgage, in form and substance reasonably satisfactory to the Lender (including, if requested by the Lender, increasing the insured amounts under such policies), and (II) such legal opinions, certificates, affidavits, questionnaires or reports as shall be required or requested by the Lender in connection therewith;

(f) the Lender and the Disbursing Agent shall have received all items required under the Disbursing Agreement in connection with such Term Loan;

(g) the Lender shall have received a copy of each Material Project Document and each other Material Agreement then in effect (including, without limitation, each Farm Lease Agreement) not previously delivered to the Lender, together with a Collateral Assignment of the same (to the extent such Collateral Assignment (or any consent or acknowledgment thereof) is required or requested in accordance with the definition of "Collateral Assignment");

(h) the Lender shall have received a certificate of a Responsible Officer of the Company, in the form of Exhibit D attached hereto, certifying, as of the date of such Term Loan, that:

(i) after giving effect to such Term Loan, (A) such Term Loan (other than a GA/TX/WA Term Loan), together with any loan under the Subordinated Credit Agreement made concurrently with such Term Loan (if any), shall constitute not more than 75% of the Project Costs in respect of which such Term Loan is requested, and (B) the Borrowers will be in compliance with the capital stacking covenant set forth in Section 6.8(e), and attaching thereto reasonably detailed calculations demonstrating each of the foregoing;

(ii) each Material Project Document delivered to the Lender as of such date is a true, correct and complete copy of the same;

(iii) each Material Project Document is in full force and effect and, to the best knowledge of the Company, no default or event of default has occurred thereunder;

(iv) all Project Licenses and any other governmental and third-party consents, permits and approvals with respect to each Farm Project that are required as of such date have been duly obtained, validly issued and, to the Company's knowledge, are in full force and effect, not subject to any appellate, judicial or administrative proceeding or to any unsatisfied condition that may allow material modification or revocation, and no material violation thereof shall have occurred;

(v) such Term Loan shall not be used to pay for materials or equipment for a Farm Project unless (x) such materials or equipment have been incorporated into such Farm Project or have been delivered to the applicable Farm Project Site for later incorporation into such Farm Project and stored at the applicable Farm Project Site or (y) such Term Loan shall be used to fund deposits or scheduled payments required pursuant to any Project Documents prior to work being commenced or materials or equipment being delivered to or incorporated into the such Farm Project;

(vi) the development of each Farm Project is substantially proceeding in the manner provided for in the Project Documents relating thereto;

(vii) the aggregate amount of the Project Costs paid (and remaining to be paid) with respect to each Farm Project does not exceed the Initial Construction Budget applicable to such Farm Project; provided, notwithstanding the foregoing, the aggregate amount of the Project Costs paid (and remaining to be paid) with respect to each Farm Project may exceed the Initial Construction Budget applicable to such Farm Project by an amount not to exceed 5% of such Initial Construction Budget, but only so long as, on or

prior to the date of the requested Term Loan, (A) (x) such excess amount is funded by cash contributions from the Borrowers in compliance with Section 6.8(d) or an irrevocable capital cash contribution from Holdings to the Borrowers, and (y) the Borrowers have fully paid such excess Projects Costs from the proceeds of such contributions, and (B) the Borrowers deliver to the Lender reasonably satisfactory evidence of the foregoing;

(viii) as of the date of such certificate, and after giving effect to the requested Term Loan (unless such Term Loan is made in respect of the Pasco (Washington) Farm), the unadvanced amounts under both the Term Loan Facility and the Subordinated Credit Agreement (determined in accordance with the capital stacking requirements set forth in Section 6.8(e)) and Unrestricted Cash of the Borrowers (including Unrestricted Cash contributed to the Borrowers by Holdings) are sufficient to pay all Project Costs required in order to achieve the Completion of each Farm Project on or prior to the Completion Deadline applicable to such Farm Project;

(ix) the Final Completion Date of each Farm Project can reasonably be expected to occur on or prior to the Completion Deadline applicable to such Farm Project;

(i) the Lender shall have received an updated Project Status Report, Construction Budget and Construction Schedule with respect to each Farm Project;

(j) the Lender shall have received (i) a current sworn construction cost statement of the Company in form reasonably acceptable to the Lender, (ii) a current sworn construction cost statement of each Material Project Contractor in form reasonably acceptable to the Lender, and (iii) copies of invoices, bills, statements or bills of sale representing the Project Costs to be paid from proceeds of the requested Term Loan;

(k) to the extent permitted under Applicable Law, the Lender shall have received Lien waivers and releases, conditioned only upon receipt of payment, duly executed by each Person (other than an Excluded Contractor or Subcontractor) being paid from the proceeds of the requested Term Loan who may have or may be entitled to have a Lien pursuant to Applicable Law or agreement;

(l) the Lender shall have received unconditional Lien waivers and releases, duly executed by each Person (other than an Excluded Contractor or Subcontractor) paid from proceeds of all prior Term Loans who may have or may be entitled to have a Lien pursuant to Applicable Law or agreement, to the extent not previously delivered to the Lender;

(m) no stop notice with respect to any Farm Project shall have been delivered to the Company or any other Loan Party, unless the Company has filed a release bond with respect thereto in accordance with the requirements of Law in the state where the Farm Project Site is located;

(n) if required by the Lender, the Lender shall have received a certificate from the Project Consultant, duly executed by the Project Consultant and dated not earlier than five (5) Business Days prior to the date of the requested Term Loan, certifying as follows: (i) the Project Consultant has reviewed the Project Status Report, Construction Budget, and Construction Schedule applicable to each Farm Project, (ii) the Project Consultant recommends payment of the

Project Costs that the Borrowers intend to pay with proceeds of such requested Term Loan, (iii) the development of each Farm Project is substantially proceeding in the manner provided for in the Project Documents relating thereto, (iv) the aggregate amount of the Project Costs paid (and remaining to be paid) with respect to each Farm Project does not exceed the Initial Construction Budget applicable to such Farm Project (provided that the aggregate amount of the Project Costs paid (and remaining to be paid) with respect to each Farm Project may exceed the Initial Construction Budget applicable to such Farm Project by an amount not to exceed 5% of such Initial Construction Budget, but only so long as, on or prior to the date of such certificate, (A) (x) such excess amount is funded by cash contributions from the Borrowers in compliance with Section 6.8(d) or an irrevocable capital cash contribution from Holdings to the Borrowers, and (y) the Borrowers have fully paid such excess Projects Costs from the proceeds of such contributions, and (B) the Borrowers deliver to the Lender reasonably satisfactory evidence of the foregoing), (v) as of the date of such certificate, and after giving effect to the requested Term Loan (unless such Term Loan is made in respect of the Pasco (Washington) Farm), the unadvanced amounts under both the Term Loan Facility and the Subordinated Credit Agreement (determined in accordance with the capital stacking requirements set forth in Section 6.8(e)) and Unrestricted Cash of the Borrowers (including Unrestricted Cash contributed to the Borrowers by Holdings) are sufficient to pay all Project Costs required in order to achieve Completion of each Farm Project on or prior to the Completion Deadline applicable to such Farm Project, and (vi) the Final Completion Date of each Farm Project can reasonably be expected to occur on or prior to the Completion Deadline applicable to such Farm Project;

(o) to the extent requested by the Lender, the Lender shall have received payment and performance bonds in the amount of the GC Contract with the General Contractor with respect to a Farm Project (which, to the extent approved by the Lender in writing in its reasonable discretion, may be in the form of payment and performance bonds issued by applicable subcontractors), together with a dual obligee rider in favor of the Lender, in each case in form and substance acceptable to the Lender;

(p) to the extent not previously delivered, the Borrowers shall have delivered to the Lender evidence of the insurance required by Section 5.18(d);

(q) the Lender shall have received such bring-down certificates, searches, an endorsement to the title insurance policy issued to the Lender covering the date of such Term Loan and increasing the amount of Lender's insurance coverage by the amount of such Term Loan disbursed and date down the coverage for mechanics' liens with the ALTA 33-06 Construction Disbursement Endorsement (or, with respect to the Mt. Pleasant (Texas) Farm, such other coverage or endorsement as may be available from the Disbursing Agent); and

(r) if the requested Term Loan is for the last disbursement necessary to Complete a Farm Project, the Lender shall have received (i) a certification from the Company and the Project Consultant that the improvements on such Farm Project will, after application of the proceeds of such Term Loan, be Complete and (ii) the applicable title insurance company shall be committed to issue to the Lender such endorsements as the Lender may reasonably require, to be issued by such title insurance company subsequent to the expiration of the period during which any Lien for labor, services or materials may be validly recorded against such Farm Project or such other endorsements to the Lender's title insurance policy as the Lender may reasonably require which shall insure that such Farm Project improvements have been completed free of all mechanics' and

materialmen's Liens or claims and other Liens, other than Liens expressly permitted under the Mortgage applicable to such Farm Project).

Section 4.4 Conditions to First Amendment Term Loan. The obligation of the Lender to make the First Amendment Term Loan is subject to the Lender's receipt, on or prior to the Paragon Acquisition Effective Date, of the following:

(a) a certificate of a Responsible Officer of the Company, dated as of the Paragon Acquisition Effective Date and:

(i) certifying that:

(A) the Specified Representations shall be true and correct in all material respects (or, in the case of any such representation or warranty already qualified by materiality, in all respects) on and as of the Paragon Acquisition Effective Date;

(B) no Specified Event of Default shall have occurred and be continuing or would result from the First Amendment Term Loan or from the application of proceeds thereof;

(C) no Paragon Purchase Document has been amended, restated, supplemented or otherwise modified since the First Amendment Effective Date, in a manner that would be materially adverse to the Lender (it being understood and agreed that any amendment, change or other modification to the purchase price or any component thereof under any Paragon Purchase Document (including, without limitation, any such amendment, change or other modification to the Parent Share Value (as defined in the Paragon California PSA)) shall be deemed materially adverse to the Lender (other than (x) any decrease in the Aggregate Paragon Consideration of not more than 5% (whether such reduction is in non-cash consideration or cash consideration), provided that any such reduction in cash consideration is automatically accompanied by a dollar-for-dollar reduction, on a pro rata basis, of the Term Loan Amount (as defined in the Subordinated Credit Agreement) and the Term Loan Amount, and (y) any increase to the Aggregate Paragon Consideration of not more than 5% so long as such increase represents additional non-cash consideration or cash consideration not consisting of additional First Amendment Term Loans or First Amendment Term Loans (as defined in the Subordinated Credit Agreement)), unless approved in writing by the Lender, and the transactions contemplated under each Paragon Purchase Agreement shall have been consummated in accordance with the terms of the applicable Paragon Purchase Documents;

(D) the Specified Purchase Agreement Representations shall be true and correct in all material respects (or, in the case of any such representation or warranty already qualified by materiality, in all respects);

(E) all governmental and third-party consents expressly required as conditions to consummation of the transactions pursuant to Section 7.02(e)(x) of the Paragon California PSA have been obtained (and not waived); and

(F) since the First Amendment Effective Date, no Paragon Material Adverse Effect shall have occurred and be continuing; and

(ii) attaching reasonably detailed calculations demonstrating that the sum of the First Amendment Term Loan and the First Amendment Term Loan (as defined in the Subordinated Credit Agreement) to be made on the Paragon Acquisition Effective Date constitutes not more than 70% of the Aggregate Paragon Consideration;

(b) an appropriately completed Loan Request for the First Amendment Term Loan, duly executed by the Borrowers;

(c) a disbursement letter, demonstrating, among other things, that the Debt Service Reserve Account shall, as of the date of the First Amendment Term Loan, be funded in cash with the Minimum P&I Amount required on such date, duly executed by the Borrowers;

(d) [reserved];

(e) with respect to the ESOP (as defined Paragon California PSA): (A) a copy of the amendment to the ESOP in accordance with the provisions set forth in Section 6.20(a) of the Paragon California PSA (and providing, among other things, for termination of the ESOP effective as of the Paragon Acquisition Effective Date), accompanied by appropriate resolutions of the ESOP authorizing the same; (B) evidence that the ESOP Loan Receivable (as defined Paragon California PSA) is, as of the Paragon Acquisition Effective Date, canceled or paid in full, and all shares held in the "suspense account" of the ESOP Share Seller are, as of the Paragon Acquisition Effective Date and after accounting for all contributions and loan payments that are made prior to or coincident with the Paragon Acquisition Effective Date, either cancelled or allocated to ESOP participants or surrendered to Paragon (or some combination thereof); (C) a copy of the certificate delivered by the trustee of the ESOP to the Company complying with the requirements set forth in Section 7.02(e)(ix) of the Paragon California PSA; and (D) a copy of the Fairness Opinion (as defined in the Paragon California PSA) delivered to the Company in accordance with Section 7.02(e)(xii) of the Paragon California PSA;

(f) the First Amendment Funding Date shall not occur prior to April 1, 2022 or after May 20, 2022;

(g) a certificate of status, compliance or like certificate for each Loan Party and Subsidiary (including each First Amendment Joinder Party) from the appropriate Governmental Authority of the jurisdiction of incorporation or formation of such Person, each dated not more than thirty (30) days prior to the Paragon Acquisition Effective Date;

(h) an appropriately completed and duly executed Perfection Certificate with respect to the Loan Parties (including the First Amendment Joinder Parties);

(i) each of the following documents:

(i) a Joinder Agreement, duly executed and delivered by each First Amendment Joinder Party;

(ii) to the extent that any of the Equity Interests of the First Amendment Joinder Parties are evidenced by one or more certificates, the originals of such certificates, together with undated stock or other transfer powers executed in blank by the

applicable Loan Party that will acquire such Equity Interests on the Paragon Acquisition Effective Date (provided that any such certificates will be required to be delivered on the First Amendment Funding Date only to the extent available to the Borrowers after use of commercially reasonable efforts (without undue burden or expense));

(iii) UCC financing statements for filing in the jurisdiction of formation of each First Amendment Joinder Party, in a form sufficient to perfect the security interest of the Lender in the Collateral of the First Amendment Joinder Parties to the extent such Liens can be perfected by filing or recordation UCC financing statements in the jurisdiction of formation of each First Amendment Joinder Party;

(iv) trademark, patent and copyright security agreements, duly executed by the applicable First Amendment Joinder Parties and in appropriate form for recordation or registration with the applicable intellectual property office;

(v) customary opinions of counsel to the Loan Parties with respect to the authorization, execution and delivery by the Loan Parties of the Loan Documents (including by the First Amendment Joinder Parties of the Joinder Agreement referenced in clause (i) above), enforceability of the Loan Documents (including the Joinder Agreement) and the creation and perfection of the Liens on the applicable assets of the Loan Parties (including the First Amendment Joinder Parties);

(vi) a certificate of a Responsible Officer of each First Amendment Joinder Party, attaching (A) the Organizational Documents of such First Amendment Joinder Party, (B) resolutions or other action of the Governing Board of such First Amendment Joinder Party approving the transactions and other matters contemplated by the Loan Documents to which it is a party, and (C) an incumbency certificate evidencing the identity, authority and capacity of each Responsible Officer of such First Amendment Joinder Party authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which it is a party; and

(vii) a Term Loan Note, payable to the order of the Lender, duly executed by the Borrowers and amending and restating (without novating) the Term Loan Note of the Lender in effect immediately prior to the First Amendment Funding Date;

(j) with respect to any Indebtedness or other obligations (other than Permitted Indebtedness) owing by the First Amendment Joinder Parties as of the Paragon Acquisition Effective Date:

(i) evidence that all such Indebtedness has been, or as of the Paragon Acquisition Effective Date will be, repaid in full in cash and all such obligations have been, or as of the date hereof will be, terminated; and

(ii) (1) payoff letters (accompanied by such other discharges, releases (including, without limitation, mortgage releases), terminations or other documents), in each case duly executed by the holders of such Closing Pay-Off Indebtedness (as defined in the Paragon California PSA as in effect on the date hereof), releasing automatically upon the repayment in full of such Indebtedness on the Paragon Acquisition Effective Date all Liens on any assets of any First Amendment Joinder Party and authorizing the Borrowers, the Lender or their respective designees to file UCC-3 termination statements

and such other releases and terminations as necessary to terminate any and all such Liens, and (2) the Pay-Off Letters in the forms attached as Exhibit F-1 and Exhibit F-2 to the Paragon California PSA as in effect on the date hereof (accompanied by such other discharges, releases, terminations or other documents required to be delivered under such Pay-Off Letters), duly executed by the parties thereto;

(k) (i) repayment of all indebtedness outstanding under, and termination of, (1) the Amended and Restated Master Lease Agreement dated as of April 30, 2021 between STORE Master Funding XVIII, LLC and Hollandia Real Estate, LLC, (2) the Amended and Restated Mortgage Loan Agreement, dated as of March 4, 2021, by and between Hollandia Real Estate LLC and Store Capital Acquisitions, LLC, (3) the Disbursement Agreement dated as of April 30, 2021 between STORE Capital Acquisitions, LLC and Hollandia Real Estate, LLC, (4) the Amended and Restated Unconditional Guaranty of Payment and Performance dated as of April 30, 2021 by Paragon for the benefit of STORE Master Funding XVIII, LLC, and (5) the Unconditional Guaranty of Payment and Performance dated as of June 30, 2020 by Paragon for the benefit of STORE Capital Acquisitions, LLC, and (ii) release of (1) all Liens granted by any Paragon Entity in favor of STORE Master Funding XVIII, LLC and its Affiliates, and all Liens granted by STORE Master Funding XVIII, LLC on any Paragon Property, (2) all Liens granted by any Paragon Entity in favor of STORE Capital Acquisitions, LLC and its Affiliates, and all Liens granted by STORE Capital Acquisitions, LLC on any Paragon Property;

(l) evidence that all loans under the Subordinated Credit Agreement shall have been funded in full substantially concurrently with the funding of the First Amendment Term Loan;

(m) at least three (3) Business Days prior to the date of the First Amendment Term Loan (or such shorter period as may be approved by the Lender in its sole discretion), completed background checks and such other documentation and information requested by (or on behalf of) the Lender, in each case satisfactory to the Lender, including information required to satisfy any “know your customer” requirements, including, without limitation, any Beneficial Ownership Certification if any Borrower is a “legal entity customer” under the Beneficial Ownership Regulation; and

(n) payment of (i) all fees, costs and expenses then due and payable pursuant to Section 8.3, to the extent invoiced on or prior to the Paragon Acquisition Effective Date, and (ii) such fees or payment or issuance of such other consideration as are set forth in the First Amendment Fee Letter.

ARTICLE V AFFIRMATIVE COVENANTS

The Borrowers covenant and agree with the Lender that, until all Obligations shall have been Paid in Full:

Section 5.1 Financial Statements. The Borrowers will furnish to the Lender:

(a) as soon as available, and in any event within 120 days after the end of each Fiscal Year, audited financial statements of Holdings and its Subsidiaries consisting of a consolidated balance sheet of Holdings and its Subsidiaries as at the end of such Fiscal Year and the related consolidated statements of income or operations, shareholders’ equity and cash flows for such Fiscal Year, setting forth in each case in comparative form the figures for the previous Fiscal

Year, prepared by independent public accountants of nationally or regionally recognized standing (or other firm of independent public accountants reasonably acceptable to the Lender, it being agreed and acknowledged that each of RSM US LLP and WithumSmith+Brown, P.C. is acceptable to the Lender) in accordance with generally accepted auditing standards (and, except for the Permitted Going Concern Qualification (if any), shall not be subject to any “going concern” or like qualification, exception or explanatory paragraph), certified by a Financial Officer of the Company as fairly presenting in all material respects the financial condition, results of operations, shareholders’ equity and cash flows of Holdings and its Subsidiaries in accordance with GAAP consistently applied, together with a management discussion and analysis of such financial statements; and

(b) as soon as available, but in any event within 60 days after the end of each calendar quarter, commencing with the calendar quarter ending September 30, 2021, a consolidated balance sheet of Holdings and its Subsidiaries as at the end of such calendar quarter, the related consolidated statements of income or operations, shareholders’ equity and cash flows for such calendar quarter and for the portion of Holdings’ Fiscal Year then ended, in each case setting forth in comparative form the year-to-date period of the current Fiscal Year as compared to the corresponding portion of the previous Fiscal Year, certified by a Financial Officer of the Company as fairly presenting in all material respects the financial condition, results of operations, shareholders’ equity and cash flows of Holdings and its Subsidiaries in accordance with GAAP consistently applied, subject only to normal year-end adjustments and the absence of footnotes.

(c) Notwithstanding anything in this Section 5.1 to the contrary, commencing after the Qualified SPAC Transaction Effective Date, (i) any financial statements required to be delivered pursuant to this Section 5.1 shall be financial statements of the Consolidated Group and (ii) the obligations in clauses (a) and (b) of this Section 5.1 may be satisfied with respect to financial information of the Consolidated Group by furnishing (A) the applicable financial statements of the Consolidated Group to the Lender or (B) the Form 10-K, 10-Q or 8-K, as applicable, of the Consolidated Group, filed with the SEC. Documents required to be delivered pursuant to Sections 5.1(a) and (b) and Section 5.2(d) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the earliest date on which (x) Holdings or the Company provides a link thereto on Holdings’ or the Company’s website on the Internet, (y) such documents are posted on Holdings’ or the Company’s behalf on IntraLinks/IntraAgency or another website, if any, to which the Lender has access (whether a commercial, third-party website or whether sponsored by the Lender), or (z) such financial statements and/or other documents are posted on the SEC’s website on the Internet at www.sec.gov.

Section 5.2 Certificates: Other Information. The Borrowers will deliver, or cause to be delivered, to the Lender:

(a) (i) concurrently with the delivery of the financial statements referred to in Sections 5.1(a) and (b), a duly completed Compliance Certificate signed by a Responsible Officer of the Company (x) certifying as to whether a Default or Event of Default has occurred and, if a Default or Event of Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto and (y) setting forth reasonably detailed calculations demonstrating compliance with the covenants set forth in Sections 6.8(a), (b), (c), (d), (e), (g) and (h); and

(ii) not later than 20 days after the end of each calendar month (commencing with the calendar month ending January 31, 2023), a duly completed Capital

Expenditures Compliance Certificate signed by a Responsible Officer of the Company setting forth reasonably detailed calculations demonstrating compliance with the covenant set forth in Section 6.8(f) as of the last day of such month;

(b) promptly following request therefor, copies of any detailed audit reports, management letters or recommendations submitted to the Governing Board (or the audit committee of the Governing Board) of any Loan Party or Subsidiary by independent accountants in connection with the accounts or books of such Loan Party or Subsidiary, or any audit of any of them as the Lender may from time to time reasonably request;

(c) as soon as practicable and in any event before the beginning of each Fiscal Year, the projected balance sheets, income statements, capital expenditures budget and cash flow statements for the Consolidated Group, on a consolidated basis, for each month of the next Fiscal Year, each in reasonable detail, representing the good faith projections of the Consolidated Group for each such month, and certified by a Financial Officer of the Company as being the projections upon which the Consolidated Group relies, together with such supporting schedules and information as the Lender from time to time may reasonably request;

(d) promptly after receipt or furnishing thereof, copies of each annual report, proxy or financial statement or other report or communication sent to the shareholders of any Loan Party or Subsidiary, and copies of all annual, regular, periodic and special reports and registration statements that such Loan Party or Subsidiary may file or be required to file with the SEC or with any national securities exchange, and not otherwise required to be delivered pursuant hereto;

(e) promptly after receipt thereof by any Loan Party or Subsidiary, copies of each notice or other correspondence received from the SEC (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation or other similar inquiry by such agency regarding financial or other operational results of such Loan Party or Subsidiary thereof;

(f) promptly after the occurrence thereof, notice of any change in the information provided in the Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified in such certification; provided, that following the Qualified SPAC Transaction Effective Date, such notice shall only be required to the extent Holdings or any other Loan Party is a “legal entity customer” under the Beneficial Ownership Regulation;

(g) promptly upon execution thereof, a true, correct and complete copy of each Material Agreement, or any amendment thereto, entered into after the Closing Date;

(h) promptly after the furnishing thereof, copies of any material request, report or notice received by any Loan Party or any Subsidiary, or any material statement or report furnished by any Loan Party or any Subsidiary pursuant to the terms of any Material Agreement (including, without limitation, the SPAC Merger Agreement and any STORE Document);

(i) with respect to each Farm Project:

(i) as soon as practicable and in any event at least thirty (30) days before commencing construction of any new Farm or Farm Project or closing upon the acquisition of any interest in real property with respect thereto, written notice thereof;

(ii) as soon as available and in any event within thirty (30) days after the end of each fiscal month of the Company, a Project Status Report and Construction Budget with respect to such Farm Project, in each case certified by the Project Consultant;

(iii) promptly upon receipt, a copy of any Farm Project Site visit report or other reviews or notices issued by any Governmental Authority, including, without limitation, EPA or USDA;

(iv) promptly upon receipt, a copy of each material report delivered to a Loan Party by any Person pursuant to a Material Project Document;

(v) copies of all material notices sent or received by any Loan Party with respect to such Farm Project; and

(vi) promptly after any officer of any Loan Party has knowledge of any material delays in the construction of such Farm Project or if the Project Costs applicable to such Farm Project at any time exceed the Initial Construction Budget applicable to such Farm Project, a certificate signed by a Responsible Officer of the Company setting forth the details with respect thereto and the action that the Company proposes to take with respect thereto;

(j) promptly after delivery or receipt thereof by any Loan Party or any Subsidiary, (i) a copy of Paragon's application to the U.S. Internal Revenue Service requesting a favorable determination with respect to the ESOP amendments and the termination of the ESOP described in Section 6.20(a) of the Paragon California PSA, and copies of the U.S. Internal Revenue Service's approvals or responses to the same, and (ii) copies of any material notices, reports or certificates delivered in connection with the Paragon Purchase Documents (it being understood and agreed, without limiting any of the foregoing, that any notices, reports or certificates delivered pursuant to or in connection with any purchase-price adjustment under any Paragon Purchase Agreement shall be material);

(k) as soon as available, but in any event at least 30 days prior to the commencement of each Fiscal Year, an updated Projected Production Model; and

(l) promptly following any request therefor, such other information, notices, meeting minutes, consents and other materials regarding the operations, business, properties, liabilities (actual or contingent), condition (financial or otherwise) or prospects of any Loan Party or Subsidiary, or compliance with the terms of the Loan Documents, as the Lender may from time to time reasonably request.

Section 5.3 Notices. The Borrowers will promptly notify the Lender of:

(a) in any event within two (2) Business Days thereof, the occurrence of any Default or Event of Default;

(b) the consummation of the Qualified SPAC Transaction and the occurrence of the Qualified SPAC Transaction Effective Date;

(c) the filing or commencement of any action, claim, suit, injunction, arbitration, settlement, investigation or proceeding by or before any arbitrator or Governmental Authority

against or affecting any Loan Party, any Subsidiary or any Affiliate thereof, which, if adversely determined, could reasonably be expected to give rise to liability in excess of \$2,000,000;

(d) any labor dispute or any noncompliance by any Loan Party or Subsidiary with Applicable Law (other than Environmental Law) or any permit, approval, license or other authorization, which, if adversely determined, could reasonably be expected to give rise to liability in excess of \$2,000,000;

(e) any action arising under any Environmental Law or any noncompliance by any Loan Party or Subsidiary with any Environmental Law, which, if adversely determined, could reasonably be expected to give rise to liability in excess of \$1,000,000;

(f) the discovery of any Hazardous Materials or of any Release from or upon any Farm Project Site, the Montana Property or any other land or property owned (either individually or jointly), operated or controlled by any Loan Party or Subsidiary, which, individually or in the aggregate, could reasonably be expected to give rise to liability in excess of \$1,000,000;

(g) any damage to or destruction of any property of the Loan Parties (or any of their Subsidiaries) which, either individually or in the aggregate, could reasonably be expected to give rise to a claim for insurance monies in excess of \$2,000,000;

(h) any material change in accounting or financial reporting practices by any Loan Party or any Subsidiary;

(i) any material breach or non-performance of, or any material default under, any Material Agreement;

(j) any cessation or material delay in the construction of any Farm Project, in each case accompanied by a reasonably detailed report or certificate of the Borrowers explaining whether or not such cessation or delay is expected to have a Material Adverse Effect; and

(k) any matter or development that has had or could reasonably be expected to have a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Responsible Officer of the Company setting forth the details of the occurrence requiring such notice and stating what action the Company has taken and proposes to take with respect thereto.

Section 5.4 Preservation of Existence, Etc. Each Borrower will, and will cause each other Loan Party and Subsidiary to, (a) preserve, renew and maintain in full force and effect its legal existence and good standing under the Laws of the jurisdiction of its organization and under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license; (b) take all reasonable action to maintain all material rights, licenses, permits, bonding arrangements, privileges and franchises necessary in the normal conduct of its business; and (c) preserve or renew all of its registered patents, trademarks, trade names and service marks, the non-preservation of which, in the case of this clause (c), could reasonably be expected to have a Material Adverse Effect.

Section 5.5 Maintenance of Properties.

(a) Each Borrower will, and will cause each other Loan Party and Subsidiary to, (i) maintain, preserve and protect all of its properties and equipment material to the operation of its business (including, without limitation, each Farm) in good working order and condition (ordinary wear and tear excepted), and operate each Farm, in each case in accordance in all material respects with prudent industry practice and applicable Contractual Obligations and (ii) make all necessary repairs thereto and renewals and replacements thereof.

(b) The sole owner of all assets with respect to each Farm Project (including, without limitation, each Farm and all Project Documents and Project Licenses relating to such Farm Project, whether now existing or hereafter arising, but excluding, following satisfaction of the STORE Sale-Leaseback Conditions, any Farm or Farm Project owned by the STORE Sale-Leaseback Buyer pursuant to the STORE Documents), is, and at all times will continue to be, a Loan Party.

Section 5.6 Maintenance of Insurance. The Borrowers will, and will cause each other Loan Party and Subsidiary to, maintain with financially sound and reputable insurance companies, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business (including fire, extended coverage, workers' compensation, public liability, property damage, business interruption and, with respect to each Farm Project, builder's risk insurance) and against other risks (including errors and omissions) and in such amounts as are customarily carried under similar circumstances by such Persons. Such insurance policies shall contain (a) with respect to any general liability insurance policy, an additional insured special endorsement and (b) with respect to any property insurance policy, a mortgagee and a lender's loss payee special endorsement, in each case in form and substance satisfactory to the Lender naming the Lender as additional insured, mortgagee and lender's loss payee, as applicable, on a primary, non-contributory basis, waiving subrogation, and providing the Lender with notice of cancellation acceptable to the Lender. Without limiting the foregoing, the Borrowers will, and will cause each other Loan Party to, to the extent required under Flood Laws, obtain and maintain flood insurance for such structures and contents constituting Collateral located in a flood hazard zone, in such amounts as similar structures and contents are insured by prudent companies in similar circumstances carrying on similar businesses and otherwise satisfactory to the Lender.

Section 5.7 Payment of Obligations. The Borrowers will, and will cause each other Loan Party and Subsidiary to, pay, discharge or otherwise satisfy as the same shall become due and payable (i) all of its material Tax liabilities and remittances and other obligations owing to any Governmental Authority and (ii) all of its material other obligations, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings diligently conducted and the Borrowers or such Loan Party or Subsidiary has set aside on its books adequate reserves with respect thereto to the extent required by GAAP, and (b) no foreclosure or similar proceedings have been commenced or notice of Liens filed with respect thereto.

Section 5.8 Compliance with Laws. The Borrowers will, and will cause each other Loan Party and Subsidiary to, comply with the requirements of all Laws (including, without limitation, all Applicable Food and Feed Safety Laws) and all orders, writs, injunctions and decrees applicable to it or to its business or property, except where the failure to do so, either individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. The Borrowers shall, and, where applicable, shall cause each of their Affiliates (including any ERISA Affiliates) to, maintain each Plan in compliance with all applicable requirements of Law ERISA and the Code, except where the failure to do so could not be reasonably expected to result in a Material Adverse Effect.

Section 5.9 Environmental Matters. Except to the extent that the failure to do so could not reasonably be expected to have, individually or in the aggregate, liability (including any Environmental Liability) in excess of \$2,000,000 or a Material Adverse Effect, the Borrowers will, and will cause each other Loan Party and Subsidiary to, (a) comply with all Environmental Laws, (b) obtain, maintain in full force and effect and comply with any Licenses or other approvals (including any Project Licenses) required for the facilities or operations of the Borrowers, any other Loan Party or Subsidiary, and (c) conduct and complete any investigation, study, sampling or testing, and undertake any corrective, cleanup, removal, response, remedial or other action necessary to identify, report, remove and clean up all Hazardous Materials present or released at, on, in, under or from any of the facilities or real properties of the Borrowers, any other Loan Party or Subsidiary.

Section 5.10 Books and Records. Each Borrower will, and will cause each other Loan Party and Subsidiary to, maintain proper books of record and account, in which entries shall be made of all financial transactions and matters involving the assets and business of such Borrower, other Loan Party or Subsidiary, as the case may be, that are true, complete and correct in all material respects and prepared in conformity with GAAP in all material respects.

Section 5.11 Inspection Rights. Each Borrower will, and will cause each other Loan Party and Subsidiary to, permit representatives and independent contractors of the Lender and the Project Consultant to visit and inspect any of its properties (including, but not limited to, examination and inspection of (i) any Farm Project Site and the Montana Property and (ii) the production of produce and other inventory at any Farm or Farm Project), to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its owners, directors, officers, and independent public accountants, all at the reasonable expense of the Borrowers; provided that, if no Event of Default has occurred and is continuing, (x) the Lender shall not request, and shall not be permitted to receive, reimbursement from the Borrowers for more than one visit and inspection in any Fiscal Year and (y) the Lender will provide the Borrowers with at least five (5) days' prior notice of each visit and inspection (or such shorter period acceptable to the Borrowers in their sole discretion).

Section 5.12 Use of Proceeds. The Borrowers will, and will cause each other Loan Party and Subsidiary to, use the proceeds of:

(a) [reserved];

(b) the First Amendment Term Loan (i) to pay the costs and expenses of the Loan Parties with respect to the transactions effected by this Agreement and by the Subordinated Credit Agreement, (ii) to fund an amount to the Debt Service Reserve Account equal to that portion of the Minimum P&I Amount attributable to principal, (iii) to pay the fees set forth in the First Amendment Fee Letter, and (iv) to finance the Paragon Acquisition; provided, that in no event shall the aggregate portions of the First Amendment Term Loan and the First Amendment Term Loan (as defined in the Subordinated Credit Agreement) used for the purpose set forth in this clause (iv) exceed \$103,000,000; and

(c) any other Term Loan (i) to fund the Debt Service Reserve Account as a result of a DSRA Shortfall in accordance with Section 5.17, (ii) to pay Project Costs applicable to a Farm Project, and (iii) for working capital related to the operation of a Farm Project or Farm,

in each case not in contravention of any Law or of any Loan Document. Notwithstanding the foregoing or anything herein to the contrary, however, no Term Loan will be used to finance (1) dual use goods (i.e.,

products and technologies which may have military applications), (2) tobacco products, (3) extraction of thermal coal, and/or (4) business activities which are not aligned with the principles of the New York Declaration on Forests (2014) (<https://forestdeclaration.org/about>).

Section 5.13 Sanctions and Anti-Terrorism Laws; Anti-Corruption Laws. The Borrowers will, and will cause each other Loan Party and Subsidiary to, maintain in effect policies and procedures designed to promote compliance by the Loan Parties and Subsidiaries, and their respective directors, officers, employees, and agents with applicable Sanctions and Anti-Terrorism Laws and applicable Anti-Corruption Laws.

Section 5.14 Additional Subsidiaries; Holdings as Guarantor.

(a) Promptly after (i) the creation or acquisition of any Subsidiary of Holdings or any other Loan Party (including, without limitation, any Subsidiary formed by merger, amalgamation, consolidation, division under the Delaware Code or otherwise), in each case other than an Excluded Subsidiary, or (ii) any existing Excluded Subsidiary ceases to be an Excluded Subsidiary (and, in any event, within ten (10) days after each event described in the preceding clauses (i) or (ii) and without limiting Section 6.14 hereof (or such later date as may be agreed by the Lender in writing)), the Borrowers will (unless otherwise waived in writing by the Lender in its sole discretion) cause such Person to (A) become a Borrower hereunder by delivering to the Lender a duly executed Joinder Agreement or such other documents as the Lender shall deem appropriate for such purpose, (B) grant a Lien on substantially all of the real and personal property of such Person by delivering to the Lender such deeds of trust, security agreements and other agreements as the Lender shall deem appropriate for such purpose, (C) deliver to the Lender such original certificated Equity Interests or other certificates and stock or other transfer powers evidencing the Equity Interests of such Person as the Lender may require, (D) deliver to the Lender such opinions, documents and certificates as the Lender requests and (E) deliver to the Lender such updated Schedules to the Loan Documents as requested by the Lender with respect to such Person and Collateral; in each case, in form, content and scope satisfactory to the Lender.

(b) [Reserved].

(c) Promptly, and in any event not later than ten (10) Business Days after the Qualified SPAC Transaction Effective Date, the Borrowers shall cause Holdings to (i) become a Guarantor by delivering to the Lender a duly executed Guaranty or such other documents as the Lender shall deem appropriate for such purpose, (ii) grant a Lien on substantially all of the real and personal property of Holdings by delivering to the Lender such deeds of trust, security agreements and other agreements as the Lender shall deem appropriate for such purpose, (iii) deliver to the Lender such original certificated Equity Interests or other certificates and stock or other transfer powers evidencing the Equity Interests owned or held by Holdings as the Lender may require, (iv) deliver to the Lender such opinions, documents and certificates as the Lender requests, and (v) deliver to the Lender such updated Schedules to the Loan Documents as requested by the Lender with respect to Holdings and its Collateral; in each case, in form, content and scope satisfactory to the Lender.

Section 5.15 Real Property.

(a) Fee-Owned Real Property. Not more than sixty (60) days (or such later date as may be agreed by the Lender in writing) following the acquisition by the Borrowers, any other Loan Party or any Subsidiary of any fee interest in any real property (including the acquisition of

any Subsidiary (including any First Amendment Joinder Party) that has a fee interest in real property), the Borrowers shall (unless otherwise waived in writing by the Lender in its sole discretion) deliver to the Lender each of the following, each in form and substance satisfactory to the Lender:

(i) a Mortgage covering such property, properly executed on behalf of the applicable Loan Party or Subsidiary;

(ii) if requested by the Lender or the Disbursing Agent, an amendment to the Disbursing Agreement (or a new Disbursing Agreement), a priority agreement or other similar agreements or documents, in each case duly executed by the parties thereto and incorporating jurisdiction-specific updates or other modifications;

(iii) an ALTA title insurance policy or policies in favor of the Lender, insuring such Mortgage as a valid first priority Lien upon such parcel subject only to such exceptions as are acceptable to the Lender (including such endorsements as the Lender may require);

(iv) a survey that either (A) meets such minimum survey standards as the Lender may require, such survey to be certified in favor of (and to permit reliance by) the Lender as to such parcel, or (B) covers such property and is in a form that the title insurance company that issues the title insurance policy to Lender described in Section 5.15(a)(iii) above determines is sufficient to permit such title insurance company to delete the standard exception for matters of survey from the lender's policy of title insurance issued to the Lender;

(v) if requested by the Lender, a final "as built" appraisal with respect to any Farm or Farm Project to be located on such real property, in form and containing assumptions and appraisal methods reasonably satisfactory to the Lender, conducted by an appraiser acceptable to the Lender, addressed to the Lender and on which the Lender is expressly permitted to rely;

(vi) if requested by the Lender, a Phase I environmental audit or such other environmental due diligence report as the Lender may approve (and permitting reliance by the Lender), together with such other environmental information as the Lender may request;

(vii) evidence that the Loan Parties have taken all actions required under the Flood Laws and/or requested by the Lender to ensure that the Lender is in compliance with the Flood Laws applicable to each parcel of real property constituting Collateral; and

(viii) such evidence as the Lender may require that such Mortgage has been duly authorized by all appropriate action of and is enforceable against the applicable Loan Party, together with such opinions of counsel covering such authorization and enforceability and other matters as the Lender may reasonably require.

(b) Leased Real Property, Warehouses, Etc. (i) In the case of any headquarters location of the Loan Parties or any leased premises, warehouse or other third party-owned or -operated storage facility where tangible Collateral with a value in excess of \$1,000,000 is located, the Loan Parties shall obtain Lien Waiver Agreements after entering into any lease following the Closing Date or after the tangible Collateral valued at any such location exceeds \$1,000,000, and

(ii) in the case of any Third-Party Farm Lease Agreement, the Loan Parties shall deliver, or cause to be delivered, to the Lender a Mortgage in respect of the leasehold interest in the real property subject to such Third-Party Farm Lease Agreement, together with (x) a corresponding lender's title insurance policy (and accompanying endorsements) in favor of the Lender (up to an amount reasonably determined by the Lender in consultation with the Borrowers), (y) a ground lease recognition and estoppel agreement, duly executed by the lessor under such Third-Party Farm Lease Agreement, and (z) opinions of counsel with respect to such Mortgage, each of the foregoing to be in form and substance reasonably satisfactory to the Lender.

Section 5.16 Further Assurances. The Borrowers shall, and shall cause each other Loan Party and Subsidiary to, from time to time, at the Borrowers' expense, preserve and protect the Lender's Lien on the Collateral (first in priority subject only to Permitted Liens) and shall do such other acts and things as the Lender in its sole discretion may deem necessary or advisable from time to time in order to preserve, perfect and protect the Liens granted or purported to be granted under the Collateral Documents and to exercise and enforce its rights and remedies thereunder with respect to the Collateral. Without limiting the generality of the foregoing or Sections 4.1(k) or 5.17 hereof, concurrently with the opening of any deposit account, commodity account or securities account (other than Excluded Accounts) by any Borrower, any other Loan Party or Subsidiary after the Closing Date, the Borrowers shall deliver a notice of the opening of such account to the Lender and an executed Account Control Agreement in respect of such account. In addition the Borrowers shall deliver, or cause to be delivered, to the Lender a Collateral Assignment with respect to any Material Agreement entered into by the Borrowers or the other Loan Parties (to the extent such Collateral Assignment (or any consent or acknowledgment thereof) is required or requested in accordance with the definition of "Collateral Assignment").

Section 5.17 Debt Service Reserve Account.

(a) Commencing on the First Amendment Funding Date, the Borrowers will, or will cause, the Debt Service Reserve Account to be funded with cash of the Loan Parties in an amount equal to or greater than the Minimum P&I Amount.

(b) If at any time (whether as a result of fluctuations in applicable interest rates or otherwise) the funds in the Debt Service Reserve Account are determined by the Lender in its reasonable discretion to be less than the Minimum P&I Amount (each such shortfall, a "DSRA Shortfall"), the Borrowers shall promptly (and in any event not later than two (2) Business Days after a DSRA Shortfall has been identified) fund or otherwise remit cash (including, at the Borrowers' election, any proceeds of a Term Loan) to the Debt Service Reserve Account in an amount equal to or greater than such DSRA Shortfall. For the avoidance of doubt, the Borrowers shall cause the Debt Service Reserve Account to be subject to a blocked Account Control Agreement in favor of the Lender at all times.

Section 5.18 Farm Project Construction.

(a) The Borrowers will, and will cause each other Loan Party and Subsidiary to, continuously, diligently and with reasonable dispatch proceed with the design, development and construction of each Farm Project in a good workmanlike manner in material accordance with the Project Documents applicable to such Farm Project, the Loan Documents and all Applicable Laws so that the Final Completion Date applicable to such Farm Project will be reasonably expected to occur on or prior to the Completion Deadline applicable to such Farm Project.

(b) The Borrowers will, and will cause each other Loan Party and Subsidiary to, comply in all material respects with each Material Agreement to which they are a party and enforce all of their respective material rights under the Project Documents, including all material indemnification rights thereunder, and pursue all material remedies available to any Loan Party or Subsidiary with diligence and in good faith.

(c) Not later than sixty (60) after the Final Completion Date of a Farm Project, the Borrowers will deliver or cause to be delivered to the Lender:

(i) if requested by the Lender in its sole discretion, a date down endorsement to the applicable title insurance policy insuring the priority of Mortgage in respect of the applicable Farm Project Site and which deletes from such title insurance policy any mechanic's Lien, survey or other standard exception, and includes the following endorsements, to the extent not previously delivered to the Lender: ALTA 3.1 zoning endorsement; ALTA 9.3 conditions, covenants and restrictions endorsement; ALTA 9.6 private rights; ALTA 17 access and entry endorsement; ALTA 17.2 utility access endorsement; ALTA 18 single tax parcel or ALTA 18.1 multiple tax parcels (as applicable); and ALTA 28 easement endorsement (as applicable);

(ii) copies of the as-built final plans and specifications for such Farm Project; and

(iii) such additional items as the Lender may reasonably request, including, without limitation, copies of final appraisals, final as-built appraisals, surveys and final unconditional Lien waivers.

(d) The Borrowers will cause:

(i) the design professionals who prepare the Project Plans applicable to a Farm Project to maintain professional liability insurance written on a claims made basis, with coverage limits in amounts reasonably acceptable to the Lender, insuring each such design professional and its sub-consultants against any and all liabilities arising out of or in connection with the negligent acts, errors, or omissions of the foregoing in connection with the carrying out of their professional responsibilities for the applicable Farm Project;

(ii) each Material Project Contractor to maintain such insurance as will protect such Material Project Contractor from claims set forth below which may arise out of or result from such Material Project Contractor's operations and completed operations in connection with the applicable Farm Project, whether such operations be by such Material Project Contractor or by its subcontractors or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable: (A) claims under workers' compensation, disability benefit and other similar employee benefit acts that are applicable to the work to be performed; (B) claims for damages because of bodily injury, occupational sickness or disease, or death of such Material Project Contractor's employees; (C) claims for damages because of bodily injury, sickness or disease, or death of any person other than such Material Project Contractor's employees; (D) claims for damages insured by usual personal injury liability coverage; (E) claims for damages because of injury to or destruction of tangible property, including loss of use resulting therefrom; (F) claims for damages because of bodily injury, death of a person or property damage arising out of ownership, maintenance or use of a motor

vehicle; and (G) claims for bodily injury or property damage arising out of completed operations;

(iii) each Material Project Contractor referenced in subsection (ii) above to name the Lender as an additional insured for claims caused in whole or in part by such Material Project Contractor's negligent acts or omissions during such Material Project Contractor's ongoing operations and completed operations, with such insurance afforded to the Lender as an additional insured being primary insurance and not excess over, or contributing with, any insurance purchased or maintained by the Lender; and

(iv) to the extent requested by the Lender, prior to the execution of a GC Contract, each General Contractor that has commenced any work with respect to a Farm Project to obtain payment and performance bonds (which, to the extent approved by the Lender in writing in its reasonable discretion, may be in the form of payment and performance bonds issued by applicable subcontractors) and dual obligee riders in favor of the Lender, in form and substance acceptable to the Lender in its sole discretion.

Section 5.19 Post-Closing Requirements. The Borrowers will deliver, or cause to be delivered, to the Lender each of the following, each in form and substance acceptable to the Lender:

(a) As soon as reasonably practicable, but in any event not later than sixty (60) days after the First Amendment Funding Date (or such later date as the Lender may agree to in writing in its sole discretion), each of the items set forth in Section 5.15(a) with respect to each Paragon Property (including, without limitation, a Mortgage covering each Paragon Property, properly executed on behalf of the applicable Paragon Entity, and one or more opinions of counsel covering the jurisdiction in which each Paragon Property is located); provided, however, notwithstanding the foregoing, that with respect to the Paragon Property in Warner Robins, Georgia, the deadline for delivering the items described in Section 5.15(a) (iv) with respect to such property shall be sixty (60) days (or such later date as the Lender may agree to in writing in its sole discretion) after final completion of the existing construction occurring at such property.

(b) As soon as reasonably practicable, but in any event not later than sixty (60) days after the First Amendment Funding Date (or such later date as the Lender may agree to in writing in its sole discretion), a subordination, non-disturbance and attornment agreement with respect to each sublease of any Paragon Property, duly executed by the applicable sublessee, the applicable sublessor and the Lender; provided, however, that a subordination, non-disturbance and attornment agreement shall not be required for any sublease of a Paragon Property that has a month-to-month term and that is for residential purposes only.

(c) As soon as reasonably practicable, but in any event not later than thirty (30) days after the First Amendment Funding Date (or such later date as the Lender may agree to in writing in its sole discretion), executed amendments to, or amendments and restatements of, each Account Control Agreement existing as of the First Amendment Effective Date (including, without limitation, the Account Control Agreement with respect to the Debt Service Reserve Account), confirming that each such Account Control Agreement is among the Lender, the depository institution party thereto, and Local Bounty Operating Company LLC (evidencing its current legal name) or another Borrower.

(d) As soon as reasonably practicable, but in any event not later than thirty (30) days after the First Amendment Funding Date (or such later date as the Lender may agree to in writing

in its sole discretion), an Account Control Agreement with respect to each deposit account, commodity account or securities account (other than Excluded Accounts) of the First Amendment Joinder Parties.

(e) As soon as reasonably practicable, but in any event not later than thirty (30) days after the First Amendment Funding Date (or such later date as the Lender may agree to in writing in its sole discretion), each of the items set forth in Section 4.3(g) and, to the extent available, each of the items set forth in Section 4.3(i), (j), (k) and (l), in each case with respect to the Farm Project located at the Paragon Property in Warner Robins, Georgia; it being understood and agreed, for the avoidance of doubt, that this Section 5.19(e) shall in no way limit the Borrowers' obligation to comply with Section 4.3 with respect to any Term Loan requested after the First Amendment Funding Date the proceeds of which are to be applied to Project Costs relating to a Farm Project located at the Paragon Property in Warner Robins, Georgia.

(f) As soon as reasonably practicable, but in any event not later than thirty (30) days after the First Amendment Funding Date (or such later date as the Lender may agree to in writing in its sole discretion), a certificate of status, compliance or like certificate for each Loan Party and Subsidiary (including each First Amendment Joinder Party) from the appropriate Governmental Authority of each jurisdiction (other than its state of formation) where it is required to qualify to do business, each dated not more than thirty (30) days prior to the date of such delivery.

(g) As soon as reasonably practicable, but in any event not later than the earlier of (i) thirty (30) days after the First Amendment Funding Date and (ii) the date of expiration of any insurance in effect as of the First Amendment Effective Date (in each case, or such later date as the Lender may agree to in writing in its sole discretion), evidence that all insurance required to be maintained under the Loan Documents is in full force and effect (including, with respect to the First Amendment Joinder Parties, evidence of adequate liability, property, business interruption, recall insurance and builder's risk insurance), in each case together with certificates naming the Lender as additional insured, mortgagee and lender's loss payee, as applicable, with respect to the Collateral and, in the case of any business interruption and recall insurance, accompanied by an assignment of such business interruption or recall insurance in favor of the Lender signed by the First Amendment Joinder Parties and the applicable insurer.

(h) As soon as reasonably practicable, but in any event not later than five (5) Business Days after the First Amendment Funding Date, evidence that each of Hollandia GA Investor Corp. and Hollandia GP has merged with and into Paragon or another Loan Party, with Paragon or such other Loan Party continuing as the surviving entity.

(i) As soon as reasonably practicable, but in any event not later than sixty (60) days after the earlier of (i) the STORE Sale-Leaseback Closing Date and (ii) June 2, 2023 (or such later date as the Lender may agree to in writing in its sole discretion), an appropriately completed Perfection Certificate with respect to the Borrowers and the other Loan Parties, duly executed by a Responsible Officer of the Borrowers.

(j) As soon as reasonably practicable, but in any event not later than thirty (30) days after the Sixth Amendment Effective Date (or such later date as the Lender may agree to in writing in its sole discretion), a Patent and Trademark Security Agreement in favor of the Lender, duly executed by the Loan Parties party thereto.

(k) As soon as reasonably practicable, but in any event not later than July 31, 2024 (or such later date as the Lender may agree to in writing in its sole discretion):

(i) an organizational chart, depicting each Loan Party, each equity holder of each Loan Party (other than Holdings), each other Subsidiary of any Loan Party and each direct and indirect Affiliate of any Loan Party (other than any equity holder of Holdings), and listing the percentage and type of ownership and state or country of formation of each Loan Party and equity holder (other than any equity holder of Holdings);

(ii) a list of all deposit, securities and commodity accounts of any Loan Party or any other Subsidiary of any Loan Party (including the nature of the account, the institution or broker maintaining the account, the average daily amount in such account, whether such account is subject to a control agreement or Lien in favor of any Person), and identifying each account into which account debtors are directed to make payments, together with evidence supporting the foregoing;

(iii) a list of all locations of (A) real property owned by any Loan Party or any other Subsidiary of any Loan Party, (B) real property leased by any Loan Party or any other Subsidiary of any Loan Party, and (C) leased premises, warehouse or other third party-owned or -operated storage facilities where tangible Collateral is located;

(iv) copies of the current certificates of insurance of the Loan Parties (including without limitation any liability insurance, property insurance, business interruption insurance, builder's risk insurance, recall insurance and workers compensation insurance), together with any endorsements in favor of Lender;

(v) a list of all federal, state and local licenses, and material licenses obtained from Affiliates or third parties in connection with any Farms or Farm Projects, maintained by any Loan Party or any other Subsidiary of any Loan Party;

(vi) a list, together with reasonably detailed descriptions, of all actions, suits, arbitrations, proceedings or investigations pending or, to the knowledge of the Loan Parties or any other Subsidiary of any Loan Party, threatened against any Loan Party or any other Subsidiary of any Loan Party at law or in equity before any Governmental Authority; and

(vii) a list, together with reasonably detailed descriptions, of all circumstances that (A) constitute or constituted a violation of Environmental Laws or (B) could reasonably be expected to give rise to any Environmental Liability.

ARTICLE VI NEGATIVE COVENANTS

The Borrowers covenant and agree with the Lender that, until all Obligations have been Paid in Full:

Section 6.1 Indebtedness. The Borrowers will not, nor will they permit any other Loan Party or Subsidiary to, create, incur, assume or suffer to exist any Indebtedness, except (collectively, the "Permitted Indebtedness"):

(a) Indebtedness under the Loan Documents;

(b) Subordinated Indebtedness;

(c) Indebtedness (contingent or otherwise) of any Loan Party arising under (i) any Swap Contract with a Swap Party or (ii) to the extent approved by the Lender in advance in writing, any other Swap Contract; provided that such obligations are entered into by a Loan Party in the ordinary course of business for the purpose of mitigating risks associated with liabilities, commitments, investments, assets or property held or reasonably anticipated by such Person, or changes in the value of securities issued by such Person, and not for speculative purposes;

(d) Indebtedness in respect of performance bonds, bid bonds, appeal bonds, surety bonds and similar obligations not in connection with money borrowed, in each case provided in the ordinary course of business, including those incurred to secure health, safety and environmental obligations in the ordinary course of business, and in an aggregate amount issued not to exceed \$2,000,000 (or such higher amount as may be approved by the Lender in writing);

(e) Indebtedness resulting from a bank or other financial institution honoring a check, draft or similar instrument in the ordinary course of business or arising under or in connection with cash management services in the ordinary course of business;

(f) Indebtedness arising from or incurred with respect to Capitalized Leases, Purchase Money Security Interests or other title retention agreements and leases that are in the nature of title retention agreements in an amount not to exceed (i) if such Indebtedness is reflected in the then-current Approved Budget, the amount set forth in such Approved Budget, and (ii) in all other cases, an aggregate principal amount not to exceed \$2,500,000 at any time;

(g) Indebtedness set forth on Schedule 6.1;

(h) Indebtedness arising under guaranties made in the ordinary course of business of obligations of any Loan Party (and only so long as such Person is and remains a Loan Party) which obligations are otherwise permitted hereunder;

(i) subject to satisfaction of the STORE Sale-Leaseback Conditions, Indebtedness of Hollandia Real Estate under the STORE Documents;

(j) subject to satisfaction of the STORE Sale-Leaseback Conditions, Indebtedness in the form of the STORE Guaranty, but only so long as (i) Holdings is the sole guarantor under the STORE Guaranty, and (ii) the STORE Guaranty is unsecured;

(k) subject to satisfaction of the STORE Sale-Leaseback Conditions, Indebtedness arising under the STORE Letter of Credit up to an aggregate face amount not to exceed \$6,825,000;

(l) other Indebtedness, but only so long as, immediately following the incurrence thereof, the aggregate principal amount of all such Indebtedness permitted under this clause (l) does not exceed \$2,000,000; and

(m) Indebtedness of a Loan Party to any other Loan Party.

Section 6.2 Liens. The Borrowers will not, nor will they permit any other Loan Party or Subsidiary to, create, incur, assume or suffer to exist any Lien upon any of their property, assets or

revenues, whether now existing or owned or hereafter arising or acquired, other than the following (collectively, the “Permitted Liens”):

- (a) Liens created pursuant to any Loan Document to secure the Obligations;
- (b) subject to the terms of the Subordination Agreement, Liens securing payment of the Subordinated Indebtedness;
- (c) pledges or deposits in the ordinary course of business in connection with (i) workers’ compensation, unemployment insurance and other social security legislation, other than any Lien imposed by ERISA or other applicable pension and employment Law, and (ii) public utility services provided to the Borrowers, any other Loan Party or Subsidiary;
- (d) deposits to secure the performance of bids, surety and appeal bonds, performance bonds and similar obligations not in connection with money borrowed incurred in the ordinary course of business, in each case to the extent permitted under Section 6.1(d);
- (e) Liens for Taxes, assessments or other governmental charges the payment of which is not yet due or the payment of which is not at the time required by Section 5.7, so long as no filing of a Lien has been made in connection therewith;
- (f) easements, rights-of-way, restrictions and other similar encumbrances affecting real property that either (i) appear as exceptions on any lender’s policy of title insurance issued to Lender, or (ii) in the aggregate, are not substantial in amount, and that do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the applicable Person, and any zoning or similar law or right reserved to or vested in any Governmental Authority to control or regulate the use of any real property that does not materially interfere with the ordinary conduct of the business of the Borrowers, any other Loan Party or Subsidiary;
- (g) Liens of warehouses, carriers, workers, repairmen, employees or other like Liens, securing obligations incurred in the ordinary course of business that are not yet due and payable or for amounts being contested in good faith by appropriate proceedings and for which adequate reserves are being maintained in accordance with GAAP;
- (h) Liens in favor of a banking institution arising as a matter of Law encumbering deposits (including the right of setoff) that are customary in the banking industry;
- (i) any interest or title of a lessor or sublessor under any lease incurred in the ordinary course of business and not prohibited by the Loan Documents;
- (j) Liens in favor of collecting banks arising by operation of law under Section 4-210 of the UCC or, with respect to collecting banks located in the State of New York, under Section 4-208 of the UCC;
- (k) Liens securing Indebtedness permitted by Section 6.1(f); provided that such Liens do not at any time encumber any property other than the property financed by such Indebtedness;
- (l) judgment Liens in respect of judgments that do not constitute an Event of Default under Section 7.1(k);

(m) mineral rights the use and enjoyment of which do not materially detract from the value of the property subject thereto or materially interfere with the use and enjoyment of the Farm Project or the Farm Project Site;

(n) involuntary Liens (including a Lien of an attachment, judgment or execution) securing a charge or obligation, on the Company's property, either real or personal, related to the Farm Project, whether now or hereafter owned, in the aggregate sum of less than \$500,000;

(o) Liens set forth on Schedule 6.2;

(p) subject to satisfaction of the STORE Sale-Leaseback Conditions, Liens securing Indebtedness permitted by Section 6.1(i), but only so long as such Liens do not at any time encumber any property other than "Personalty" (as defined in the STORE Purchase Agreement); and

(q) subject to satisfaction of the STORE Sale-Leaseback Conditions, Liens securing the STORE Letter of Credit, but only so long as such Liens do not at any time encumber any property other than cash collateral in an aggregate amount not to exceed \$6,825,000.

Section 6.3 Fundamental Changes. The Borrowers will not, nor will they permit any other Loan Party or Subsidiary to, in each case without the prior written consent of the Lender, (i) dissolve, liquidate or wind-up its affairs, (ii) become a party to, or suffer to exist, any merger, amalgamation, consolidation or division (under the Delaware Code or otherwise), (iii) Dispose of (whether in one transaction or in a series of transactions) any of its assets (whether now existing or owned or hereafter arising or acquired) to or in favor of any Person, or (iv) acquire by purchase, lease or otherwise all or substantially all of the assets or Equity Interests of any other Person or group of related Persons or any division, line of business or other business unit of any other Person (other than the Paragon Acquisition); except that, so long as no Default or Event of Default exists or would result therefrom, (A) the Borrowers and their Subsidiaries may make Dispositions permitted by Section 6.4 and Investments permitted by Section 6.6, and (B) following reasonable prior written notice to the Lender, any Loan Party or other Subsidiary may dissolve or merge into another Loan Party (such other Loan Party, the "Surviving Loan Party"), in each case with the Surviving Loan Party continuing as the surviving entity.

Section 6.4 Dispositions. The Borrowers will not, and will not permit any other Loan Party or Subsidiary to, make any Disposition or enter into any agreement to make any Disposition, except:

(a) Dispositions of inventory in the ordinary course of business;

(b) transactions and Investments permitted by Sections 6.2, 6.3, 6.6 and 6.17;

(c) conversions of Cash Equivalents into cash or other Cash Equivalents;

(d) the transfer of property by a Loan Party to any other Loan Party;

(e) Dispositions of tangible assets that are obsolete, worn out or no longer used or useful in the business of a Loan Party or any Subsidiary, provided that the fair market value of assets subject to such Dispositions does not exceed \$2,000,000 in the aggregate for all such Dispositions during any Fiscal Year;

(f) Dispositions of accounts receivable in connection with the compromise, settlement or collection thereof in the ordinary course of business;

(g) the surrender or waiver of contract rights or settlement, release or surrender of a contract, tort or other litigation claim, in each case, in the ordinary course of business; and

(h) subject to satisfaction of the STORE Sale-Leaseback Conditions, the Disposition of the “Properties” (as defined in the STORE Purchase Agreement) on the STORE Sale-Leaseback Closing Date.

Section 6.5 Restricted Payments; Payments of Subordinated Indebtedness.

(a) The Borrowers will not, and will not permit any other Loan Party or Subsidiary to, declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, or permit, commence or consummate any issuance of Equity Interests (other than any issuance of common shares of Equity Interests by Holdings so long as no Change of Control has occurred or would result therefrom); provided that the foregoing shall not prohibit (i) any Restricted Payment from a Loan Party to any other Loan Party or from a Subsidiary that is not a Loan Party to any Loan Party or any other Subsidiary, (ii) [reserved], (iii) any Restricted Payment and the issuance of Equity Interests pursuant to any Warrant Agreement (or, if applicable, any warrant issued thereunder), or (iv) dividends with respect to Equity Interests payable solely in additional common shares of Equity Interests.

(b) Unless expressly provided otherwise in the intercreditor agreement or subordination agreement applicable thereto, the Borrowers will not, and will not permit any other Loan Party or Subsidiary to, make any payment on, or redeem, repurchase, defease or otherwise acquire or retire for value, in each case, any Junior Debt; provided, notwithstanding the foregoing, (i) to the extent permitted under the Subordination Agreement, and so long as no Default or Event of Default has occurred and is continuing or would result therefrom, the Borrowers may make regularly scheduled payments of interest in respect of the Subordinated Indebtedness, and (ii) subject to satisfaction of the STORE Sale-Leaseback Conditions, so long as no Event of Default has occurred and is continuing or would result therefrom, Holdings may make payments under the STORE Guaranty.

Section 6.6 Investments. The Borrowers will not, and will not permit any other Loan Party or Subsidiary to, make any Investments, except:

- (a) Investments in the form of cash or Cash Equivalents;
- (b) Investments consisting of the indorsement of negotiable instruments payable to such Person for deposit or collection in the ordinary course of business;
- (c) Investments by a Loan Party in any other Loan Party;
- (d) Investments in the form of Swap Contracts permitted by Section 6.1(c);
- (e) guarantees of Indebtedness permitted under Section 6.1; and
- (f) the Paragon Acquisition.

Section 6.7 Transactions with Affiliates; Management Fees. The Borrowers will not, and will not permit any other Loan Party or Subsidiary to, enter into any transaction of any kind with any Affiliate of the Borrowers, whether or not in the ordinary course of business, other than:

(a) on fair and reasonable terms substantially as favorable to the Borrowers or such other Loan Party or Subsidiary as would be obtainable by the Borrowers or such other Loan Party or Subsidiary at the time in a comparable arm's-length transaction with a Person other than an Affiliate;

(b) the payment of management fees to a manager of the Company pursuant to a management services agreement or similar agreement (a "Management Agreement"), but only so long as (i) such Management Agreement is in form and substance satisfactory to the Lender in its sole discretion, and subject to subordination arrangements satisfactory to the Lender in its sole discretion, and (ii) both at the time of and after giving effect to each such payment, no Default or Event of Default shall have occurred and be continuing;

(c) transactions among the Loan Parties; and

(d) Restricted Payments permitted by Section 6.5.

Section 6.8 Financial Covenants.

(a) *Minimum Debt Service Coverage Ratio.* Commencing September 30, 2025, and as of the last day of each calendar quarter thereafter, the Borrowers will not permit the Debt Service Coverage Ratio to be less than 1.25 to 1.00.

(b) *Maximum Consolidated Senior Net Leverage Ratio.* Commencing September 30, 2025, and as of the last day of each calendar quarter thereafter, the Borrowers will not permit the Consolidated Senior Net Leverage Ratio to be greater than 3.00 to 1.00.

(c) *Minimum Consolidated Interest Coverage Ratio.* Commencing September 30, 2025, and as of the last day of each calendar quarter thereafter, the Borrowers will not permit the Consolidated Interest Coverage Ratio to be less than 2.50 to 1.00.

(d) *Minimum Liquidity.* Commencing as of the Fifth Amendment Effective Date and at all times thereafter, the Borrowers will not permit Liquidity to be less than \$1,000,000.

(e) *Capital Stacking Requirement.* Commencing on the First Amendment Funding Date and at all times thereafter, the Borrowers will ensure that the proceeds of Term Loans made hereunder (other than a GA/TX/WA Term Loan) will constitute not more than 75% of all amounts used by the Borrowers in respect of Farms and Farm Projects or in any way related to Farms or Farm Projects, including, without limitation, working capital in connection therewith (collectively, the "Total Farm Financing Amounts"), with all remaining Total Farm Financing Amounts funded solely from equity or capital contributions of the Borrowers.

(f) *Maximum Capital Expenditures.*

(i) Commencing on the Sixth Amendment Effective Date and continuing at all times thereafter, no Loan Party or Subsidiary may make or incur Capital Expenditures or acquire any interest in real property, in each case with respect to any new Farm or new Farm Project without the prior written consent of the Lender.

(ii) Without limiting the foregoing or any other provision of the Loan Documents, commencing January 6, 2023, the Borrowers will not make or incur, or permit any Loan Party or Subsidiary to make or incur, Capital Expenditures for Project

Costs in excess of \$1,000,000 in the aggregate among all Loan Parties and Subsidiaries in any fiscal year of the Company, beginning with the fiscal year ending December 31, 2023, other than (x) if an Initial Construction Budget has been received and approved by the Lender, Capital Expenditures for Project Costs made or incurred in accordance with such Initial Construction Budget and the Loan Documents in an aggregate total amount not to exceed (1) in respect of the Warner Robins (Georgia) Farm, 108% of the Initial Construction Budget for the Warner Robins (Georgia) Farm, (2) in respect of the Pasco (Washington) Farm, 116% of the Initial Construction Budget for the Pasco (Washington) Farm, and (3) in respect of the Mt. Pleasant (Texas) Farm, 112% of the Initial Construction Budget for the Mt. Pleasant (Texas) Farm, and (y) Capital Expenditures for the restoration, repair or replacement of any fixed or capital asset of such Person that was destroyed or damaged, in whole or in part, to the extent paid from proceeds of an insurance policy maintained by such Person or any reimbursement or indemnification payment made by a third party to such Person and, in each case, netting from such expenditures any credit or offset received by such Person on account of assets sold or traded-in concurrently therewith.

(g) *Maximum Projected Production Variance*. Commencing June 30, 2023 and as of the last day of each calendar quarter thereafter, the Borrowers will not permit, for any Farm or Farm Project, either (x) the actual amount of produce and other inventory produced (in pounds) or (y) the actual amount of produce and other inventory sold (measured both in Dollars and weighed in pounds), in each case by the Loan Parties and their Subsidiaries on a consolidated basis for such Farm or Farm Project to be less than 80% of the amount projected to be produced (in pounds) or sold (in Dollars or pounds) for such Farm or Farm Project for such calendar quarter as set forth in the last Projected Production Model delivered to the Lender pursuant to Section 5.2(k).

(h) *Consolidated Operating Expense Ratio*. Commencing on September 30, 2024, and as of the last day of each calendar quarter thereafter, in each case for the calendar quarter then ending, the Borrowers will not permit the Consolidated Operating Expense Ratio of the Consolidated Group to be greater than the ratio set forth opposite such date below:

Calendar Quarter End	Consolidated Operating Expense Ratio
September 30, 2024	1.16 to 1.00
December 31, 2024	1.05 to 1.00
March 31, 2025	0.85 to 1.00
June 30, 2025	0.83 to 1.00
September 30, 2025 and the last day of each calendar quarter thereafter	0.82 to 1.00

Section 6.9 Certain Restrictive Agreements. The Borrowers will not, and will not permit any other Loan Party or Subsidiary to, enter into any Contractual Obligation (other than this Agreement, any

other Loan Document, the Subordinated Indebtedness Documents, or the documentation governing the Indebtedness permitted under Sections 6.1(f)) that, directly or indirectly, (a) limits the ability of (i) Holdings or any Subsidiary to make Restricted Payments to any Borrower or to otherwise transfer property to any Borrower, (ii) Holdings or any Subsidiary to guaranty Indebtedness of any Borrower or (iii) any Borrower, any Loan Party or any Subsidiary to create, incur, assume or suffer to exist Liens (other than Permitted Liens) on property of such Person to secure the Obligations; or (b) requires the grant of a Lien to secure an obligation of such Person if a Lien (other than a Permitted Lien) is granted to secure another obligation of such Person.

Section 6.10 Changes in Fiscal Periods: Accounting Methods. No Borrower will, and no Borrower will permit any other Loan Party or Subsidiary to, change its method of determining its fiscal year, fiscal months or other accounting periods. In addition, no Borrower will, and no Borrower will permit any other Loan Party or Subsidiary to, change its method of accounting (other than as may be required to conform to GAAP, in which case the Borrowers shall disclose such changes to the Lender).

Section 6.11 Changes in Nature of Business. The Borrowers will not, and will not permit any other Loan Party or Subsidiary to, engage in any material extent in any business other than those businesses conducted by the Borrowers, such Loan Party or Subsidiary on the First Amendment Funding Date or any business reasonably related or incidental thereto or representing a reasonable expansion thereof.

Section 6.12 Organizational Documents. The Borrowers will not, and will not permit any other Loan Party or Subsidiary to, amend its Organizational Documents unless, in each case, the Borrowers have provided not less than fifteen (15) Business Days' prior written notice thereof to the Lender and, if such amendment could reasonably be expected to have an adverse effect on the Lender, obtained the prior written consent of the Lender.

Section 6.13 Material Agreements: Change Orders.

(a) The Borrowers will not, and will not permit any other Loan Party or Subsidiary to, without the prior written consent of the Lender, cause or permit to occur any amendment, restatement, supplement, termination, cancellation or revocation of, or any waiver or forbearance in respect of the exercise of any rights or remedies of the Borrowers or any other Loan Party or Subsidiary under, any GC Contract or any STORE Document, except to the extent that such amendment, restatement, supplement, termination, cancellation, revocation or waiver (i) is not adverse to the Lender (as determined by the Lender in its reasonable discretion) and (ii) complies with clause (d) below.

(b) With respect to any Material Agreement (other than a GC Contract or any STORE Document), the Borrowers will not, and will not permit any other Loan Party or Subsidiary to, without the prior written consent of the Lender, cause or permit to occur any amendment, restatement, supplement, termination, cancellation or revocation of, or any waiver or forbearance in respect of the exercise of any rights or remedies of the Borrowers or any other Loan Party or Subsidiary under, any such Material Agreement, except to the extent that such amendment, restatement, supplement, termination, cancellation, revocation or waiver (i) is not materially adverse to the Lender (as determined by the Lender in its reasonable discretion) (it being understood and agreed that any amendment, change or other modification to the purchase price or any component thereof under any Paragon Purchase Document (including, without limitation, any such amendment, change or other modification to the Parent Share Value (as defined in the Paragon California PSA)) shall be deemed materially adverse to the Lender (other

than (x) any decrease in the Aggregate Paragon Consideration of not more than 5% (whether such reduction is in non-cash consideration or cash consideration), provided that any such reduction in cash consideration is automatically accompanied by a dollar-for-dollar reduction, on a pro rata basis, of the Term Loan Amount (as defined in the Subordinated Credit Agreement) and the Term Loan Amount, and (y) any increase to the Aggregate Paragon Consideration of not more than 5% so long as such increase represents additional non-cash consideration or cash consideration not consisting of additional First Amendment Term Loans or First Amendment Term Loans (as defined in the Subordinated Credit Agreement)), and (ii) complies with clause (d) below.

(c) The Borrowers will not permit any Material Project Participant to commence any work with respect to a Farm Project unless and until the Borrowers have received and delivered to the Lender, each in form and substance satisfactory to the Lender, (i) if requested by the Lender, a consent and acknowledgment of such Material Project Participant to the Collateral Assignment of the applicable Project Document, (ii) if requested by the Lender, if such Material Project Participant is a Material Project Contractor, payment and performance bonds of such Material Project Contractor (which, to the extent approved by the Lender in writing in its reasonable discretion, may be in the form of payment and performance bonds issued by applicable subcontractors) and dual obligee riders in favor of the Lender as required by Section 5.18(d)(iv), and (iii) if such Material Project Participant is a Material Project Contractor, evidence of insurance of such Material Project Contractor as required by Sections 5.18(d)(ii) and 5.18(d)(iii).

(d) The Borrowers will not, and will not permit any other Loan Party or Subsidiary to, without the prior written consent of the Lender, sign or permit to exist any change orders to a Material Project Document that are, individually, in excess of \$250,000 or, with respect to all change orders relating to any one contractor, are in excess of \$500,000 in the aggregate.

Section 6.14 Subsidiaries, Joint Ventures. The Borrowers will not, and will not permit any other Loan Party or Subsidiary to, own or create directly or indirectly any Subsidiaries (other than any Excluded Subsidiary) without the prior written consent of the Lender unless such new Subsidiary is a Loan Party hereunder. The Borrowers will not, and will not permit any other Loan Party or Subsidiary to, become or agree to become a party to any partnership or joint venture without the prior written consent of the Lender.

Section 6.15 Sanctions and Anti-Terrorism; Anti-Corruption Use of Proceeds. The Borrowers will not, directly or indirectly, use the proceeds of any Term Loan, or lend, contribute or otherwise make available such proceeds to any other Loan Party, Subsidiary, joint venture partner or other Person, (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 the FCPA or any other Anti-Corruption Law, or (ii) (A) to fund any activities or business of or with any Person, or in any country or territory, that, at the time of such funding, is, or whose government is, the subject of Sanctions or Anti-Terrorism Laws, or (B) in any other manner that would result in a violation of Sanctions, Anti-Terrorism Laws or Anti-Corruption Laws by any Person.

Section 6.16 ERISA. The Borrowers will not, and will not permit any ERISA Affiliate, Loan Party or Subsidiary to, establish, maintain, contribute to, or become obligated to contribute to any employee benefit plan or other plan that is covered by Title IV of ERISA or subject to the funding standards of Section 412 of the Code; or become an ERISA Affiliate of any Person that sponsors, maintains, contributes to or is obligated to contribute to (or in the immediately preceding seven plan years has contributed to or been obligated to contribute to) any employee benefit plan or other plan that is covered by Title IV or ERISA or subject to the funding standards of Section 412 of the Code.

Section 6.17 Sale-Leasebacks. The Borrowers will not, and will not permit any other Loan Party or Subsidiary to, directly or indirectly, sell or otherwise transfer, in one or more related transactions, any property (whether real, personal or mixed) and thereafter rent or lease such transferred property or substantially similar property, other than (subject to satisfaction of the STORE Sale-Leaseback Conditions) the STORE Sale-Leaseback.

Section 6.18 Operating Leases. The Borrowers will not, and will not permit any other Loan Party to Subsidiary to, become a party to or suffer to exist any operating lease, other than (a) Farm Lease Agreements, but only so long as (i) the Borrowers provide the Lender with not less than thirty (30) days' prior written notice before entering into any Farm Lease Agreement, (ii) if such Farm Lease Agreement is a Third-Party Farm Lease Agreement, the Borrowers will comply with the requirements set forth in Section 5.15(b)(ii) (provided, that if such Farm Lease Agreement is not a Third-Party Farm Lease Agreement, the Borrowers will comply with the requirements set forth in Section 5.15(b)(i)), (iii) each Farm Lease Agreement is non-cancellable and has a tenor ending no earlier than the later of (x) the seventh (7th)-year anniversary of such Farm Lease Agreement and (y) the Maturity Date, and (iv) each Farm Lease Agreement is otherwise in form and substance reasonably acceptable to the Lender, (b) subject to satisfaction of the STORE Sale-Leaseback Conditions, the STORE Lease Agreement, and (c) subject to Section 6.1(l), other operating leases.

ARTICLE VII EVENTS OF DEFAULT

Section 7.1 Events of Default. If any of the following events (each, an "Event of Default") shall occur:

- (a) the Borrowers or any other Loan Party shall fail to pay any principal or interest hereunder when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise; or
- (b) the Borrowers or any other Loan Party shall fail to pay any fee or any other amount (other than an amount referred to in clause (a) of this Section) payable under this Agreement or under any other Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of two (2) Business Days; or
- (c) any representation or warranty made or deemed made by or on behalf of any Loan Party in or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof, or any waiver hereunder or thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof, or any waiver hereunder or thereunder, shall prove to have been incorrect in any material respect (or, in the case of any such representation or warranty under this Agreement or any other Loan Document already qualified by materiality, such representation or warranty shall prove to have been incorrect) when made or deemed made; or
- (d) any of the Loan Parties shall fail to observe or perform any covenant, condition or agreement contained in Section 5.3, 5.4, 5.5(b), 5.6, 5.8, 5.9, 5.12 through 5.19 or in Article VI; or
- (e) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in this Agreement or any other Loan Document (other than those specified

in clause (a), (b) or (d) of this Section) and such failure shall continue unremedied for a period of thirty (30) or more days (or such earlier period as may be specified in any other Loan Document); or

(f) (i) a material default shall occur under the SPAC Merger Agreement, any Warrant Agreement (or, if applicable, any warrant issued thereunder), and such material default shall remain in effect after any grace period applicable thereto, (ii) a default shall occur under any STORE Document, and such default shall remain in effect after any grace period applicable thereto, if any, (iii) a default shall occur under a Swap Contract with a Swap Party, and such default shall remain in effect after any grace period applicable thereto, if any, or (iv) with respect to any Material Agreement other than (x) a Material Agreement specified in the foregoing clauses (i) or (ii) or (y) a Material Project Document, any Loan Party or any Subsidiary of a Loan Party fails to perform or observe any material term, covenant or agreement contained in such Material Agreement or otherwise breaches any such Material Agreement in any material respect; or

(g) (i) any Loan Party or Subsidiary shall fail to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Indebtedness (other than Indebtedness under the Loan Documents) of more than \$500,000 (including, without limitation, undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement), in each case beyond the applicable grace or cure periods with respect thereto, if any; or (ii) any Loan Party or Subsidiary shall fail to observe or perform any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders or beneficiary or beneficiaries of such Indebtedness (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, such Indebtedness to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity, in each case, beyond the applicable grace or cure periods with respect thereto; provided that this clause (g)(ii) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness, if (x) such Indebtedness and repayment is permitted under the Loan Documents and (y) the sale or transfer is permitted hereunder and under the documents providing for such Indebtedness and such Indebtedness is repaid when required under the documents providing for such documents; or

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of any Loan Party or any of its Subsidiaries or its debts, or of a substantial part of its assets, under any Debtor Relief Law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Loan Party or any of its Subsidiaries or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for a period of thirty (30) or more days or an order or decree approving or ordering any of the actions sought in such proceeding shall be entered; or

(i) any Loan Party or Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief, including any stay of proceeding under any Debtor Relief Law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Section, (iii) apply for or consent to the appointment of a receiver, trustee,

custodian, sequestrator, conservator or similar official for any Loan Party or Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing; or

(j) any Loan Party or Subsidiary shall become unable, admit in writing its inability or fail generally to pay its debts as they become due; or

(k) there is entered against any Loan Party or Subsidiary a judgment, award, decree or order, which is either (i) for the payment of money in an aggregate amount (as to all such judgments and orders) exceeding \$2,000,000 (to the extent not covered by independent third-party insurance as to which the insurer has been notified of such judgment or order and has not denied or failed to acknowledge coverage), or (ii) a non-monetary judgment, award, decree or order that, either individually or in the aggregate, has or could reasonably be expected to have a Material Adverse Effect, in each case, that has remained unsatisfied, unvacated, undischarged and unstayed pending appeal for a period of thirty (30) days after the entry thereof; or

(l) a Change of Control shall occur; or

(m) [reserved]; or

(n) any material License (including any Agricultural License) of any Loan Party or any Subsidiary thereof shall terminate or otherwise cease to be in full force and effect and the conditions causing the termination or cessation of such License are not cured within 15 days of such termination or cessation; or

(o) any material provision of any Loan Document or any Warrant Agreement (or, if applicable, any warrant issued thereunder), at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or Payment in Full of all Obligations, ceases to be in full force and effect; or any Loan Party or other Person contests in writing the validity or enforceability of any provision of any Loan Document or any Warrant Agreement (or, if applicable, any warrant issued thereunder); or any Loan Party denies in writing that it has any or further liability or obligation under any Loan Document or any Warrant Agreement (or, if applicable, any warrant issued thereunder), or purports in writing to revoke, terminate or rescind any Loan Document or such Warrant Agreement (or, if applicable, any warrant issued thereunder); or

(p) any Lien purported to be created under any Collateral Document shall cease to be, or shall be asserted by any Loan Party not to be, a valid, perfected or first-priority Lien on any portion of the Collateral (subject only to Permitted Liens and except to the extent not required to be perfected or first priority under the terms of the Collateral Documents); or

(q) (i) any inventory or products of any Loan Party or any Subsidiary thereof shall be subject to any seizure, administrative detention or mandatory recall by any Governmental Authority; (ii) any Loan Party or any Subsidiary thereof shall voluntarily recall any of its inventory or products having a fair market value in excess of \$1,000,000; or (iii) any Loan Party or any Subsidiary thereof receives a warning letter from any Governmental Authority in connection with such Loan Party's or Subsidiary's failure to adequately address any Form 483 observations or any other Governmental Authority findings relating to the conditions, procedures or products in any such Loan Party's or Subsidiary's facilities; or

(r) there shall occur any uninsured damage to or loss, condemnation, theft or destruction of any portion of the Loan Parties' or any of their Subsidiaries' assets with a fair market value in excess of \$2,000,000; or such assets with a fair market value in excess of \$2,000,000 are attached, seized, levied upon or subjected to a writ of attachment, garnishment, levy or similar process; or any assets of the Loan Parties or any of their Subsidiaries with a fair market value in excess of \$2,000,000 come within the possession of any receiver, trustee, custodian or assignee for the benefit of creditors; or

(s) any Loan Party or any Subsidiary of a Loan Party incurs any Environmental Liability which will require expenditures, individually or in the aggregate, in excess of \$1,000,000 during any Fiscal Year; or

(t) any act of expropriation, nationalization or similar event or circumstance occurs affecting the properties and assets of the Loan Parties; or

(u) any Loan Party or any Subsidiary of a Loan Party shall, or shall propose to, suspend or discontinue its business or any material line thereof; or

(v) Holdings' common Equity Interests shall cease to remain registered with the SEC and listed for trading on the New York Stock Exchange or other nationally recognized exchange; or

(w) any development, event or circumstance shall occur or exist that results in or could result in a Material Adverse Effect; or

(x) (i) any Material Project Participant fails to perform or observe any material term or obligation contained in any Material Project Document and within the later of (x) the cure period provided therefor in such Material Project Document or (y) thirty (30) days thereafter (or such longer period as expressly permitted under the applicable Material Project Document), either (A) such default has not been cured on terms reasonably acceptable to the Lender, or (B) the applicable Material Project Participant has not been replaced by a replacement Material Project Participant pursuant to a replacement Material Project Document that is, in each case, reasonably acceptable to the Lender and subject to a Collateral Assignment; or

(ii) (A) any Material Project Document for any reason ceases to be legal, valid and binding and in full force and effect with respect to each Material Project Participant that is a party thereto or any such Material Project Participant shall so assert in writing; (B) any Material Project Document is terminated for any reason whatsoever prior to the later of (x) its scheduled expiration date and (y) sixty (60) days after the Final Completion Date applicable to the Farm Project to which such Material Project Document relates, in each case without the prior consent of the Lender; or (C) any material provision of any Material Project Document shall be declared to be null and void (unless such declaration is expressly permitted pursuant to the terms of such Material Project Document and does not result in any Default or Event of Default); provided, that any such event described in this Section 7.1(x)(ii) shall not be an Event of Default if, within thirty (30) days of the occurrence thereof, the applicable Material Project Participant has been replaced pursuant to a replacement Material Project Document that, in each case, is reasonably acceptable to the Lender and subject to a Collateral Assignment; provided, however, that if (I) such breach or default cannot be cured within such thirty (30)-day period, (II) such breach or default is susceptible to cure within sixty

(60) days, (III) such breach or default has not resulted, and could not, with the additional cure time contemplated by this proviso, be reasonably expected to result, in a Material Adverse Effect with respect to the Borrowers or any other Loan Party, and (IV) the Borrowers are proceeding with all requisite diligence and in good faith to cure such failure, then the time within which such failure may be cured shall be extended to such date, not to exceed a total of thirty (30) days after the end of the initial thirty (30)-day period, as shall be necessary for such party diligently to cure such failure; or

(y) (i) the Project Costs applicable to a Farm Project at any time exceed the Initial Construction Budget applicable to such Farm Project (including the contingency reserves set forth therein) or (ii) the Lender shall at any time reasonably determine that the unadvanced amounts under both the Term Loan Facility and the Subordinated Credit Agreement (determined in accordance with the capital stacking requirements set forth in Section 6.8(e)) and Unrestricted Cash of the Borrowers (including Unrestricted Cash contributed to the Borrowers by Holdings) are insufficient to pay all costs and expenses that are reasonably anticipated in connection with the Completion of all Farm Projects; provided, that any such event described in this Section 7.1(y) shall not be an Event of Default if (A) in the case of the preceding clauses (i) and (ii), the Borrowers have, within thirty (30) days after notice or knowledge thereof, deposited in escrow or otherwise posted security or evidence of funds reasonably acceptable to the Lender, and (B) in the case of the preceding clause (i), such excess amount does not exceed (1) in the case of the Warner Robins (Georgia) Farm, 8% of the Initial Construction Budget for the Warner Robins (Georgia) Farm, (2) in the case of the Pasco (Washington) Farm, 16% of the Initial Construction Budget for the Pasco (Washington) Farm, (3) in the case of the Mt. Pleasant (Texas) Farm, 12% of the Initial Construction Budget for the Mt. Pleasant (Texas) Farm, and (4) in the case of any other Farm Project, 5% of the Initial Construction Budget applicable to such Farm Project; or

(z) any cessation in the construction of any Farm Project shall have occurred for more than thirty (30) days, regardless of the cause, except to the extent such cessation could not reasonably be expected to have a Material Adverse Effect with respect to the Borrowers or any other Loan Party; or

(aa) any material portion of any Farm Project is destroyed, condemned or seized, or the Borrowers suffer a total loss with respect to any Farm Project; or

(bb) the Final Completion Date applicable to a Farm Project shall not have occurred on prior to the Completion Deadline applicable to such Farm Project; provided, that any such event described in this Section 7.1(bb) shall not be an Event of Default so long as (i) such failure to meet the applicable Completion Deadline could not reasonably be expected to have a Material Adverse Effect with respect to the Borrowers or any other Loan Party, (ii) the Borrowers are proceeding with all requisite diligence and in good faith to Complete the applicable Farm Project, and (iii) such Farm Project is Completed not later than sixty (60) days after the applicable Completion Deadline;

then, and in every such event and at any time thereafter during the continuance of such event, the Lender shall have no further obligation to offer any credit accommodations and the Lender may, by notice to the Borrowers, take any or all of the following actions, at the same or different times, in each case in the Lender's sole discretion:

(i) declare the Term Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may

thereafter be declared to be due and payable), and thereupon the principal of the Term Loans so declared to be due and payable, together with accrued interest thereon and all fees (including, without limitation, any Specified Fees set forth in Section 2.10) and other Obligations of the Borrowers accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers;

(ii) apply for the appointment of, or taking possession by, a trustee, receiver, liquidator or other similar official of the Borrowers with respect to the operations of any Loan Party or to hold or liquidate all or any substantial part of the properties or assets of any Loan Party (and each Loan Party hereby consents to such appointment and agrees to execute and deliver any and all documents requested by the Lender relating to the appointment of such trustee, receiver, liquidator or other similar official, whether by joining in a petition for the appointment of such an official, by entering no contest to a petition for the appointment of such an official, or otherwise, as appropriate under Applicable Law);

(iii) setoff and apply any and all obligations at any time owing by the Lender or any of its Affiliates to the Borrowers or any other Loan Party (including, if applicable, any obligations owing by CRM to any Borrower under a Swap Contract) against any or all of the Obligations, irrespective of whether or not the Lender shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrowers or such other Loan Party may be contingent or unmatured; and

(iv) exercise all rights and remedies available to it under the Loan Documents and Applicable Law;

provided that, in case of any event with respect to the Borrowers described in clause (h), (i) or (j) of this Section, the principal of the Term Loan then outstanding, together with accrued interest thereon and all fees (including, without limitation, any Specified Fees set forth in Section 2.10) and other Obligations accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers.

Section 7.2 Application of Payments. Notwithstanding anything herein to the contrary, following the occurrence and during the continuance of an Event of Default, all payments received on account of the Obligations shall be applied in such order as the Lender shall, in its sole discretion, determine.

ARTICLE VIII MISCELLANEOUS

Section 8.1 Notices. All notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile or email as follows:

(a) if to any Borrower or any other Loan Party or Subsidiary, delivered to the Company at 490 Foley Lane, Hamilton, MT 59840, Attention: Kathleen Valiasek; Email: kvaliasek@localbounti.com; and

(b) if to the Lender, delivered to Cargill Financial Services International, Inc., 9320 Excelsior Boulevard, MS 142, Hopkins, MN 55343, Attention: Erik Haugen; Telephone No.: (952) 984-0574; Fax No.: (952) 249-4416; Email: erik_haugen@cargill.com.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile or email shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Any party hereto may change its address, facsimile number or email address for notices and other communications hereunder by notice to the other parties hereto.

Section 8.2 Amendments; Waivers. No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrowers therefrom, shall be effective unless in writing executed by the Borrowers and the Lender, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No failure or delay by the Lender in exercising any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, remedy, power or privilege, or any abandonment or discontinuance of steps to enforce such a right, remedy, power or privilege, preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges of the Lender are cumulative and are not exclusive of any rights, remedies, powers or privileges that the Lender would otherwise have.

Section 8.3 Expenses; Indemnity; Damage Waiver.

(a) *Costs and Expenses*. The Borrowers shall pay (i) all reasonable and documented out-of-pocket expenses incurred by the Lender and its Affiliates (including the reasonable and documented fees, charges and disbursements of the Project Consultant and of outside counsel for the Lender) in connection with the preparation, negotiation, execution, delivery and administration of this Agreement, the other Loan Documents and the Warrant Agreements (including, if applicable, any warrant issued thereunder), or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), and (ii) all out-of-pocket expenses incurred by the Lender (including the fees, charges and disbursements of the Project Consultant and of outside counsel for the Lender) in connection with (A) the enforcement or protection of its rights, including, without limitation, any expenses incurred in connection with the hiring of consultants or advisors, (I) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (II) in connection with the Term Loans, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of the Term Loans, and (B) any bankruptcy or other insolvency proceeding with respect to any Loan Party or any Subsidiary of any Loan Party.

(b) *Indemnification*. The Borrowers shall indemnify the Lender, the Project Consultant, each Swap Party and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all actual costs and expenses, losses, claims, damages, liabilities and related expenses (including the out-of-pocket costs, expenses, fees, charges and disbursements of outside counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any Person (including any Borrower) arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument

contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) the Term Loans or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or Release of Hazardous Materials on or from any property owned or operated by any Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrowers, the other Loan Parties or any of their Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrowers, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by the Borrowers against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the Borrowers has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction.

(c) *Waiver of Consequential Damages, Etc.* To the fullest extent permitted by Applicable Law, no party to this Agreement shall assert, and each such party hereby waives, any claim against any other party hereto, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, the Term Loans or the use of the proceeds thereof. No Indemnitee referred to in paragraph (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(d) *Payments.* All amounts due under this Section shall be payable not later than three (3) days after demand therefor.

(e) *Survival.* Each party's obligations under this Section shall survive the termination of the Loan Documents and payment of the Obligations hereunder.

Section 8.4 Engagement of Project Consultant, Other Agents. In addition to, and not in limitation of Sections 5.1, 5.11 and 8.3 of this Agreement, the Borrowers acknowledge that the Lender may from time to time engage the Project Consultant and other agents on terms and conditions acceptable to the Lender. The Borrowers shall at all times cooperate with reasonable requests for information from the Project Consultant and each such agent, and the Borrowers acknowledge and agree that the Borrowers shall, promptly after demand therefor, reimburse the Lender for all costs, fees, charges and disbursements of the Project Consultant each such agent; provided, notwithstanding the foregoing, that the Borrowers' reimbursement obligations under this Section in respect of all costs, fees, charges and disbursements of the Project Consultant shall not exceed \$300,000 in the aggregate.

Section 8.5 Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Borrower may assign or otherwise transfer any of its rights or obligations hereunder or under any other Loan Document without the prior written consent of the Lender. The Lender may at any time assign to one or more assignees all or a portion of its rights or obligations under this Agreement

(including all or a portion of the Term Loans or commitments of the Lender under the Term Loan Facility), provided that such assignment shall be subject to the consent of the Borrowers (such consent not to be unreasonably withheld or delayed) unless an Event of Default has occurred and is continuing. Notwithstanding the foregoing, the Lender may participate all or a portion of its rights and obligations under this Agreement (including all or a portion of the Term Loans) without the prior written consent of the Borrowers. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, the Related Parties of the Lender) any legal or equitable right, remedy or claim under or by reason of this Agreement.

Section 8.6 Survival. All covenants, agreements, representations and warranties made by the Borrowers herein and in any Loan Document or other documents delivered in connection herewith or therewith or pursuant hereto or thereto shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery hereof and thereof and the making of the Term Loans hereunder, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Lender may have had notice or knowledge of any Default or Event of Default at the time of the Term Loans, and shall continue in full force and effect until Payment in Full. The provisions of Sections 8.3 and 8.14 shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, Payment in Full or the termination of this Agreement or any provision hereof.

Section 8.7 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or in electronic (e.g., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 8.8 Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 8.9 Governing Law; Jurisdiction; Etc.

(a) *Governing Law*. This Agreement and the other Loan Documents and any claims, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement or any other Loan Document (except, as to any other Loan Document, as expressly set forth therein) and the transactions contemplated hereby and thereby shall be governed by, and construed in accordance with, the internal law of the State of New York (without giving effect to the conflict of laws principles thereof other than Sections 5-1401 and 5-1402 of the New York General Obligations Law, which shall apply to this Agreement and all documentation hereunder).

(b) *Jurisdiction*. Each Borrower irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Lender or any Related Party of the foregoing in any way relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto, in any forum other than a state court located in the County of New York, State of New York or a federal court located in the Southern District of New York, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such New York state court or, to the fullest extent permitted by Applicable Law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Loan Party or its properties in the courts of any jurisdiction.

(c) *Waiver of Venue*. Each Borrower irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) *Service of Process*. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 8.1. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by Applicable Law.

Section 8.10 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 8.11 Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

Section 8.12 PATRIOT Act. The Lender hereby notifies the Loan Parties that, pursuant to the requirements of the PATRIOT Act, it may be required to obtain, verify and record information that identifies the Loan Parties, which information includes the name and address of the Loan Parties and other information that will allow the Lender to identify the Loan Parties in accordance with the PATRIOT Act. The Borrowers will, promptly following a request by the Lender, provide all documentation and

other information, including, without limitation, the certification regarding beneficial ownership of legal entity customers (the “Beneficial Ownership Certification”) (if any Borrower is a “legal entity customer” under the Beneficial Ownership Regulation), that the Lender requests in order to comply with its ongoing obligations under applicable “know your customer” and anti-money laundering rules and regulations, including the PATRIOT Act.

Section 8.13 Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to the Term Loans, together with all fees, charges and other amounts that are treated as interest on the Term Loans under Applicable Law (collectively, “charges”), shall exceed the maximum lawful rate (the “Maximum Rate”) that may be contracted for, charged, taken, received or reserved by the Lender in accordance with Applicable Law, the rate of interest payable in respect of the Term Loans hereunder, together with all charges payable in respect thereof, shall be limited to the Maximum Rate. Any amount collected by the Lender that exceeds the maximum amount collectible at the Maximum Rate shall be applied to the reduction of the principal balance of the Term Loans or refunded to the Borrowers so that at no time shall the interest and charges paid or payable in respect of the Term Loans exceed the maximum amount collectible at the Maximum Rate.

Section 8.14 Payments Set Aside; Reinstatement of Liens. To the extent that any payment by or on behalf of the Borrowers is made to the Lender and such payment or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceedings under any Debtor Relief Law or otherwise, then, to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred. In addition, in the event that the Lender is required to return funds received after Payment in Full and release of the Liens to any Loan Parties or estates thereof or Persons claiming through the foregoing, in connection with a proceeding under Debtor Relief Laws or otherwise, then the Liens granted pursuant to the Loan Documents shall automatically be reinstated without further action of the Loan Parties. This Section 8.14 shall survive termination of this Agreement and the other Loan Documents.

Section 8.15 Joint and Several Liability. EACH BORROWER AGREES THAT IT IS LIABLE, JOINTLY AND SEVERALLY, WITH EACH OTHER BORROWER FOR THE PAYMENT AND PERFORMANCE OF ALL OBLIGATIONS OF THE BORROWERS UNDER THIS AGREEMENT, AND THAT THE LENDER CAN ENFORCE SUCH OBLIGATIONS AGAINST ANY OR ALL BORROWERS, IN THE LENDER’S SOLE AND UNLIMITED DISCRETION. Each Borrower represents and warrants to the Lender that it has established adequate means of obtaining from every other Borrower on a continuing basis financial and other information relating to the financial condition of such other Borrower, and each Borrower agrees to keep adequately informed by such means of any facts, events or circumstances which might in any way affect its risks hereunder. Each Borrower further agrees that the Lender shall have no obligation to disclose to it any information or material about any other Borrower which is acquired by the Lender in any manner. Until Payment in Full has occurred, each Borrower waives any right to enforce any remedy which the Lender now has or may hereafter have against any other Borrower or any other Person, and waives any benefit of, or any right to participate in, any security now or hereafter held by the Lender.

Section 8.16 The Company as Agent for Borrowers. Each Borrower hereby irrevocably appoints the Company as the borrowing agent and attorney-in-fact for all Borrowers (the “Administrative Borrower”) which appointment shall remain in full force and effect unless and until the Lender shall have received prior written notice signed by each Borrower that such appointment has been revoked and that

another Borrower has been appointed Administrative Borrower. Each Borrower hereby irrevocably appoints and authorizes the Administrative Borrower (a) to provide the Lender with all notices with respect to Term Loans obtained for the benefit of any Borrower and all other notices and instructions under this Agreement and the other Loan Documents (and any notice or instruction provided by Administrative Borrower shall be deemed to be given by all Borrowers hereunder and shall bind each Borrower), (b) to receive notices and instructions from the Lender (and any notice or instruction provided by the Lender to the Administrative Borrower in accordance with the terms hereof shall be deemed to have been given to each Borrower), (c) to execute, deliver and perform any Loan Document on behalf of such Borrower (it being understood and agreed that any Loan Document that is binding on the Administrative Borrower will be deemed binding on all Borrowers), and (d) to take such action as the Administrative Borrower deems appropriate on its behalf to obtain Term Loans and to exercise such other powers as are reasonably incidental thereto to carry out the purposes of this Agreement and the other Loan Documents. Each Borrower agrees that any action taken by the Administrative Borrower in accordance with the terms of this Agreement or the other Loan Documents, and the exercise by the Administrative Borrower of its powers set forth herein or therein, together with such other powers that are reasonably incidental thereto, shall be binding upon all of the Borrowers. Each Borrower hereby jointly and severally agrees to indemnify the Lender and hold the Lender harmless against any and all liability, expense, loss or claim of damage or injury, made against the Lender by any Borrower or by any third party whatsoever, arising from or incurred by reason of (x) the handling of any Collateral of the Borrowers as provided in this Section 8.16, or (y) the Lender relying on any instructions of the Administrative Borrower.

Section 8.17 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), each Borrower acknowledges and agrees, and acknowledges its Affiliates' understanding, that (a) no fiduciary, advisory or agency relationship between such Borrower and its Subsidiaries and the Lender is intended to be or has been created in respect of the transactions contemplated hereby or by the other Loan Documents, irrespective of whether the Lender has advised or is advising such Borrower or any Subsidiary on other matters and irrespective of any Equity Interest of such Borrower held by the Lender (if any), (b) the services regarding this Agreement provided by the Lender are arm's-length commercial transactions between such Borrower and its Affiliates, on the one hand, and the Lender, on the other hand, (c) such Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent that it has deemed appropriate, (d) such Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents, (e) the Lender has no obligation to such Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents, and (f) the Lender and its Affiliates may be engaged, for their own accounts or the accounts of customers, in a broad range of transactions that involve interests that differ from those of such Borrower and its Affiliates, and the Lender has no obligation to disclose any of such interests to such Borrower or its Affiliates. To the fullest extent permitted by Law, each Borrower hereby waives and releases any claims that it may have against the Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

Section 8.18 CALIFORNIA JUDICIAL REFERENCE. IF ANY ACTION OR PROCEEDING IS FILED IN A COURT OF THE STATE OF CALIFORNIA BY OR AGAINST ANY PARTY HERETO IN CONNECTION WITH ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, (A) THE COURT SHALL, AND IS HEREBY DIRECTED TO, MAKE A GENERAL REFERENCE PURSUANT TO CALIFORNIA CODE

OF CIVIL PROCEDURE SECTION 638 TO A REFEREE (WHO SHALL BE A SINGLE ACTIVE OR RETIRED JUDGE) TO HEAR AND DETERMINE ALL OF THE ISSUES IN SUCH ACTION OR PROCEEDING (WHETHER OF FACT OR OF LAW) AND TO REPORT A STATEMENT OF DECISION, PROVIDED THAT AT THE OPTION OF ANY PARTY TO SUCH PROCEEDING, ANY SUCH ISSUES PERTAINING TO A “PROVISIONAL REMEDY” AS DEFINED IN CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 1281.8 SHALL BE HEARD AND DETERMINED BY THE COURT, AND (B) WITHOUT LIMITING THE GENERALITY OF SECTION 8.3, THE BORROWERS SHALL BE SOLELY RESPONSIBLE TO PAY ALL FEES AND EXPENSES OF ANY REFEREE APPOINTED IN SUCH ACTION OR PROCEEDING.

Signature page follows.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

LOCAL BOUNTI OPERATING COMPANY LLC, as Borrower

By: /s/ Kathleen Valiasek
Name: Kathleen Valiasek
Title: Chief Financial Officer

BOUNTI BITTERROOT LLC, as Borrower

By: /s/ Kathleen Valiasek
Name: Kathleen Valiasek
Title: Chief Financial Officer

CONTROLLED ENVIRONMENT PROPERTY COMPANY, LLC, as Borrower

By: LOCAL BOUNTI OPERATING COMPANY LLC, its sole member

By: /s/ Kathleen Valiasek
Name: Kathleen Valiasek
Title: Chief Financial Officer

GROW BOUNTI NORTHWEST, LLC, as Borrower

By: CONTROLLED ENVIRONMENT PROPERTY COMPANY, LLC, its sole member

By: LOCAL BOUNTI OPERATING COMPANY LLC, its sole member

By: /s/ Kathleen Valiasek
Name: Kathleen Valiasek

Signature Page to Credit Agreement

Title: Chief Financial Officer

531 FOLEY LANE HAMILTON, LLC, as Borrower

By: /s/ Kathleen Valiasek

Name: Kathleen Valiasek

Title: President

LOCAL BOUNTI CORPORATION, as Holdings

By: /s/ Kathleen Valiasek

Name: Kathleen Valiasek

Title: Chief Financial Officer

Signature Page to Credit Agreement

**LOCAL BOUNTI TEXAS LLC
HOLLANDIA PRODUCE GROUP, INC.
HOLLANDIA PRODUCE GA, LLC
ADVANCED SUSTAIN ABILITY, LLC
HOLLANDIA REAL ESTATE, LLC
GREEN GROWTH CONSULTING, LLC
HOLLANDIA FLOWERS, LLC
HOLLANDIA PRODUCE, LLC, as Guarantors**

By: /s/ Kathleen Valiasek
Name: Kathleen Valiasek
Title: President

Signature Page to Credit Agreement

CARGILL FINANCIAL SERVICES INTERNATIONAL, INC., as Lender

By: /s/ Dana Herman

Name: Dana Herman

Title: TM Settlement Supervisor

Signature Page to Credit Agreement

Conformed copy reflecting
First Amendment to Credit Agreements and Subordination Agreement, dated March 14, 2022
Second Amendment to Credit Agreements, dated August 11, 2022 and effective as of June 30, 2022
Third Amendment to Credit Agreements, dated December 30, 2022
Fourth Amendment to Credit Agreements, dated January 6, 2023
Fifth Amendment to Credit Agreements, dated March 13, 2023
Sixth Amendment to Credit Agreements, dated March 28, 2023
Seventh Amendment to Credit Agreements, dated October 2, 2023
Eighth Amendment to Credit Agreements, dated January 23, 2024
Ninth Amendment to Credit Agreements, dated March 26, 2024
Tenth Amendment to Credit Agreements, dated June 28, 2024
Letter Amendments dated December 22, 2023, February 22, 2024 and June 18, 2024

SUBORDINATED CREDIT AGREEMENT

dated as of

September 3, 2021

between

LOCAL BOUNTI COMPANY OPERATING COMPANY LLC
and
CERTAIN SUBSIDIARIES THEREOF,
as Borrowers,

and

CARGILL FINANCIAL SERVICES INTERNATIONAL, INC.,
as Lender

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SUBORDINATED CREDIT AGREEMENT

This Agreement is entered into as of September 3, 2021 by and among LOCAL BOUNTI OPERATING COMPANY LLC, a Delaware limited liability company previously known as Local Bounti Corporation, a Delaware corporation (the “Company”), each Subsidiary of the Company identified as a “Borrower” on the signature pages hereto (each such Subsidiary, a “Subsidiary Borrower”; all Subsidiary Borrowers, together with the Company and with any Person subsequently joining in this Agreement as a borrower pursuant to Section 5.14 hereof, collectively, the “Borrowers”), and CARGILL FINANCIAL SERVICES INTERNATIONAL, INC., a Delaware corporation (the “Lender”).

The Borrowers have requested that the Lender make a multiple-advance term loan to the Borrowers, and the Lender is willing to do so on the terms and conditions set forth herein. In consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

ARTICLE I DEFINITIONS

Section 1.1 Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

“2023 Warrant” means the Common Stock Purchase Warrant dated as of the Sixth Amendment Effective Date issued by Holdings, as company, in favor of Cargill Financial Services International, Inc., as holder.

“Account Control Agreement” means, with respect to any deposit, securities or commodity account of any Loan Party or any Subsidiary, an account control agreement (including any blocked account agreement) in favor of and in form and substance acceptable to the Lender, duly executed by the parties thereto.

“Affiliate” means, with respect to a specified Person, another Person that directly or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified; provided that, except with respect to Section 6.7, the term “Affiliate” (with respect to any Loan Party) shall not include any private equity funds owned or managed by Lion Capital LLP, an English limited liability partnership, or any unrelated portfolio companies of such funds or Lion Capital LLP (other than the Loan Parties and their Subsidiaries); provided, further, that the term “Affiliate” shall not at any time include the Lender or any of its affiliates.

“Aggregate Paragon Consideration” means the aggregate consideration payable under the Paragon Purchase Documents (including, without limitation, purchase price consideration, issuance of equity, payoff of indebtedness, and remittance of funds into escrow).

“Agreement” means this Credit Agreement.

“Agricultural License” means each License held (or required to be held) by a Loan Party pursuant to any Agricultural Lien Statutes applicable to such Loan Party.

“Agricultural Lien Statutes” means, collectively, PACA, PASA, the Food Security Act and all other Applicable Laws that could create or give rise to any Lien, trust, charge, encumbrance or claim, including without limitation any “agricultural lien” (as defined in the UCC), in or against (a) any portion of the “farm products” (as defined in the UCC) or any other agricultural products purchased, stored or

otherwise handled by any Loan Party, by any Person from whom any Loan Party purchases goods or by any other Person from whom such first Person purchases or otherwise receives goods in the ordinary course of business, or (b) any products, proceeds or derivatives of any such farm product or other agricultural product (including, without limitation, any accounts receivable arising from the sale of any such farm product, other agricultural product or any products, proceeds or derivatives thereof).

“Anti-Corruption Laws” means the FCPA, the U.K. Bribery Act 2010, and any other anti-bribery or anti-corruption laws, regulations or ordinances in any jurisdiction in which any Loan Party or any of its Subsidiaries is located or doing business.

“Anti-Terrorism Laws” means any Laws relating to terrorism, Sanctions or other trade sanctions programs and embargoes, import/export licensing or money laundering (including the PATRIOT Act), and any regulation, order, or directive promulgated, issued or enforced pursuant to such Laws.

“Applicable Food and Feed Safety Law” means each Applicable Law with respect to the safety of food and feed products, including without limitation the FDA Food Safety Modernization Act, Pub. L. No. 111-353, 124 Stat. 3885 (2011) and corresponding rules and regulations, each as amended from time to time.

“Applicable Interest Rate” means 12.50% per annum.

“Applicable Law” means, as to any Person, all applicable Laws binding upon such Person or to which such Person is subject.

“Approved Budget” means, at any time, the budget most recently submitted to the Lender pursuant to Section 5.2(c), but only so long as such budget has been approved by the Lender in its reasonable discretion in writing.

“Attributable Indebtedness” means, as of any date of determination, (a) in respect of any Capitalized Lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, and (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a capital lease.

“Beneficial Ownership Certification” has the meaning specified in Section 8.12.

“Beneficial Ownership Regulation” shall mean 31 C.F.R. § 1010.230.

“Bitterroot Lease Agreement” means the Lease (Single Tenant; Gross) dated as of June 12, 2020, between Grow Bitterroot, LLC, as landlord, and Bounti Bitterroot, as tenant.

“Borrowers” has the meaning specified in the preamble.

“Bounti Bitterroot” means Bounti Bitterroot LLC, a Delaware limited liability company.

“Business Day” means any day that is not a Saturday, Sunday or other day that is a legal holiday under the laws of the State of New York or Minnesota or is a day on which banking institutions in such state are authorized or required by Law to close.

“Capital Expenditure” means, with respect to any Person, any expenditure that is required under GAAP, consistently applied, to be capitalized on the balance sheet of such Person.

“Capital Expenditures Compliance Certificate” means a certificate substantially in the form of Exhibit G attached hereto or such other form approved by the Lender.

“Capitalized Lease” means each lease that has been or is required to be, in accordance with GAAP, recorded as a capital or finance lease.

“Cash Equivalents” means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of acquisition thereof;

(b) investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from a Credit Rating Agency;

(c) investments in certificates of deposit, banker’s acceptances and time deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States of America or any state thereof that has a combined capital and surplus and undivided profits of not less than \$500,000,000;

(d) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above; and

(e) money market funds that (i) comply with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940, (ii) are rated AAA and Aaa (or equivalent rating) by at least two Credit Rating Agencies and (iii) have portfolio assets of at least \$5,000,000,000.

“Change in Law” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any Law, rule, regulation or treaty, (b) any change in any Law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of Law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“Change of Control” means any event, circumstance or occurrence that results in:

(a) at any time prior to the Qualified SPAC Transaction Effective Date, (i) the Closing Date Holders failing to own and Control, directly or indirectly, 75% of the Equity Interests of the Company; (ii) the Company failing to own and Control, directly or indirectly, 100% of the Equity Interests of each Subsidiary (it being agreed that a Change of Control shall not occur to the extent a Loan Party or other Subsidiary dissolves or merges into a Loan Party in accordance with Section 6.3, with such Loan Party continuing as the surviving entity), (iii)

[reserved], or (iv) a change in the composition of the Governing Board of the Company such that Continuing Directors cease to constitute 50% or more of the Company's Governing Board.

(b) at any time after the Qualified SPAC Transaction Effective Date, (i) Holdings failing to own and Control, directly or indirectly, 100% of the Equity Interests of the Company, free and clear of all Liens other than Liens in favor of the Lender, (ii) the Company failing to own and Control, directly or indirectly, 100% of the Equity Interests of each other Loan Party, free and clear of all Liens other than Liens in favor of the Lender (it being agreed that a Change of Control shall not occur to the extent a Loan Party or other Subsidiary dissolves or merges into a Loan Party in accordance with Section 6.3, with such Loan Party continuing as the surviving entity), (iii) [reserved], (iv) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its Subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have "beneficial ownership" of all securities that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time (such right, an "option right")), directly or indirectly, of 30% or more of the Equity Interests of Holdings entitled to vote for members of the Governing Board of Holdings on a fully diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right), except in each case, in respect of any beneficial ownership of the Lender or any of its Affiliates arising under the Warrant Agreements or resulting from the exercise of the warrants thereunder, or (v) a change in the composition of the Governing Board of Holdings, the Company or any Subsidiary Borrower such that Continuing Directors cease to constitute 50% or more of such Person's Governing Board.

For the avoidance of doubt, the occurrence of the First Merger (as defined in the SPAC Merger Agreement) shall not result in any Change of Control hereunder so long as such First Merger (i) is consummated in accordance with the terms and conditions of the SPAC Merger Agreement and (ii) occurs substantially concurrently with the Second Merger (as defined in the SPAC Merger Agreement).

"Closing Date" means the date of this Agreement.

"Closing Date Holders" means, collectively, the beneficial owners of all Equity Interests of the Company as of the Closing Date as listed in the Perfection Certificate delivered to the Lender pursuant to Section 4.1(f).

"Closing Date Letter Agreement" means Letter Agreement dated as of the Closing Date between the Company and the Lender.

"Closing Date Subordinated Loan" means the Term Loan made hereunder on the Closing Date, the proceeds of which must be applied in accordance with Section 5.12(b).

"Closing Date Warrant Agreement" means the Warrant Agreement dated as of the Closing Date made by Holdings, as company, in favor of Cargill Financial Services International, Inc., as holder.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collateral" means any and all assets on which a Lien is granted to the Lender to secure any or all of the Obligations.

“Collateral Assignment” means:

(a) with respect to any Material Project Document, a collateral assignment in favor of and in form and substance reasonably acceptable to the Lender, duly executed by the applicable parties thereto and consented to and acknowledged by (x) with respect to any GC Contract, the applicable General Contractor, and (y) with respect to any other Material Project Document, to the extent reasonably requested by the Lender, the Material Project Participant party to such Material Project Document; provided that, solely with respect to Project Licenses, the Loan Parties shall only be required to use commercially reasonable efforts to deliver consents and acknowledgments of collateral assignments in respect of Project Licenses under this clause (a)(y); and

(b) with respect to any Material Agreement (other than a Material Project Document), when reasonably requested by the Lender, (x) a collateral assignment in favor of and in form and substance reasonably acceptable to the Lender, duly executed by the applicable Loan Party or Subsidiary and (y) consented to and acknowledged by each other Person party to or other Person who has an interest in such Material Agreement; provided that, except in the case of Third-Party Farm Lease Agreements, the Loan Parties shall only be required to use commercially reasonable efforts to deliver consents and acknowledgments of collateral assignments from third parties under this clause (b)(y).

“Collateral Documents” means, collectively, the Security Agreement, each Account Control Agreement, each Mortgage, each Collateral Assignment, each Lien Waiver Agreement and each other instrument, certificate or document pursuant to which any Borrower or any other Loan Party has granted a Lien to the Lender to secure any or all of the Obligations.

“Commodity Exchange Act” means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

“Completion” means, with respect to a Farm Project, (a) the completion of such Farm Project in accordance with the terms of the applicable Project Documents and the Loan Documents and the requirements of all Applicable Laws and third-party and governmental consents and approvals; (b) without limiting the foregoing, construction of such Farm Project has been certified as complete by the applicable General Contractor, the other Material Project Contractors and the Project Consultant; (c) the Borrowers have delivered to the Lender evidence that a valid notice of completion has been recorded to establish commencement of the shortest statutory period in the filing of mechanics’ and materialmen’s Liens, if applicable; (d) full and final unconditional waivers of mechanics’ Liens from all contractors engaged in connection with such Farm Project shall have been delivered to the Lender; (e) a final, unconditional certificate of occupancy or other applicable approval from the appropriate Governmental Authority permitting occupancy of the applicable Farm shall have been issued as to the applicable Farm; and (f) the Company has delivered to the Lender a duly executed Final Completion Certificate. “Complete” shall have a correlative meaning.

“Completion Deadline” means, with respect to each Farm Project, the date determined by the Borrowers and reasonably acceptable to the Lender by which Completion of such Farm Project must occur, which date will be set forth in the Initial Construction Budget and Construction Schedule applicable to such Farm Project.

“Compliance Certificate” means a certificate substantially in the form of Exhibit C attached hereto or such other form approved by the Lender.

“Consolidated Adjusted EBITDA” means, with respect to the Consolidated Group, for the applicable Covenant Computation Period, Consolidated Net Income for such period plus, without duplication and to the extent deducted in determining Consolidated Net Income for such period, the sum of (a) Consolidated Interest Expense, (b) provision for Taxes based on income, (c) depreciation expense, (d) amortization expense, (e) unusual or non-recurring charges, expenses or losses and (f) other non-cash charges, expenses or losses (excluding any such non-cash charge to the extent it represents an accrual or reserve for potential cash charge in any future period or amortization of a prepaid cash charge that was paid in a prior period), minus, to the extent included in determining Consolidated Net Income for such period, the sum of (i) unusual or non-recurring gains and non-cash income, (ii) any other non-cash income or gains increasing Consolidated Net Income for such period (excluding any such non-cash gain to the extent it represents the reversal of an accrual or reserve for potential cash charge in any prior period) and (iii) any gains realized from the disposition of property outside of the ordinary course of business, all as determined on a consolidated basis.

“Consolidated Group” means, prior to the Qualified SPAC Transaction Effective Date, the Company and the other Loan Parties, and after the Qualified SPAC Transaction Effective Date, Holdings, the Company and the other Loan Parties, in each case, including, but not limited to, each Borrower.

“Consolidated Interest Coverage Ratio” means, as of any date of determination, the ratio of (a) Consolidated Adjusted EBITDA for the most recently completed Covenant Computation Period, to (b) Consolidated Interest Expense for the most recently completed Covenant Computation Period.

“Consolidated Interest Expense” means, with respect to the applicable Covenant Computation Period, total interest expense (including that attributable to Capitalized Leases) net of total interest income of the Consolidated Group on a consolidated basis for such period with respect to all outstanding Indebtedness of the Consolidated Group (including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers’ acceptance financing and net costs under Swap Contracts to the extent that such net costs are allocable to such period).

“Consolidated Net Income” means, with respect to the applicable Covenant Computation Period, the consolidated net income (or loss) of the Consolidated Group on a consolidated basis in accordance with GAAP; provided that there shall be excluded (a) the income (or deficit) of any Person accrued prior to the date it becomes a Subsidiary of a Loan Party or is merged into or consolidated with a Loan Party or any of its Subsidiaries, (b) the income (or deficit) of any Person (other than a Subsidiary of a Loan Party) in which a Loan Party or any of its Subsidiaries has an ownership interest, except to the extent that any such income is actually received by such Loan Party or such Subsidiary in the form of dividends or similar distributions, and (c) the undistributed earnings of any Subsidiary of a Loan Party to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any Contractual Obligation (other than under any Loan Document) or requirement of Law applicable to such Subsidiary.

“Consolidated Operating Expense Ratio” means, with respect to the Consolidated Group, the ratio of (a) (i) all operating costs and expenses of the Consolidated Group plus, without duplication, (ii) all costs of goods sold of the Consolidated Group (but excluding, in the case of the preceding subclauses (i) and (ii), any non-cash costs and expenses), in each case with respect to all Farms and Farm Projects as of the last day of the applicable calendar quarter for the quarter then ending, to (b) revenue of the Consolidated Group during such calendar quarter arising from the sale of produce and other inventory produced at the Farms and Farm Projects, all determined in accordance with GAAP.

“Consolidated Total Funded Indebtedness” means, as of any date of determination, the aggregate amount of Indebtedness of the Consolidated Group outstanding on such date, determined on a consolidated basis in accordance with GAAP, consisting only of Indebtedness included in clauses (a), (b) (but with respect to earn-out obligations, only to the extent due and payable), (c) (but with respect to letters of credit, only to the extent of any drawn and unreimbursed amounts in respect thereof), (e), (f), (g) and (k) (only with respect to guarantees of Indebtedness otherwise included in this definition) of the definition of “Indebtedness.”

“Consolidated Total Net Leverage Ratio” means, as of any date of determination, the ratio of (a) Consolidated Total Funded Indebtedness as of such date, minus Unrestricted Cash of the Loan Parties as of such date in an amount not to exceed \$20,000,000, to (b) Consolidated Adjusted EBITDA for the most recently completed Covenant Computation Period.

“Construction Budget” means, with respect to a Farm Project, a budget in form and substance reasonably satisfactory to the Lender (and, in the discretion of the Lender, after consultation with the Project Consultant), which may be revised from time to time by the Borrowers in accordance with the terms and conditions of this Agreement, and which sets forth all anticipated Project Costs, including, but not limited to, all construction and non-construction costs, all interest, fees and other carrying costs relating to such Farm Project, and all applicable contingency reserves. Each Construction Budget shall contain a statement of sources and uses of proceeds, broken down as to separate construction phases and components, including line item costs breakdowns for all costs by trade, job and subcontractor.

“Construction Schedule” means, with respect to a Farm Project, a progress schedule in form and substance reasonably satisfactory to the Lender (and, in the discretion of the Lender, after consultation with the Project Consultant), showing the estimated commencement and completion dates for each material phase of such Farm Project, including the construction, equipping and completion of such Farm Project, and setting forth the estimated Final Completion Date with respect to such Farm Project, as such progress schedule may be revised from time to time by the Borrowers in accordance with the terms and conditions of this Agreement.

“Continuing Directors” means, as of any date, (a) those members of the Governing Board of a Person who assumed office prior to such date, and (b) those members of the Governing Board of a Person who assumed office after such date and whose appointment or nomination for election by such Person’s members was approved by the Governing Board of such Person in accordance with such Person’s Organizational Documents.

“Contractual Obligation” means, 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.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings analogous thereto.

“Covenant Compliance Date” means the last day of each calendar quarter.

“Covenant Computation Period” means the four consecutive calendar quarters immediately preceding and ending on a Covenant Compliance Date.

“Credit Rating Agency” means a nationally recognized credit rating agency that evaluates the financial condition of issuers of debt instruments and then assigns a rating that reflects its assessment of the issuer’s ability to make debt payments.

“CRM” means Cargill Risk Management, a division of Cargill, Incorporated, or any Affiliate thereof.

“Debt Service Coverage Ratio” means, with respect to the Consolidated Group, for the applicable Covenant Computation Period, the ratio of (a) Consolidated Adjusted EBITDA during such period, to (b) the sum of (without duplication) (i) all scheduled principal payments on all Indebtedness for borrowed money (other than any such Indebtedness described in clause (j) of the definition thereof) due during such period or on demand, (ii) all interest paid in cash during such period, and (iii) all rental payments under leases of real or personal property (including, for the avoidance of doubt, all rental payments under the STORE Lease Agreement), regardless of whether such leases are characterized as operating leases or finance (or capital) leases, all determined in accordance with GAAP on a consolidated basis.

“Debtor Relief Laws” means the Bankruptcy Code of the United States of America and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

“Default” means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

“Default Rate” means, as of any date of determination, the following: (a) for each Term Loan, the Applicable Interest Rate plus 3.00% per annum; and (b) for all other Obligations, the Applicable Interest Rate plus 3.00%.

“Delaware Code” means the “Delaware Code” as defined in 1 Del. C. § 101, as amended from time to time.

“Disbursing Agent” means First American Title Insurance Company or such other title insurance company to the Lender in its sole discretion.

“Disbursing Agreement” means, individually and collectively, (i) the Disbursing Agreement of even date herewith among the Company, the Lender and the Disbursing Agent, and (ii) any other disbursing agreement entered into from time to time among one or more of the Loan Parties, the Lender and the Disbursing Agent.

“Disposition” or “Dispose” means the sale, transfer, license, lease or other disposition of any property or asset by any Person, including, but not limited to, any sale and leaseback transaction, any “division” under the Delaware Code, any issuance of Equity Interests by a Subsidiary of such Person, or any sale, discounting, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

“Disqualified Equity Interest” means any Equity Interest that, by its terms (or the terms of any security or other Equity Interests into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition (a) matures or is mandatorily redeemable (other than solely for Equity Interests that are not Disqualified Equity Interests), pursuant to a sinking fund obligation or otherwise (except as a result of a change of control or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event shall be subject to the prior

Payment in Full of all Obligations), (b) is redeemable at the option of the holder thereof, in whole or in part, (c) provides for scheduled payments of dividends in cash, or (d) is or becomes convertible into or exchangeable for Indebtedness or any other Equity Interests that would constitute Disqualified Equity Interests, in each case, prior to the date that is 91 days after the Maturity Date; provided that if such Equity Interests are issued in the ordinary course of business pursuant to a plan for the benefit of employees of the Company or any of its Subsidiaries or by any such plan to such employees, such Equity Interests shall not constitute Disqualified Equity Interests solely because they may be required to be repurchased by the Company or any of its Subsidiaries in order to satisfy applicable statutory or regulatory obligations.

“Dollar”, “Dollars”, “U.S. Dollars” and “\$” mean lawful money of the United States.

“Environmental Indemnity” means the Environmental Indemnity Agreement of even date herewith by the Borrowers in favor of the Lender.

“Environmental Laws” means any and all federal, state, local and foreign statutes, Laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions, including all common law, relating to pollution or the protection of health, safety or the environment (including, without limitation, water rights and entitlements, including the right to extract and beneficially use groundwater) or the release of any materials into the environment, including those related to Hazardous Materials, air emissions, discharges to waste or public systems and health and safety matters.

“Environmental Liability” means any liability or obligation, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), directly or indirectly, resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment, disposal or permitting or arranging for the disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“EPA” means the United States Environmental Protection Agency or any successor agency thereto, whether acting through a local, state, federal or other office.

“Equity Interests” means, as to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“ERISA Affiliate” means any trade or business (whether or not incorporated) under common control with the Borrowers or another Loan Party within the meaning of Sections 414(b), (c), (m) and (o) of the Code or Section 4001(a) of ERISA.

“ESOP Share Seller” means the Hollandia Produce Group, Inc. Employee Stock Ownership Trust.

“Event of Default” has the meaning specified in Article VII.

“Excluded Accounts” has the meaning assigned to such term in the Security Agreement.

“Excluded Contractor or Subcontractor” means each contractor or subcontractor engaged to furnish materials or services in connection with a Farm Project pursuant to contracts, purchase orders or other agreements that in the aggregate are less than \$50,000 (or such greater amount as the Disbursing Agent and the Lender may agree to in writing) with respect to each such contractor or subcontractor.

“Excluded Subsidiary” means any Subsidiary that satisfies the following conditions: (a) such Subsidiary is identified on Schedule B hereto (as such schedule may be amended or supplemented from time to time with the Lender’s prior written consent (not to be unreasonably withheld)), (b) all of the tangible assets of such Subsidiary are located in a “qualified opportunity zone” as defined in Section 1400Z-1(a) of the Code, and (c) such Subsidiary at no time received or receives, directly or indirectly, any proceeds of any Term Loan made hereunder.

“Excluded Swap Obligations” means with respect to any Guarantor, any obligations in respect of Swap Obligations if, and to the extent that, all or a portion of the guaranty of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligations (or any guaranty thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the United States Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor’s failure for any reason not to constitute an “eligible contract participant” as defined in the Commodity Exchange Act at the time the guaranty of such Guarantor becomes effective with respect to such related Swap Obligations. For purposes of this definition, “Swap Obligations” means, with respect to any Guarantor, any obligations to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of section 1a(47) of the Commodity Exchange Act.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to the Lender or required to be withheld or deducted from a payment to the Lender: (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of the Lender being organized under the laws of, or having its principal office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of the Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of the Lender with respect to an applicable interest in the Term Loan pursuant to a Law in effect on the date on which the Lender acquires such interest in the Term Loan, and (c) any withholding Taxes imposed under FATCA.

“Existing Bridge Indebtedness” means the Indebtedness under the Credit Agreement dated as of March 22, 2021 between the Company and the Lender (as defined therein).

“Exiting Lenders” means, as of the Closing Date, the holders of any Indebtedness of any Loan Party (other than Permitted Indebtedness).

“Farm” means a greenhouse facility and associated infrastructure.

“Farm Lease Agreement” means each lease agreement in respect of a Farm Project Site.

“Farm Project” means the development, design, construction, equipping, retrofitting, improvement, testing and completion of a Farm in accordance with the terms of the relevant Project Documents, including (a) all equipment, buildings, structures, improvements, fixtures, attachments, appliances, machinery and systems in connection with such Farm and (b) all Project Documents and other contracts and agreements related thereto.

“Farm Project Site” means the real property in which a Loan Party has a fee simple or leasehold interest and upon which a Farm Project or Farm is or will be located.

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

“FCPA” means the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations promulgated thereunder.

“Fee Determination Date” means the earlier of (a) the Maturity Date, (b) the date on which any of the Obligations are prepaid pursuant to Section 2.4 or 2.5, and (c) the date on which any Obligations are accelerated pursuant to the Loan Documents or Applicable Law.

“Fee Letter” means each of (a) the Fee Letter dated as of the Closing Date among the Borrowers and the Lender, (b) the First Amendment Fee Letter, and (c) each separate agreement entered into from time to time by and between the Borrowers or any other Loan Party and the Lender, in each case setting forth certain fees to be paid by the Borrowers or such other Loan Party to the Lender, as more fully set forth therein.

“Fifth Amendment Effective Date” means March 13, 2023.

“Final Completion Certificate” means a certificate of a Responsible Officer of the Company in the form of Exhibit E attached hereto.

“Final Completion Date” means the date of Completion.

“Financial Officer” means, as to any Person, the chief financial officer, principal accounting officer, treasurer or controller of such Person.

“First Amendment” means the First Amendment to Credit Agreements and Subordination Agreement dated as of the First Amendment Effective Date among the Borrowers, Holdings, the Lender and the Senior Creditor.

“First Amendment Effective Date” means March 14, 2022.

“First Amendment Fee Letter” means the Fee Letter dated as of the First Amendment Effective Date among the Loan Parties and the Lender.

“First Amendment Funding Date” means the date on which the First Amendment Term Loan hereunder is funded to the Borrowers.

“First Amendment Joinder Parties” means the Paragon Entities (other than Hollandia GA Investor Corp. and Hollandia GP) and Greeley LLC.

“First Amendment Term Loan” means, subject to the terms and conditions set forth herein and in the First Amendment, the Term Loan to be made on the Paragon Acquisition Effective Date.

“First Post-SPAC Subordinated Term Loan” has the meaning specified therefor in the definition of “Subordinated Facility Post-SPAC Funding Date”.

“Fiscal Year” means, with respect to the Borrowers or any Subsidiary, a calendar year ending December 31.

“Flood Laws” means, collectively, (a) the National Flood Insurance Act of 1968, (b) the Flood Disaster Protection Act of 1973, (c) the National Flood Insurance Reform Act of 1994 and (d) the Biggert-Waters Flood Insurance Act of 2012, in each case, as now or hereinafter in effect, and any successor statute thereto, and all such other Applicable Laws related thereto.

“Food Security Act” means 7 U.S.C. Section 1631, and any successor statute thereto, together with each law establishing a “central filing system” (as defined in 7 U.S.C. Section 1631) that has been certified by the Secretary of the United States Department of Agriculture.

“GAAP” means, subject to Section 1.3, United States generally accepted accounting principles as in effect as of the date of determination thereof.

“GA/TX/WA Term Loan” means a Term Loan made after the Sixth Amendment Effective Date to pay Project Costs relating to the Warner Robins (Georgia) Farm, the Mt. Pleasant (Texas) Farm or the Pasco (Washington) Farm.

“GC Contract” means, with respect to a Farm Project, an agreement for general contract services entered into between the General Contractor engaged for such Farm Project, on the one hand, and any Borrower or any other Loan Party or Subsidiary, on the other hand.

“General Contractor” means, with respect to a Farm Project, a Person engaged by any Borrower or any other Loan Party or Subsidiary to act as the general contractor for such Farm Project, which Person shall in each case be acceptable to the Lender in its reasonable discretion.

“Governing Board” means, with respect to any corporation, limited liability company or similar Person, the board of directors, board of governors or other body or entity that sets overall institutional direction for such Person (including, with respect to any trust, the trustees thereof).

“Governmental Authority” means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“Greeley LLC” means 2139 E. 8th Street Greeley, LLC, a Delaware limited liability company.

“Grow Bounti Northwest” means Grow Bounti NorthWest, LLC, a Delaware limited liability company.

“Guarantor” means each Person guarantying the payment of the Obligations pursuant to a Guaranty.

“guaranty” means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guarantying or having the economic effect of guarantying any Indebtedness or other obligation payable or performable by another Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part) or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien); provided that the term “guaranty” shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any guaranty shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such guaranty is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guarantying Person in good faith. The term “guaranty” as a verb has a corresponding meaning.

“Guaranty” means each guaranty, in form and substance acceptable to the Lender, guarantying the payment of the Obligations.

“Hamilton (Montana) Deed of Trust (Subordinated)” means the Leasehold Real Estate Deed of Trust, Security Agreement, Assignment of Rents and Fixture Filing (Subordinated) dated as of November 23, 2021, made by Bounti Bitterroot, as grantor, to First American Title Insurance Company, as trustee, in favor of the Lender, as beneficiary, recorded November 24, 2021 as document number 769181 of the real property records of Ravalli County, Montana.

“Hamilton (Montana) Farm” means a Farm or Farm Project located at the Hamilton (Montana) Property.

“Hamilton (Montana) Property” means the real property described on Exhibit A to the Hamilton (Montana) Deed of Trust (Subordinated).

“Hazardous Materials” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes, and any other substance or wastes defined as a “hazardous waste,” “hazardous material,” “hazardous substance,” “extremely hazardous waste,” “restricted hazardous waste,” “toxic waste” or “toxic substance” pursuant to any Environmental Law.

“Holdings” means, following the Qualified SPAC Transaction Effective Date, Local Bounti Corporation, a Delaware corporation, as successor to Leo Holdings III Corp, a Cayman Islands exempted company which shall have domesticated as a Delaware corporation in accordance with the terms of the SPAC Merger Agreement.

“Hollandia GA” means Hollandia Produce GA, LLC, a Delaware limited liability company.

“Hollandia GA Investor Corp.” means Hollandia Produce GA Investor Corporation, a Delaware corporation.

“Hollandia GP” means Hollandia GP, LLC, a California limited liability company.

“Hollandia Real Estate” means Hollandia Real Estate, LLC, a Delaware limited liability company.

“Indebtedness” means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

- (a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;
- (b) all obligations of such Person for the deferred purchase price of property, assets or services (other than trade payables, in each case to the extent payable in the ordinary course of business);
- (c) all direct or contingent obligations of such Person arising under (i) letters of credit (including standby and commercial), bankers’ acceptances and bank guaranties and (ii) surety bonds, performance bonds and similar instruments issued or created by or for the account of such Person;
- (d) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements);
- (e) all obligations, contingent or otherwise, of such Person in connection with any securitization of any products, receivables or other property or assets which obligations are recourse to such Person or such Person’s property or assets;
- (f) all obligations of such Person under factoring agreements or similar arrangements;
- (g) all Attributable Indebtedness;
- (h) all obligations of such Person in respect of Disqualified Equity Interests;
- (i) all other obligations of such Person which are required to be reflected in, or are reflected in, such Person’s financial statements recorded or treated as indebtedness under GAAP;
- (j) net obligations of such Person under any Swap Contract; and
- (k) all guaranties of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person. The amount of any Indebtedness of any Person for purposes of clause (d) that is expressly made non-recourse or limited-recourse (limited solely to the assets securing such

Indebtedness) to such Person shall be deemed to be equal to the lesser of (i) the aggregate principal amount of such Indebtedness and (ii) the fair market value of the property encumbered thereby as determined by such Person in good faith. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date.

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of the Obligations under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

“Indemnitee” has the meaning specified in Section 8.3(b).

“Initial Construction Budget” means, with respect to each Farm Project, the initial Construction Budget delivered to the Lender in respect of such Farm Project, in each case in form and substance satisfactory to the Lender in its reasonable discretion.

“Interest Reserve Account” means a deposit account established by the Company with a financial institution acceptable to the Lender and containing such minimum funds as required under Section 5.17.

“Investment” means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of Equity Interests or debt or other securities of another Person, (b) a loan, advance or capital contribution to, guaranty or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person and any arrangement pursuant to which the investor incurs Indebtedness of the type referred to in clause (k) of the definition of “Indebtedness” in respect of such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of all or substantially all of the property and assets or business of another Person or assets constituting a business unit, line of business or division of such Person. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment but giving effect to any returns or distributions of capital or repayment of principal actually received in cash by such Person with respect thereto.

“IRA Shortfall” has the meaning specified in Section 5.17(b).

“Joinder Agreement” means a joinder agreement substantially in the form of Exhibit F hereto or any other form accepted by the Lender in its sole discretion.

“Junior Debt” means unsecured Indebtedness and any other Indebtedness that (a) is secured by Liens on Collateral that have a priority that is junior to the Liens on Collateral that secure the Obligations, and/or (b) by its terms, is contractually subordinated in right of payment to the Obligations.

“Laws” means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“Lender” has the meaning specified in the preamble.

“Lender Discretionary Prepayment Event” has the meaning specified in Section 2.5.

“Licenses” means all franchises, permits, licenses and other rights, including all governmental approvals, authorizations, consents, licenses and permits, that are necessary or required for the conduct of the businesses conducted by any Loan Party or any of its Subsidiaries, including, without limitation, the construction and operation of any Farm.

“Lien” means any mortgage, pledge, hypothecation, collateral assignment, deposit arrangement, encumbrance, lien (statutory or other, including, without limitation, mechanics’ liens), charge, or preference, priority or other security interest or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

“Lien Waiver Agreement” means any landlord’s waiver, bailee waiver or other lien waiver or subordination agreement, in form and substance reasonably satisfactory to the Lender, duly executed by the parties thereto.

“Liquidity” means, as of any date of determination, the sum, without duplication, of (a) the amount at such time of all Unrestricted Cash of the Loan Parties, plus (b) the amount at such time of all cash held in the Interest Reserve Account, plus (without duplication) (c) the amount at such time of all cash held in the Debt Service Reserve Account (as defined in the Senior Credit Agreement) (it being understood and agreed, for the avoidance of doubt, that the Interest Reserve Account and the Debt Service Reserve Account may both be maintained in a single deposit account of the Company).

“Loan Documents” means, collectively, this Agreement, the First Amendment, the Term Loan Note, the Collateral Documents, the Guaranty, the Subordination Agreement, the Disbursing Agreement, the Environmental Indemnity, the Perfection Certificate, the Closing Date Letter Agreement, each Fee Letter and each other instrument, certificate or document delivered in connection herewith or therewith; provided that, for the avoidance of doubt, no Warrant Agreement shall be a Loan Document.

“Loan Parties” means the Borrowers, any Guarantor and any other Person that grants a Lien on any of its assets to secure the Obligations.

“Loan Request” means a request for a Term Loan, in each case substantially in the form of Exhibit B hereto or any other form accepted by the Lender in its sole discretion.

“Management Agreement” has the meaning specified in Section 6.7(b).

“Margin Stock” means margin stock within the meaning of Regulation T, U or X of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

“Material Adverse Effect” means (a) a material adverse change in or a material adverse effect on the operations, business, properties or condition (financial or otherwise) of the Borrowers (taken as a whole) or of any other Loan Party (individually), or (b) a material adverse effect on (i) the ability of any Loan Party to punctually perform any of the Obligations, (ii) the legality, validity, binding effect or enforceability of any Loan Document or (iii) the rights, remedies and benefits available to, or conferred upon, the Lender under any Loan Documents.

“Material Agreement” means (a) the SPAC Merger Agreement, (b) each Material Project Document, (c) each Farm Lease Agreement, (d) each STORE Document, (e) the Bitterroot Lease Agreement and each other Farm Lease Agreement, (f) each Warrant Agreement, (g) each Paragon

Purchase Agreement and each other Paragon Purchase Document, (h) each agreement, contract, note, bond, debenture or other instrument evidencing Indebtedness of any Loan Party or Subsidiary in an aggregate principal amount in excess of \$2,000,000; and (i) without limiting the foregoing, each other agreement, contract, License or instrument (including any supply, sales, input or offtake agreement) binding on any Loan Party or Subsidiary pursuant to which either (x) such Person shall pay or receive more than \$2,000,000 per annum in the aggregate, or (y) the cancellation, termination or suspension of which, or the failure of any party thereto to perform its obligations thereunder, could reasonably be expected to have a Material Adverse Effect. Notwithstanding the foregoing, however, in no event will any Loan Document or any Senior Indebtedness Document constitute a Material Agreement for purposes of this Agreement.

“Material Project Contractor” means, with respect to a Farm Project, the General Contractor engaged for such Farm Project and any contractor whose work, equipment and/or supplies provided with respect to such Farm Project exceeds \$500,000 in the aggregate.

“Material Project Documents” means, with respect to a Farm Project, the applicable Project Plans, Project Licenses, GC Contract, Construction Budget, Construction Schedule, construction payment and performance bonds (if any), insurance certificates, and each contract or supply agreement entered into by any Borrower, any other Loan Party or Subsidiary in connection with such Farm Project pursuant to which such Person shall pay or receive more than \$500,000 per annum in the aggregate.

“Material Project Participants” means, collectively, any Borrower, each other Loan Party and each other Person that is from time to time a party to a Material Project Document.

“Maturity Date” means September 3, 2028.

“Maximum Rate” has the meaning specified in Section 8.13.

“Minimum Interest Amount” means, as of any date of determination occurring during the periods described in the table below, the amount set forth opposite each such applicable period:

Period	Minimum Interest Amount
The period commencing on the Third Amendment Effective Date and ending on March 31, 2025	\$0
The period commencing on April 1, 2025 and at all times thereafter	An amount equal to interest payments that would be required for two (2) calendar quarters, calculated based on the aggregate principal balance of outstanding Term Loans during such period

“Montana Property” means the real property and related improvements leased by Bounti Bitterroot in Hamilton, Montana pursuant to the Bitterroot Lease Agreement.

“Mortgage” means a mortgage (including a leasehold mortgage), deed of trust or similar security instrument from a Loan Party, pursuant to which such Loan Party grants the Lender a Lien on real property and related improvements to secure payment of the Obligations.

“Mt. Pleasant (Texas) Deed of Trust (Subordinated)” means the Deed of Trust, Security Agreement, Assignment of Rents and Financing Statement (Subordinated) dated as of February 28, 2023, made by Grow Bounti Northwest, as grantor, to Peter S. Graf, Republic Title of Texas, Inc., as trustee, in favor of the Lender, as beneficiary, recorded March 3, 2023 as document number 20230659 in the real property records of Titus County, Texas

“Mt. Pleasant (Texas) Farm” means a Farm or Farm Project located at the Mt. Pleasant (Texas) Property.

“Mt. Pleasant (Texas) Property” means the real property described on Exhibit A to the Mt. Pleasant (Texas) Deed of Trust (Subordinated).

“Net Proceeds” means (a) with respect to any Disposition, the cash and Cash Equivalent proceeds thereof received by any Borrower, any other Loan Party or Subsidiary, net of reasonable and documented brokerage, legal, accounting and other fees and expenses, to the extent actually paid from such gross proceeds to Persons other than Affiliates of any Loan Party, (b) with respect to any issuance or incurrence of Indebtedness or Equity Interests, the cash and Cash Equivalent proceeds thereof, net of reasonable and documented fees, commissions, costs, underwriting discounts and other fees and expenses incurred in connection therewith, and (c) with respect to any casualty or condemnation event, the cash and Cash Equivalent proceeds thereof received by any Loan Party or Subsidiary, net of reasonable and documented legal, accounting and other fees and expenses, to the extent actually paid from such gross proceeds to Persons other than Affiliates of any Loan Party. If any proceeds are received in a form other than cash or Cash Equivalents and subsequently converted into cash or Cash Equivalents, then such proceeds shall be treated as Net Proceeds for purposes of this definition at such time as they are converted into cash or Cash Equivalents.

“Obligations” means (a) all advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party arising under any Loan Document, and (b) all Swap Obligations, and other obligations with respect to any Swap Contract, of any Loan Party to a Swap Party, in each case (whether under the foregoing clause (a) or clause (b)) direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party or Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding. Without limiting the foregoing, the Obligations include (x) the obligation to pay principal, interest, charges, expenses, fees, indemnities and other amounts payable by any Loan Party or Subsidiary under any Loan Document and (y) the obligation of each Loan Party or Subsidiary to reimburse any amount in respect of any of the foregoing that the Lender, in each case in its sole discretion, may elect to pay or advance on behalf of the Borrowers. Notwithstanding the foregoing or the terms of any other Loan Document, the Obligations guaranteed by any Loan Party or secured by any Lien granted by any Loan Party shall exclude any obligations constituting Excluded Swap Obligations with respect to such Loan Party.

“OFAC” means the United States Department of the Treasury’s Office of Foreign Assets Control.

“Organizational Documents” means (a) as to any corporation, the charter or certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction), (b) as to any limited liability company, the certificate or articles of formation or organization and operating or limited liability agreement and (c) as to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection

with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

“Other Connection Taxes” means, with respect to the Lender, Taxes imposed as a result of a present or former connection between the Lender and the jurisdiction imposing such Tax (other than connections arising from the Lender having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in the Term Loan or any Loan Document).

“Other Taxes” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment.

“PACA” means the Perishable Agricultural Commodities Act, 1930, as amended (7 U.S.C. § 499(e)(c)(2) et seq.), together with all rules and regulations relating thereto or promulgated thereunder by any Governmental Authority (including 7 C.F.R. § 46.1 et seq.).

“Paragon” means Hollandia Produce Group, Inc., a California corporation.

“Paragon Acquisition” means the acquisition by the Company of Paragon, Hollandia GA Investor Corp., Hollandia GA and their respective Subsidiaries and the acquisition of the Paragon Properties, in each case pursuant to the Paragon Purchase Documents.

“Paragon Acquisition Effective Date” means the date on which each of (a) the “Closing Date” under and as defined in the Paragon California PSA has occurred in accordance with the terms and conditions of the Paragon California PSA, (b) the “Closing Date” under and as defined in the Paragon Georgia PSA has occurred in accordance with the terms and conditions of the Paragon Georgia PSA, (c) the “Closing Date” under and as defined in the Paragon Georgia UPA has occurred in accordance with the terms and conditions of the Paragon Georgia UPA, and (d) the “Closing Date” under and as defined in the Paragon Property PSA has occurred in accordance with the terms and conditions of the Paragon Property PSA.

“Paragon California PSA” means the Purchase and Sale Agreement dated as of March 14, 2022 among (1) the ESOP Share Seller, as share seller, (2) Mosaic Capital Investors I, LP, a Delaware limited partnership, and True West Capital Partners Fund II, L.P. formerly known as Seam Fund II, L.P., a Delaware limited partnership, as warrant sellers, (3) Mosaic Capital Investors LLC, a Delaware limited liability company, solely in its capacity as sellers’ representative (the “Sellers’ Representative”), (4) Paragon, (5) the Company, as purchaser, and (6) Holdings, as parent, pursuant to which the Company agreed to purchase all of the issued and outstanding capital stock of, and all of the issued and outstanding warrants to purchase shares of capital stock of, Paragon. The Borrowers acknowledge and agree that a true, correct and complete copy of the Paragon California PSA was delivered to the Lender on the First Amendment Effective Date.

“Paragon Entities” means, collectively, Paragon, Hollandia GA Investor Corp., Hollandia GA and their respective Subsidiaries.

“Paragon Georgia PSA” means the Purchase and Sale Agreement dated as of March 14, 2022 among (1) Mosaic Capital Investors I, LP and True West Capital Partners Fund II, LP, as sellers, (2) the Sellers’ Representative, (3) the Company, as purchaser, (4) Hollandia GA Investor Corporation, a Delaware corporation, and (5) Holdings, as parent, pursuant to which the Company agreed to purchase all of the issued and outstanding shares of capital stock of Hollandia GA Investor Corp. holding all of the issued and outstanding Series A Preferred Units of Hollandia GA. The Borrowers acknowledge and agree that a true, correct and complete copy of the Paragon Georgia PSA was delivered to the Lender on the First Amendment Effective Date.

“Paragon Georgia UPA” means the Unit Purchase Agreement dated as of March 14, 2022 among (1) the individuals identified therein, as sellers, (2) the Company, as purchaser, and (3) Holdings, as parent, pursuant to which the Company agreed to purchase all of the issued and outstanding Class B Common Units of Hollandia GA. The Borrowers acknowledge and agree that a true, correct and complete copy of the Paragon Georgia UPA was delivered to the Lender on the First Amendment Effective Date.

“Paragon Material Adverse Effect” means a “Company Material Adverse Effect,” as defined in the Paragon California PSA as in effect on the First Amendment Effective Date.

“Paragon Properties” means, collectively, (i) the real property and related improvements owned by the Paragon Property Purchaser, having a common address of 1550 Santa Monica Road, Carpinteria, Santa Barbara County, California 93013, (ii) the real property and related improvements owned by the Paragon Property Purchaser, having a common address of 6135 North Rose Avenue, Oxnard, Ventura County, California 93036, and (iii) the real property and related improvements owned by the Paragon Property Purchaser, having a common address of Highway 41, Warner Robins, Peach County, Georgia 31088.

“Paragon Property PSA” means the Purchase and Sale Agreement dated as of March 14, 2022 between (1) STORE Master Funding XVIII, LLC, as seller, and (2) Hollandia Real Estate, LLC, as purchaser (the “Paragon Property Purchaser”), pursuant to which the seller agreed to sell, and Hollandia Real Estate, LLC agreed to purchase, the Paragon Properties. The Borrowers acknowledge and agree that a true, correct and complete copy of the Paragon Property PSA was delivered to the Lender on the First Amendment Effective Date.

“Paragon Property Purchaser” has the meaning specified therefor in the definition of “Paragon Property PSA”.

“Paragon Purchase Agreements” means, collectively, the Paragon California PSA, the Paragon Georgia PSA, the Paragon Georgia UPA and the Paragon Property PSA.

“Paragon Purchase Documents” means (a) the Paragon Purchase Agreements (including, for the avoidance of doubt, all exhibits and schedules thereto), (b) the Registration Rights Agreement substantially in the form attached to the Paragon California PSA as Exhibit B, and (c) the Escrow Agreement substantially in the form attached to the Paragon California PSA as Exhibit E.

“PASA” means the Packers and Stockyards Act, 1921, as amended (7 U.S.C. § 181 et seq.), together with all rules and regulations relating thereto or promulgated thereunder (including 9 C.F.R. § 200 et seq.).

“Pasco (Washington) Deed of Trust (Subordinated)” means the Real Estate Deed of Trust and Fixture Filing, Assignment of Rents, Issues and Profits (Subordinated) dated as of November 10, 2021, made by Grow Bounti Northwest, as grantor, to First American Title Insurance Company, as trustee, in

favor of the Lender, as beneficiary, recorded November 10, 2021 as document number 1950799 in the real property records of Franklin County, Washington.

“Pasco (Washington) Farm” means a Farm or Farm Project located at the Pasco (Washington) Property.

“Pasco (Washington) Property” means the real property described on Exhibit A to the Pasco (Washington) Deed of Trust (Subordinated).

“PATRIOT Act” means the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

“Payment in Full” means, as of any date of determination, that (a) all commitments of the Lender with respect to the Term Loan Facility and all obligations of the Swap Parties in respect of Swap Contracts are terminated, and (b) the entire amount of principal of and interest on the Term Loans, and all other amounts of fees, payments and other Obligations under this Agreement and the other Loan Documents (including, without limitation, all obligations of the Loan Parties under Swap Contracts entered into with any Swap Party) are paid in full in cash (other than contingent indemnification obligations and reimbursement obligations in respect of which no claim for payment has yet been asserted by the Person entitled thereto). “Paid in Full” shall have a correlative meaning.

“Perfection Certificate” means a certificate in form and substance satisfactory to the Lender signed by a Responsible Officer of the Borrowers setting forth certain information with respect to the Loan Parties, their Subsidiaries and their respective assets.

“Permitted Going Concern Qualification” means, solely with respect to the audited financial statements of the Company and its Subsidiaries (or, if delivered after the Qualified SPAC Transaction Effective Date, of the Consolidated Group) delivered to the Lender pursuant to Section 5.1(a) for the Fiscal Year ending December 31, 2021 and the Fiscal Year ending December 31, 2022, a “going concern” or like qualification, exception or explanatory paragraph.

“Permitted Indebtedness” has the meaning specified in Section 6.1.

“Permitted Liens” has the meaning specified in Section 6.2.

“Person” means any natural Person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Plan” means any “employee benefit plan” (as such term is defined in Section 3(3) of ERISA) maintained for current or former employees, officers, members or directors of any Loan Party or any ERISA Affiliate, or any such plan to which any Loan Party or Subsidiary is required to contribute on behalf of any of its current or former employees or with respect to which such Loan Party or Subsidiary has any liability.

“Producer” means any producer, packer, processor, manufacturer, dealer, broker, agent, person engaged in farming operations, cooperative whose members consist of any such Persons or other seller of perishable agricultural products or other agricultural goods, including, without limitation, potatoes, corn, “Meat Food Products”, “Livestock”, “Livestock Products”, “Poultry”, “Poultry Products” (each as defined in PASA) and “Perishable Agricultural Commodities” (as defined in PACA).

“Project Consultant” means a project consultant appointed or retained by the Lender and approved by the Company (such approval not to be unreasonably withheld or delayed) to review, on behalf of the Lender, Construction Budgets, Construction Schedules, ongoing construction of any Farm Project, and/or other matters related to any Farm Project. To the extent a Project Consultant has not been appointed or retained, the references in this Agreement to Project Consultant and related provisions shall have no force and effect and any required approvals, consents or other actions of the Project Consultant which are required or to be performed shall be deemed given or performed, as the case may be.

“Project Costs” means the following costs and expenses incurred by the Borrowers or any other Loan Party or Subsidiary in connection with a Farm Project and set forth in the applicable Construction Budget or otherwise approved by the Lender (and, in the discretion of the Lender, after consultation with the Project Consultant): (a) costs incurred by a Borrower or any other Loan Party or Subsidiary under any Project Documents with respect to the acquisition (including the acquisition of a Farm Project Site), site preparation, design, engineering, procurement of equipment, construction, installation, start-up, mobilization and testing of a Farm Project (including costs associated with structural matters, piping, labor, electrical, design and management and contingency matters); (b) fees and expenses incurred by or on behalf of a Borrower or any other Loan Party or Subsidiary in connection with any Farm Project and the consummation of the transactions contemplated by this Agreement and the other Loan Documents with respect to financing such Farm Project, including financial, working capital, accounting, legal, surveying and consulting fees, and the costs of engineering; (c) interest and fees on the Term Loans with respect to a Farm Project; (d) insurance premiums with respect to any Mortgages for a Farm Project and as otherwise required pursuant to this Agreement; and (e) without duplication of the foregoing, Taxes, salaries, rent and general administrative and overhead costs that are incurred by a Borrower or any other Loan Party or Subsidiary in connection with a Farm Project.

“Project Documents” means the Material Project Documents, all other contracts or subcontracts entered into in connection with a Farm Project and any other agreement, instrument or document relating to the ownership, design, development, construction, lease, maintenance, repair, improvement, management, operation or use of a Farm.

“Project Licenses” means the Licenses required for construction and operation of a Farm Project.

“Project Plans” means, with respect to a Farm Project, the plans and specifications for the construction and equipping of such Farm Project, as the same may be revised from time to time in accordance with the Project Documents and the Loan Documents.

“Project Status Report” means a reasonably detailed report signed by a Responsible Officer of the Company and setting forth (a) the aggregate amount of all Project Costs expended during the preceding calendar quarter and through the date of each such report; (b) an assessment of the overall construction progress of each Farm Project since the date of the last report and since the Closing Date, together with an assessment of how such progress compares to each applicable Construction Schedule; (c) the anticipated Final Completion Date of each Farm Project; (d) a detailed description of all material problems (including actual and anticipated cost overruns, if any, in excess of \$500,000 in the aggregate) encountered or anticipated in connection with the construction of each Farm Project since the date of the last report, together with (i) an assessment of how such problems may impact the applicable Construction Schedule and the meeting of critical path dates thereunder and (ii) a detailed description of the proposed solutions to any such problems; (e) the delivery status of material equipment and the negative effect, if any, that the anticipated delivery dates of such equipment has on each applicable Construction Schedule; (f) any proposed or pending change orders in an amount exceeding \$250,000; (g) a discussion of any material change in the status of any pending Project Licenses or, if there has been no such change in the status of

such consents and approvals since the most recent report delivered pursuant to this clause, a statement that there has been no such change; and (h) an analysis of such other material matters related to each Farm Project as the Lender may reasonably request.

“Projected Production Model” means a financial model, in form and substance reasonably satisfactory to the Lender, setting forth, for each Farm and Farm Project, and for each calendar quarter during the forthcoming Fiscal Year, the Loan Parties’ reasonable and good faith projections of (i) the amount of produce and other inventory produced (in pounds) and (ii) the amount of produce and other inventory sold (measured both in Dollars and weighed in pounds), in each case, at each such Farm or Farm Project for each such calendar quarter.

“Properties” has the meaning specified in Section 3.14(b)(i).

“Purchase Money Security Interest” means Liens upon fixed or capital assets or other tangible personal property securing loans to any Loan Party or Subsidiary of a Loan Party or deferred payments by such Loan Party or Subsidiary for the purchase of such fixed or capital assets or other tangible personal property.

“Qualified SPAC Transaction” means the transactions contemplated by that certain Agreement and Plan of Merger dated as of June 17, 2021 (the “SPAC Merger Agreement”), by and among Holdings, Longleaf Merger Sub, Inc., a Delaware corporation, Longleaf Merger Sub II, LLC, a Delaware limited liability company, and the Company, which shall result in minimum cash to the balance sheet of the Company, after the payment of transaction costs and expenses, of not less than \$100,000,000.

“Qualified SPAC Transaction Effective Date” means the date on which the Closing (as defined in the SPAC Merger Agreement) has occurred in accordance with the terms and conditions of the SPAC Merger Agreement (and including, for the avoidance of doubt, the satisfaction or waiver of all conditions set forth in Article VI of the SPAC Merger Agreement). The Qualified SPAC Transaction Effective Date occurred on November 19, 2021.

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors, representatives, successors and assigns of such Person and of such Person’s Affiliates.

“Release” means a release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration into the indoor or outdoor environment or into or out of any property, in each case, of Hazardous Materials through or in the air, soil, surface water, groundwater or property.

“Responsible Officer” means, with respect to any Loan Party, (a) the chief executive officer, president, executive vice president or a Financial Officer of such Person, and (b) solely for purposes of the delivery of incumbency certificates and certified Organizational Documents and resolutions, any vice president, secretary or assistant secretary of such Loan Party. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

“Restricted Payment” means any dividend or other distribution (including a return of capital and whether in cash, securities or other property) with respect to any Equity Interest of any Person, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such

Equity Interest, or on account of any return of capital to such Person's shareholders, partners or members (or the equivalent Persons thereof).

"Sanctions" means all economic or financial sanctions, sectoral sanctions, secondary sanctions, trade embargoes and anti-terrorism laws imposed, administered or enforced from time to time by (a) the United States of America (including those administered by OFAC, the U.S. State Department, the U.S. Department of Commerce, or through any existing or future Executive Order), (b) the United Nations Security Council, (c) the European Union, (d) the United Kingdom or (e) any other Governmental Authority in any jurisdiction in which (i) any Loan Party is located or conducts business, (ii) in which any of the proceeds of the Term Loan will be used, or (iii) from which repayment of the Term Loan will be derived.

"SEC" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"Second Amendment Effective Date" means June 30, 2022.

"Security Agreement" means a security agreement from one or more Loan Parties, pursuant to which such Loan Parties grant a Lien on any or all of their assets to secure payment of the Obligations in favor of the Lender and in form and substance acceptable to the Lender, duly executed by the parties thereto.

"Sellers' Representative" has the meaning specified therefor in the definition of "Paragon California PSA".

"Senior Credit Agreement" means the Credit Agreement of even date herewith among the Company, the Subsidiary Borrowers and the Senior Creditor, governing a senior multi-advance term loan facility.

"Senior Creditor" means the lender party to the Senior Credit Agreement.

"Senior Indebtedness" means all Indebtedness under the Senior Credit Agreement.

"Senior Indebtedness Documents" means, collectively, the Senior Credit Agreement and all other "Loan Documents" (as defined in the Senior Credit Agreement).

"Sixth Amendment Effective Date" means March 28, 2023.

"Solvent" means, as to any Person as of any date of determination, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person, (b) the present fair saleable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay such debts and liabilities as they mature and (d) such Person is not engaged in a business or a transaction, and is not about to engage in a business or a transaction, for which such Person's property would constitute an unreasonably small capital. The amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

“SPAC Merger Agreement” has the meaning specified therefor in the definition of “Qualified SPAC Transaction”.

“Specified 2022 PIK Interest” has the meaning specified in Section 2.3(a).

“Specified 2023 PIK Interest” has the meaning specified in Section 2.3(a).

“Specified Event of Default” means any Event of Default set forth in Sections 7.1(a), 7.1(b), 7.1(h), 7.1(i), 7.1(j), 7.1(o) or 7.1(w).

“Specified PIK Amount” means the sum of the Specified PIK Interest and the Specified PIK Fee.

“Specified PIK Fee” has the meaning specified in Section 2.6(a).

“Specified PIK Interest” has the meaning specified in Section 2.3(a).

“Specified Purchase Agreement Representations” means such of the representations and warranties in the Paragon Purchase Agreements made by or with respect to the Paragon Entities or any seller party to a Paragon Purchase Agreement to the extent the Company has the right (taking into account any applicable cure provisions) to terminate its obligations under the Paragon Purchase Agreements (without giving effect to the proviso in Section 9.01(f) of the Paragon California PSA) or to decline to consummate the Paragon Acquisition as a result of a breach of such representations in the Paragon Purchase Agreements.

“Specified Q1 2024 PIK Interest” has the meaning specified in Section 2.3(a).

“Specified Q1/Q2 2023 PIK Interest” has the meaning specified in Section 2.3(a).

“Specified Q2/Q4 2024 PIK Interest” has the meaning specified in Section 2.3(a).

“Specified Q3/Q4 2023 PIK Interest” has the meaning specified in Section 2.3(a).

“Specified Representations” means the representations and warranties of the Loan Parties set forth in Sections 3.1 (solely with respect to valid existence), 3.2(a), 3.4 (solely with respect to the Loan Documents), 3.9(d), 3.15, 3.17 and 3.18.

“STORE Documents” means the STORE Purchase Agreement, the STORE Lease Agreement, the STORE Guaranty and all other “Transaction Documents” as defined in the STORE Purchase Agreement.

“STORE Guaranty” means the “Guaranty” as defined in the STORE Purchase Agreement.

“STORE Lease Agreement” means the “Lease” as defined in the STORE Purchase Agreement.

“STORE Letter of Credit” means the “Letter of Credit” as defined in the STORE Purchase Agreement.

“STORE Purchase Agreement” means the Purchase and Sale Agreement dated as of the Sixth Amendment Effective Date between the STORE Sale-Leaseback Buyer, as purchaser, and Hollandia Real Estate, as seller, as amended, supplemented or otherwise modified from time to time (subject to any restrictions on such amendments, supplements or modifications set forth in the Loan Documents).

“STORE Sale-Leaseback” means the sale and leaseback transaction effected and governed by the STORE Purchase Agreement, the STORE Lease Agreement and the other STORE Documents.

“STORE Sale-Leaseback Buyer” means STORE Capital Acquisitions, LLC, a Delaware limited liability company.

“STORE Sale-Leaseback Closing Date” means the date on which the “Transaction” (as defined in the STORE Purchase Agreement) is consummated and the STORE Sale-Leaseback becomes effective in accordance with the terms of the STORE Purchase Agreement, the STORE Lease Agreement and the other STORE Documents.

“STORE Sale-Leaseback Conditions” means the following conditions precedent, to be satisfied on or prior to the STORE Sale-Leaseback Closing Date:

(a) the STORE Sale-Leaseback Closing Date has occurred by no later than May 12, 2023;

(b) the Lender shall have received true, correct and complete copies of the STORE Lease Agreement and the other STORE Documents to be executed and delivered on or before the STORE Sale-Leaseback Closing Date, all in form and substance reasonably acceptable to the Lender;

(c) the Lender shall have received a certificate, dated as of the STORE Sale-Leaseback Closing Date and signed by a Responsible Officer of the Company, certifying that (i) the STORE Purchase Agreement has not been amended, restated, supplemented or otherwise modified since the Sixth Amendment Effective Date in a manner adverse to the Lender, in each case without the prior written approval of the Lender, (ii) no Specified Event of Default exists before giving effect to the STORE Purchase Agreement, the STORE Sale-Leaseback or any other STORE Document on the STORE Sale-Leaseback Closing Date or would result therefrom, and (iii) attached thereto are true, correct and complete copies of the STORE Lease Agreement and the other STORE Documents received or delivered on or before the STORE Sale-Leaseback Closing Date; and

(d) the Lender shall have received an amendment to each of the Carpinteria (California) Deed of Trust (Senior) (as defined in the Senior Credit Agreement) and the Oxnard (California) Deed of Trust (Senior) (as defined in the Senior Credit Agreement), duly executed by the Loan Parties party thereto, in form for recording in the recording office of the applicable political subdivision where the Carpinteria (California) Farm and the Oxnard (California) Farm is situated and accompanied by (i) a landlord waiver and consent to the Carpinteria (California) Deed of Trust (Senior) and the Oxnard (California) Deed of Trust (Senior) as so amended, in form and substance satisfactory to the Lender and duly executed by the STORE Sale-Leaseback Buyer, (ii) an amendment or endorsement to the respective existing lender’s title policy in favor of the Lender insuring the Carpinteria (California) Deed of Trust (Senior) and the Oxnard (California) Deed of Trust (Senior), in form and substance satisfactory to the Lender, and (iii) such legal opinions, certificates, affidavits, questionnaires or reports as shall be required or requested by the Lender in connection therewith.

“Subordinated Facility Post-SPAC Funding Date” means the date on which the first Term Loan hereunder (such Term Loan, the “First Post-SPAC Subordinated Term Loan”) is funded following satisfaction (or waiver by the Lender in its sole discretion) of all conditions set forth in Sections 4.1, 4.2 and 4.3.

“Subordination Agreement” means the Subordination Agreement of even date herewith among the Company, the Senior Creditor, and the Lender.

“Subsidiary” of a Person means a corporation, partnership, limited liability company, association or joint venture or other business entity of which a majority of the Equity Interests having ordinary voting power for the election of directors or other Governing Board (other than securities or interests having such power only by reason of the happening of a contingency) are at the time owned or the management of which is Controlled, directly, or indirectly through one or more intermediaries, by such Person. Unless otherwise specified, all references herein to a “Subsidiary” or to “Subsidiaries” shall refer to a Subsidiary or Subsidiaries of any Loan Party.

“Swap Contract” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, that are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “Master Agreement”), including any such obligations or liabilities under any Master Agreement.

“Swap Obligation” means, with respect to any Person, any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of section 1a(47) of the Commodity Exchange Act.

“Swap Party” means any party to a Swap Contract that is the Lender or any Affiliate of the Lender (including, without limitation, CRM).

“Swap Termination Value” means, as to any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include the Lender or any Affiliate of the Lender).

“Synthetic Lease Obligation” means the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease or (b) an agreement for the use or possession of property creating obligations that do not appear on the balance sheet of such Person but, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

“Taxes” means all present or future taxes, levies, tariffs, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Term Loan Amount” means, initially, up to \$50,000,000; provided that, from and after the First Amendment Funding Date, “Term Loan Amount” shall mean up to \$42,500,000 plus the Specified PIK Amount.

“Term Loan Commitment Termination Date” means the earlier of (a) September 30, 2023 and (b) the date on which any Obligations are accelerated pursuant to Article VII hereof or Applicable Law.

“Term Loan Facility” means the term loan facility being made available to the Borrowers by the Lender pursuant to Section 2.1.

“Term Loan Note” means a promissory note of the Borrowers payable to the Lender substantially in the form of Exhibit A, as such promissory note may be amended, extended or otherwise modified from time to time, and including each other promissory note accepted from time to time in substitution therefor or in renewal thereof.

“Term Loans” has the meaning specified in Section 2.1.

“Third Amendment Effective Date” means December 30, 2022.

“Third-Party Farm Lease Agreement” means a Farm Lease Agreement in respect of real property not owned in fee by a Loan Party.

“Treasury Rate” means, as of any Fee Determination Date, the yield to maturity at the time of computation of United States Treasury Securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519), which has become publicly available at least (2) two Business Days prior to such Fee Determination Date (or, if such Statistical Release is no longer published, any publicly available source or similar market data) most nearly equal to the period from such Fee Determination Date to the Maturity Date (the “Applicable Period”); provided, however, that if there are no United States Treasury Securities having a term equal to the Applicable Period, the Treasury Rate shall be obtained by interpolating linearly between (1) the yield to maturity of U.S. Treasury Securities with a constant maturity so reported having the term closest to and greater than the Applicable Period and (2) the yield to maturity of U.S. Treasury Securities with a constant maturity so reported having the term closest to and less than the Applicable Period.

“UCC” and “Uniform Commercial Code” means the Uniform Commercial Code as the same may, from time to time, be in effect in the State of New York (the “NY UCC”); provided, however, in the event that, by reason of mandatory provisions of law, any or all of the perfection or priority of the security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, the term “UCC” shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or priority and for purposes of definitions related to such provisions.

“United States” and “U.S.” mean the United States of America.

“Unrestricted Cash” means, with respect to any Person, the aggregate amount of cash and Cash Equivalents reflected on the consolidated balance sheet of such Person and its Subsidiaries and over which the Lender has a perfected second priority security interest.

“Unused Commitment Fee Rate” means 1.25% per annum.

“USDA” means the United States Department of Agriculture, Office of Rural Development or any successor agency thereto, whether acting through a local, state, federal or other office.

“Warner Robins (Georgia) Deed of Trust (Subordinated)” means the Deed to Secure Debt, Security Agreement, Assignment of Rents and Fixture Filing (Subordinated) dated as of June 6, 2022, made by Hollandia GA, as grantor, to the Lender, as grantee, recorded June 9, 2022 in Book 678, Page 721 of the real property records of Peach County, Georgia.

“Warner Robins (Georgia) Farm” means a Farm or Farm Project located at the Warner Robins (Georgia) Property.

“Warner Robins (Georgia) Property” means the real property described on Exhibit A to the Warner Robins (Georgia) Deed of Trust (Subordinated).

“Warrant Agreement” means (i) the Closing Date Warrant Agreement, (ii) the 2023 Warrant, and (iii) any other warrant made or issued from time to time by Holdings in favor of the Lender or an affiliate thereof.

Section 1.2 Terms Generally. The definitions of terms herein shall apply equally to 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. All terms used in this Agreement which are defined in Article 8 or Article 9 of the NY UCC and which are not otherwise defined herein shall have the same meanings herein as set forth therein.

Section 1.3 Accounting Terms; Changes in GAAP.

(a) *Accounting Terms*. Except as otherwise expressly provided herein, all accounting terms not otherwise defined herein shall be construed in conformity with GAAP. Financial statements and other information required to be delivered by the Company pursuant to Sections 5.1(a) and 5.1(b) shall be prepared in accordance with GAAP as in effect at the time of such preparation. Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness of the Loan Parties and their Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470-20 on financial liabilities shall be disregarded. Notwithstanding anything to the contrary contained in this Agreement, any lease that was or would have been treated as an operating lease

under GAAP as in effect on December 1, 2018 that would become or be treated as a Capitalized Lease solely as a result of a change in GAAP after December 1, 2018 shall always be treated as an operating lease for purposes of determining compliance with the financial and other covenants set forth in this Agreement and the other Loan Documents.

(b) *Changes in GAAP.* If the Borrowers notify the Lender that the Borrowers request an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Lender notifies the Borrowers that it requests an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

Section 1.4 Time. All references to times of day in this Agreement shall be references to Minnesota time unless otherwise specifically provided.

Section 1.5 Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

ARTICLE II TERMS OF THE TERM LOAN FACILITY

Section 2.1 Term Loan Facility.

(a) *Term Loans.* Subject to the terms and conditions herein set forth, including specifically satisfaction of all conditions set forth in Article IV, the Lender agrees to make one or more term loans (the "Term Loans") to the Borrowers from time to time during the period from the Closing Date to and including the Term Loan Commitment Termination Date in an aggregate principal amount not to exceed the Term Loan Amount. Each request by the Borrowers for a Term Loan shall be deemed to be a representation by each Borrower that it shall be in compliance with the preceding sentence and with Article IV both before and after giving effect to the requested Term Loan. The Term Loan Facility is not a revolving credit facility; the Borrowers shall have no right to reborrow any portion of any Term Loan that has been repaid.

(b) *Requests for Term Loans.* The Company may from time to time prior to the Term Loan Commitment Termination Date request that the Lender make a Term Loan by delivering to the Lender, not later than 11:00 a.m. seven (7) Business Days prior to the proposed borrowing date (or, solely in the case of the First Amendment Term Loan, three (3) Business Days prior to the First Amendment Funding Date), a duly completed Loan Request. No more than two (2) Loan Request for any Term Loan may be submitted each month (other than with respect to the funding of a Term Loan pursuant to Section 5.17(b)). Each Loan Request shall be irrevocable and shall specify the amount of the proposed Term Loan, which amount shall be not less than \$3,000,000.

Section 2.2 Interest on the Term Loans

. Interest shall accrue on the unpaid principal amount of the Term Loans for the period commencing on the Closing Date until the unpaid principal amount thereof is Paid in Full, in accordance with the following:

(a) *Interest.* Except as set forth in paragraph (b) below, the outstanding principal balance of each Term Loan shall bear interest from the date such Term Loan is made until the Term Loan Facility is Paid in Full at the Applicable Interest Rate.

(b) *Default Interest.* Notwithstanding paragraph (a), immediately and automatically upon the occurrence and during the continuation of an Event of Default under clauses (a), (b), (h), (i) or (j) of Section 7.1, or immediately after written notice by the Lender to the Company after the occurrence and during the continuation of any other Event of Default (and, to the extent specified in such notice, commencing as of the date of the occurrence of such Event of Default), all outstanding and unpaid Obligations shall bear interest at the Default Rate.

(c) *Interest Computation.* All interest hereunder shall be computed on the basis of a year of 360 days, and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

Section 2.3 Payment of Principal and Interest.

(a) The Borrowers shall pay accrued interest on the Term Loans in cash on the first Business Day of each calendar quarter (in arrears through the last day of the immediately preceding quarter) and on the Maturity Date. Notwithstanding the foregoing, unless a Default or Event of Default has occurred and is continuing:

(I) the quarterly interest payment of the Borrowers due and payable on January 2, 2023 (for interest accruing for the quarter ending December 31, 2022) may be paid in kind (such interest, the "Specified 2022 PIK Interest"),

(II) the quarterly interest payments of the Borrowers due and payable on (x) April 3, 2023 (for interest accruing for the quarter ending March 31, 2023) and (y) July 3, 2023 (for interest accruing for the quarter ending June 30, 2023) may be paid in kind (such interest, the "Specified Q1/Q2 2023 PIK Interest"),

(III) the quarterly interest payments of the Borrowers due and payable on (x) October 2, 2023 (for interest accruing for the quarter ending September 30, 2023) and (y) January 2, 2024 (for interest accruing for the quarter ending December 31, 2023) may be paid in kind (such interest, the "Specified Q3/Q4 2023 PIK Interest"),

(IV) the quarterly interest payments of the Borrowers due and payable on April 1, 2024 (for interest accruing for the quarter ending March 31, 2024) may be paid in kind (such interest, the "Specified Q1 2024 PIK Interest"), and

(V) the quarterly interest payments of the Borrowers due and payable on (x) July 1, 2024 (for interest accruing for the quarter ending June 30, 2024), (y) October 1, 2024 (for interest accruing for the quarter ending September 30, 2024), and (z) January 2, 2025 (for interest accruing for the quarter ending December 31, 2024) may be paid in kind (such interest, the "Specified Q2/Q4 2024 PIK Interest") and, together with the

Specified 2022 PIK Interest, the Specified Q1/Q2 2023 PIK Interest, the Specified Q3/Q4 2023 PIK Interest and the Specified Q1 2024 PIK Interest, the “Specified PIK Interest”);

provided, notwithstanding the foregoing, that the amount of interest paid in kind in respect of the quarter ending June 30, 2023, when combined with any amount of interest paid in kind under the Senior Credit Agreement in respect of the quarter ending June 30, 2023, may not exceed \$7,000,000. The Specified PIK Interest shall be deemed paid and discharged, without the taking of any further action by the Borrowers, by automatically adding such Specified PIK Interest to the principal balance of the Term Loans. After such Specified PIK Interest is added to the principal balance, such Specified PIK Interest shall be treated as principal for all purposes hereunder and shall itself bear interest

(b) In addition to any prepayments made pursuant to Sections 2.4 and 2.5, if not sooner paid, the outstanding principal balance of the Term Loans, all accrued interest thereon, any unpaid fees with respect thereto and all other Obligations shall be due and payable in full in cash on the Maturity Date.

(c) Without limiting the foregoing, interest accruing at the Default Rate hereunder shall be due and payable upon the Lender’s demand. Likewise, interest on the principal amount of the Term Loan or other monetary Obligation shall be due and payable on demand after such principal amount or other monetary Obligation becomes due and payable (whether on the stated Maturity Date, upon an accelerated Maturity Date or otherwise).

(d) At the election of the Lender, all payments of principal, interest, fees, premiums, costs, expenses and other Obligations (including, without limitation, all fees, costs and expenses pursuant to Section 8.3), and other sums payable under the Loan Documents, may at any time be deducted by the Lender from the Interest Reserve Account or, following an Event of Default, any other deposit account of the Borrowers subject to an Account Control Agreement in favor of the Lender. Without limiting any other provision of this Agreement (including, but not limited to, the Borrowers’ payment obligations hereunder), the Borrowers hereby irrevocably authorize the Lender (but with absolutely no obligation) to charge the Interest Reserve Account and, following an Event of Default, any other deposit account of the Borrowers subject to an Account Control Agreement in favor of the Lender for each payment of principal, interest and fees as it becomes due hereunder or any other amount due under the Loan Documents.

Section 2.4 Voluntary Prepayments. Subject to the terms and conditions of the Subordination Agreement (including, without limitation, Sections 2.2 and 2.3 thereof), the Borrowers may at any time upon at least five (5) days’ (or such shorter period as is acceptable to the Lender) prior written notice by the Borrowers to the Lender, prepay the Term Loans in whole or in part (provided, that any partial prepayment shall be in an amount greater than or equal to \$5,000,000) without premium except as provided in Section 2.10. A prepayment notice delivered by the Borrowers to the Lender shall be irrevocable. An optional prepayment of the Term Loans scheduled or anticipated to occur during any month (x) shall be made and effected on the last Business Day of such month, (y) shall be accompanied by accrued but unpaid interest on the principal amount being prepaid and any Specified Fee, and (z) to the extent such optional prepayment prepays the Term Loans in whole, shall be accompanied by payment in full of all other Obligations.

Section 2.5 Lender Discretionary Prepayment.

(a) Subject to the terms and conditions of the Subordination Agreement (including, without limitation, Sections 2.2 and 2.3 thereof), promptly (and in any event within two (2) Business Days) after the occurrence of any Lender Discretionary Prepayment Event, the Borrowers shall inform the Lender in writing of the occurrence of such Lender Discretionary Prepayment Event and, solely to the extent requested by the Lender in writing in its sole discretion, the Borrowers shall promptly (and in any event within two (2) Business Days after such request) remit to the Lender an amount equal to 100% of the Net Proceeds realized by any Borrower or any other Loan Party or Subsidiary from such Lender Discretionary Prepayment Event. For the purpose of this Section 2.5, a “Lender Discretionary Prepayment Event” means the receipt by any Borrower, any other Loan Party or Subsidiary of proceeds from:

(i) the Disposition of any assets by any Borrower, any other Loan Party or Subsidiary (except for Dispositions to the extent permitted by Section 6.4);

(ii) any casualty or other insurance maintained by any Borrower, any other Loan Party or Subsidiary in excess of \$2,000,000 in the aggregate in any Fiscal Year (provided that such \$2,000,000 minimum threshold shall not apply if any Default or Event of Default has occurred and is continuing); provided, however, that if (A) the Company shall deliver a certificate of a Financial Officer to the Lender at the time of receipt thereof setting forth the Borrowers’ intent to reinvest such proceeds in productive assets of a kind then used or usable in the business of the Company and its Subsidiaries (or to repair any property damaged in a casualty event) within 365 days of receipt of such proceeds and (B) no Default or Event of Default shall have occurred and shall be continuing at the time of such certificate or at the time of the application of such proceeds, such proceeds shall not constitute Net Proceeds except to the extent not so used at the end of such 365-day period, at which time such proceeds shall be deemed to be Net Proceeds; provided, further, if any Default or Event of Default shall have occurred and shall be continuing at the time of delivery of the foregoing certificate or at the time of the application of proceeds contemplated thereunder, then 100% of such proceeds (without giving effect to the \$2,000,000 minimum threshold set forth above) shall be applied to the Obligations in accordance with Section 2.5(b);

(iii) any condemnation award with respect to property owned by any Borrower, any other Loan Party or Subsidiary in excess of \$2,000,000 in the aggregate in any Fiscal Year (provided that such \$2,000,000 minimum threshold shall not apply if any Default or Event of Default has occurred and is continuing); provided, however, that if (A) the Company shall deliver a certificate of a Financial Officer to the Lender at the time of receipt thereof setting forth the Borrowers’ intent to reinvest such proceeds in productive assets of a kind then used or usable in the business of the Company and its Subsidiaries within 365 days of receipt of such proceeds and (B) no Default or Event of Default shall have occurred and shall be continuing at the time of such certificate or at the time of the application of such proceeds, such proceeds shall not constitute Net Proceeds except to the extent not so used at the end of such 365-day period, at which time such proceeds shall be deemed to be Net Proceeds; provided, further, if any Default or Event of Default shall have occurred and shall be continuing at the time of delivery of the foregoing certificate or at the time of the application of proceeds contemplated thereunder, then 100% of such proceeds (without giving effect to the \$2,000,000 minimum threshold set forth above) shall be applied to the Obligations in accordance with Section 2.5(b);

(iv) the issuance or incurrence of Indebtedness other than Indebtedness permitted by Section 6.1; and

(v) the issuance of any Equity Interests of any Loan Party or Subsidiary, except for (x) Equity Interests issued to the Company or (y) other Equity Interests (the issuance of such other Equity Interests, the “Permitted Equity Issuances”), but only so long as, in the case of this clause (y), (1) no Default or Event of Default shall have occurred and be continuing at the time of any such Permitted Equity Issuance, (2) such Permitted Equity Issuances do not exceed, individually or in the aggregate, \$150,000,000, and (3) no less than 75% of the Net Proceeds of the Permitted Equity Issuances are used by the Borrowers to pay costs in respect of Farm Projects; it being understood and agreed, for the avoidance of doubt, that (I) the issuance of any Equity Interests (other than issuances described in the preceding clause (x)) after March 31, 2024 shall constitute a Lender Discretionary Prepayment Event, and (II) to the extent any Permitted Equity Issuance, individually or in the aggregate, exceeds \$150,000,000, such excess shall constitute a Lender Discretionary Prepayment Event.

(b) All amounts (if any) remitted to the Lender under this Section 2.5 shall be applied by the Lender to the payment of the Obligations in such order of application as the Lender may in its sole discretion determine. All prepayments pursuant to this Section 2.5 shall be accompanied by accrued and unpaid interest upon the principal amount of each such prepayment and, to the extent applicable, the Specified Fee set forth in Section 2.10. Notwithstanding anything herein to the contrary, any such prepayment shall not constitute or be deemed to be a cure of any Default or Event of Default arising as a result of any Disposition, casualty or condemnation event or otherwise.

Section 2.6 Fees.

(a) Unused Commitment Fee. Accruing from the Closing Date until the Term Loan Commitment Termination Date, the Borrowers agree to pay to the Lender a nonrefundable unused commitment fee (the “Unused Commitment Fee”) equal to the Unused Commitment Fee Rate (computed on the basis of a year of 360 days and actual days elapsed) multiplied by the average daily difference between (i) the Term Loan Amount and (ii) the aggregate principal amount of Term Loans actually funded under the Term Loan Facility. All Unused Commitment Fees shall be payable quarterly in cash on the first Business Day of each calendar quarter (in arrears through the last day of the immediately preceding quarter) and on the Term Loan Commitment Termination Date. Notwithstanding the foregoing, unless a Default or Event of Default has occurred and is continuing, the Unused Commitment Fee of the Borrowers due and payable on April 3, 2023 (for the fee accruing for the quarter ending March 31, 2023) may be paid in kind (such fee, the “Specified PIK Fee”). The Specified PIK Fee shall be deemed paid and discharged, without the taking of any further action by the Borrowers, by automatically adding such Specified PIK Fee to the principal balance of the Term Loans. After such Specified PIK Fee is added to the principal balance, such Specified PIK Fee shall be treated as principal for all purposes hereunder and shall itself bear interest.

(b) Other Fees. The Borrowers agree to pay to the Lender such other fees as agreed in the Fee Letters.

Section 2.7 Evidence of Debt. The Lender shall maintain in accordance with its usual practice records evidencing the Term Loans. The entries made in the records maintained pursuant to this

Section shall be prima facie evidence absent manifest error of the existence and amounts of the obligations recorded therein. Any failure of the Lender to maintain such records or make any entry therein or any error therein shall not in any manner affect the obligations of the Borrowers under this Agreement and the other Loan Documents. Upon the request of the Lender at any time, the Borrowers shall prepare, execute and deliver to the Lender a Term Loan Note.

Section 2.8 Payments Generally.

(a) Payments by Borrowers. All payments to be made by the Borrowers hereunder and under the other Loan Documents shall be made on the date when due without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived by the Borrowers, and without condition or deduction (except as required under Section 2.8(c)) for any counterclaim, defense, recoupment or setoff. All payments shall be made to the Lender in U.S. Dollars in immediately available funds not later than 2:00 p.m. on the date specified herein. All amounts received by the Lender after such time on any date shall be deemed to have been received on the next succeeding Business Day and any applicable interest or fees shall continue to accrue. If any payment to be made by the Borrowers shall fall due on a day that is not a Business Day, payment shall be made on the next succeeding Business Day and such extension of time shall be reflected in computing interest or fees, as the case may be; provided that, if such next succeeding Business Day would fall after the Maturity Date, payment shall be made on the immediately preceding Business Day.

(b) Application of Insufficient Payments. If at any time insufficient funds are received by and available to the Lender to pay fully all amounts of principal, interest, fees and other amounts then due hereunder, such funds shall be applied in such order of application as the Lender in its sole discretion determines.

(c) Taxes. Any and all payments by or on account of any Obligation shall be made free and clear of and without deduction or withholding for any Taxes, except as required by any Law. If payor shall be required by any Laws to deduct or withhold any Taxes from or in respect of any sum payable under any Obligation, (i) if the Tax in question is an Indemnified Tax or Other Tax, then the sum payable shall be increased as necessary so that after making all required deductions or withholding (including deductions or withholding applicable to additional sums payable under this Section 2.8(c)), each payee receives an amount equal to the sum it would have received had no such deductions or withholding been made, (ii) the payor shall make such deductions or withholding, (iii) the payor shall pay the full amount deducted or withheld to the relevant taxation authority or other authority in accordance with Applicable Laws, and (iv) within 30 days after the date of such payment (or, if receipts or evidence are not available within 30 days, as soon as possible thereafter), the payor shall furnish to such payee the original or a copy of a receipt evidencing payment thereof or other evidence acceptable to such payee. In addition, the Borrowers agree to pay any Other Taxes. If the Lender is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document, the Lender shall deliver to the Borrowers, at the time or times reasonably requested by the Borrowers, such properly completed and executed documentation reasonably requested by the Borrowers as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, if reasonably requested by the Borrowers, the Lender shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrowers as will enable the Borrowers to determine whether or not the Lender is subject to backup withholding or information reporting requirements. For purposes of this Section 2.8(c), the terms

“Law” and “Applicable Law” shall include FATCA (and any amendments made thereto after the date of this Agreement).

(d) Tax Indemnity. The Borrowers and each Guarantor agree to indemnify the Lender for (i) the full amount of Indemnified Taxes and Other Taxes payable by the Lender (including Indemnified Taxes and Other Taxes imposed on or attributable to amounts payable under this Section 2.8(d)) and (ii) any expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability prepared in good faith and delivered by the Lender, accompanied by a written statement thereof setting forth in reasonable detail the basis and calculation of such amounts shall be conclusive absent manifest error.

Section 2.9 Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall (i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, the Lender, (ii) subject the Lender to any Taxes (other than Indemnified Taxes and Excluded Taxes) on its loans, loan principal or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto, or (iii) impose on the Lender any other condition, cost or expense (other than Taxes) affecting this Agreement or the Term Loans made by the Lender; and the result of any of the foregoing shall be to increase the cost to the Lender of making, continuing or maintaining the Term Loans, or to reduce the amount of any sum received or receivable by the Lender hereunder (whether of principal, interest or any other amount) then, upon request of the Lender, the Borrowers will pay to the Lender such additional amount or amounts as will compensate the Lender for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If the Lender determines that any Change in Law affecting the Lender regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on the Lender’s capital as a consequence of this Agreement or the Term Loans to a level below that which the Lender could have achieved but for such Change in Law (taking into consideration the Lender’s policies with respect to capital adequacy), then from time to time the Borrowers will pay to the Lender such additional amount or amounts as will compensate the Lender for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of the Lender setting forth the amount or amounts necessary to compensate the Lender as specified in this Section 2.9 and delivered to the Borrowers shall be conclusive absent manifest error. The Borrowers shall pay the Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of the Lender to demand compensation pursuant to this Section 2.9 shall not constitute a waiver of the Lender’s right to demand such compensation, provided that the Borrowers shall not be required to compensate the Lender pursuant to this Section 2.9 for any increased costs incurred or reductions suffered more than nine (9) months prior to the date that the Lender notifies the Borrowers of the Change in Law giving rise to such increased costs or reductions and of the Lender’s intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or

reductions is retroactive, then the nine (9)-month period referred to above shall be extended to include the period of retroactive effect thereof).

Section 2.10 Specified Fees. The Borrowers shall pay to the Lender:

(a) with respect to any Fee Determination Date occurring prior to the second (2nd) anniversary of the First Amendment Funding Date, a fee equal to the present value (such present value shall be computed using a discount rate equal to the Treasury Rate plus fifty (50) basis points) of the amount (to the extent positive) of interest that would have accrued on the Term Loan Facility in accordance with this Agreement had a principal balance equal to the Term Loan Amount remained outstanding during the period commencing on such Fee Determination Date and ending on the Maturity Date, taking into account all interest accrued and paid prior to such Fee Determination Date;

(b) with respect to any Fee Determination Date occurring on or after the second (2nd) anniversary of the First Amendment Funding Date but prior to the third (3rd) anniversary of the First Amendment Funding Date, a fee equal to the present value (such present value shall be computed using a discount rate equal to the Treasury Rate plus fifty (50) basis points) of the amount (to the extent positive) of interest that would have accrued on the outstanding principal balance of the Term Loans as of such Fee Determination Date in accordance with this Agreement had such principal balance remained outstanding during the period commencing on such Fee Determination Date and ending on the Maturity Date, taking into account all interest accrued and paid prior to such Fee Determination Date and the outstanding principal balance of the Term Loans as of the Fee Determination Date;

(c) with respect to any Fee Determination Date occurring on or after the third (3rd) anniversary of the First Amendment Funding Date but prior to the fourth (4th) anniversary of the First Amendment Funding Date, a fee equal to 5.00% of the aggregate principal amount of the Term Loans being prepaid as of such Fee Determination Date;

(d) with respect to any Fee Determination Date occurring on or after the fourth (4th) anniversary of the First Amendment Funding Date but prior to the fifth (5th) anniversary of the First Amendment Funding Date, a fee equal to 3.00% of the aggregate principal amount of the Term Loans being prepaid as of such Fee Determination Date; and

(e) with respect to any Fee Determination Date occurring on or after the fifth (5th) anniversary of the First Amendment Funding Date but prior to the sixth (6th) anniversary of the First Amendment Funding Date, a fee equal to 2.00% of the aggregate principal amount of the Term Loans being prepaid as of such Fee Determination Date;

(the fees described in the foregoing clauses (a), (b), (c), (d) and (e), the "Specified Fees"); provided, that no Specified Fee shall apply to prepayments of the Term Loans made on or after the sixth (6th) anniversary of the First Amendment Funding Date. The Borrowers agree that each Specified Fee is a fee that, as of a Fee Determination Date, is deemed fully earned. Each Specified Fee shall be due and payable in full in immediately available funds on the applicable Fee Determination Date. Once paid, no Specified Fee or any portion thereof shall be refundable under any circumstance.

ARTICLE III REPRESENTATIONS AND WARRANTIES

Each Borrower represents and warrants to the Lender that:

Section 3.1 Existence, Qualification and Power; Subsidiaries. Each Loan Party is a corporation or limited liability company, as applicable, duly formed, validly existing and in good standing under the Laws of the jurisdiction of its incorporation or organization and each Loan Party and each Subsidiary thereof is duly formed, validly existing and in good standing under the Law of its jurisdiction of its incorporation or organization as set forth on Schedule 3.1 hereto. Each Loan Party and each Subsidiary (i) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (a) own or lease its assets and carry on its business and (b) execute, deliver and perform its obligations under the Loan Documents to which it is a party, and (ii) is duly qualified and is licensed and, if applicable, in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license, except, in the case of clause (ii), in jurisdictions where the failure to be so qualified or in good standing, individually or in the aggregate, has not had and could not reasonably be expected to result in a Material Adverse Effect.

Section 3.2 Authorization; No Contravention. The execution, delivery and performance by each Loan Party of each Loan Document to which it is party have been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene the terms of its Organizational Documents, (b) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under, (i) any Contractual Obligation (including, without limitation, any Material Agreement or any Contractual Obligation relating to borrowed money) to which any Loan Party or Subsidiary is a party or affecting any Loan Party or Subsidiary or the properties of any Loan Party or any Subsidiary or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which any Loan Party or Subsidiary or its property is subject, or (c) violate any Law other than any violation, in the case of this clause (c), that could not reasonably be expected to result in a Material Adverse Effect.

Section 3.3 Governmental Authorization; Other Consents. No material approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document or is then necessary or required in connection with any Material Agreement, except for such approvals, consents, exemptions, authorizations or other actions, notices or filings that have already been duly obtained or made and that are in full force and effect.

Section 3.4 Execution and Delivery; Binding Effect. This Agreement has been, each other Loan Document, when delivered hereunder, will have been, and each Material Agreement has been, duly executed and delivered by the Loan Parties party thereto. Each Loan Document and each Material Agreement constitutes a legal, valid and binding obligation of the Loan Parties party thereto, enforceable against such Loan Parties in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other Laws affecting creditors' rights generally and by general principles of equity.

Section 3.5 Financial Statements; No Material Adverse Effect.

(a) *Financial Statements*. The financial statements delivered to the Lender on or before the Closing Date in accordance with Section 4.1 and thereafter most recently delivered in accordance with Section 5.1 (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, (ii) fairly present in all material respects the financial condition of the Company and its Subsidiaries (or, following the Qualified SPAC Transaction Effective Date, of Holdings and its Subsidiaries) as of

the date thereof and their results of operations and cash flows for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein and (iii) show all material Indebtedness and other liabilities, direct or contingent, of the Company and its Subsidiaries (or, following the Qualified SPAC Transaction Effective Date, of Holdings and its Subsidiaries) as of the date thereof, including liabilities for Taxes, material commitments and Indebtedness.

(b) *No Material Adverse Effect*. Since December 31, 2020, there has been no event or circumstance that, either individually or in the aggregate, has had or could reasonably be expected to have a Material Adverse Effect.

Section 3.6 Outstanding Indebtedness. Except for the Obligations and the other Permitted Indebtedness, no Loan Party nor any Subsidiary has any Indebtedness.

Section 3.7 Litigation. Except as disclosed on Schedule 3.7, there are no actions, suits, proceedings, claims, disputes or investigations pending or, to the knowledge of the Borrowers, threatened in writing, at Law, in equity, in arbitration or before any Governmental Authority, by or against any Loan Party or Subsidiary or against any of their properties or revenues that (a) either individually or in the aggregate could reasonably be expected to have a Material Adverse Effect, (b) either individually or in the aggregate could reasonably be expected to result in losses, claims, damages, expenses or liabilities exceeding \$2,000,000 or (c) purport to affect or pertain to this Agreement or any other Loan Document or any of the transactions contemplated hereby.

Section 3.8 No Material Adverse Effect; No Default. No Loan Party or Subsidiary is (a) in material default under or with respect to any Material Agreement or (b) in default under or with respect to any other Contractual Obligation that, in the case of this clause (b), either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Loan Document.

Section 3.9 Property; Licenses; Margin Regulations.

(a) *Ownership of Properties*. Each Loan Party and Subsidiary has good legal and marketable title in fee simple (in the case of real property) and good title (in the case of personal property) to, or valid leasehold interests in, all real and personal property necessary in the ordinary conduct of its business, in each case free and clear of all Liens other than Liens in favor of the Lender and other Permitted Liens.

(b) *Intellectual Property*. Each Loan Party and Subsidiary owns, licenses or possesses the right to use all of the trademarks, trade names, service marks, copyrights, patents, franchises, licenses and other intellectual property rights that are necessary for the operation of their respective businesses, as currently conducted, and the use thereof by the Loan Parties and Subsidiaries does not conflict with the rights of any other Person, except to the extent that such failure to own, license or possess or such conflicts, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. The conduct of the business of the Loan Parties and Subsidiaries as currently conducted or as contemplated to be conducted does not infringe upon or violate any rights held by any other Person, except to the extent that such infringements and violations, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. No claim or litigation regarding any of the foregoing

is pending or, to the knowledge of the Borrowers, threatened in writing that could reasonably be expected to have a Material Adverse Effect.

(c) *Licenses*. Each Loan Party and Subsidiary is in compliance with, and has procured and is now in possession of, all Licenses then required by any Applicable Law for the operation of its business in each jurisdiction wherein it is now conducting or proposes to conduct business, and each such License then required to be issued has been validly issued to the relevant Loan Party or Subsidiary. No Loan Party or Subsidiary has any knowledge of any basis upon which the renewal of any material License would be denied in the future. Each Project License then required to be issued has been validly issued to the relevant Loan Party or Subsidiary and is in full force and effect, and no Loan Party nor any Subsidiary is in violation in any material respect of any such Project License. Each Loan Party and Subsidiary has posted such bonds then required to be posted under its Licenses (including its Project Licenses).

(d) *Margin Regulations*. None of the assets of any Loan Party or Subsidiary will be Margin Stock, and no part of the proceeds of the Term Loans hereunder will be used to buy or carry Margin Stock.

Section 3.10 *Taxes*. Each Loan Party and Subsidiary has (a) filed all federal, state and other material tax returns and reports required by Applicable Law to be filed by any Loan Party or Subsidiary, or extensions have been obtained, and (b) paid all Taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except to the extent that (i) Taxes that are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves are being maintained in accordance with GAAP, (ii) no foreclosure or similar proceedings have been commenced or notice of Liens filed with respect thereto, and (iii) the failure to pay such Taxes, either individually or in the aggregate, could not reasonably be expected to result in liability in excess of \$2,000,000.

Section 3.11 *Disclosure*. The Borrowers have disclosed to the Lender all agreements, instruments and corporate or other restrictions to which any Loan Party or Subsidiary is subject, and all other matters known to the Borrowers that, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. The reports, financial statements, certificates and other written information (other than projected or pro forma financial information) furnished by or on behalf of the Loan Parties to the Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Loan Document (in each case, as amended, modified or supplemented by other information so furnished), when taken as a whole, do not contain any material misstatement of fact or omit to state any material fact necessary to make the statements therein (when taken as a whole), in the light of the circumstances under which they were made, not materially misleading; provided that, with respect to projected or pro forma financial information, the Borrowers represent only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time of preparation and delivery (it being understood that such projected information may vary from the actual results and that such variances may be material). As of the First Amendment Funding Date, the Perfection Certificate is true, complete and correct in all material respects, and, as of the Closing Date, the Beneficial Ownership Certification is true, complete and correct in all material respects.

Section 3.12 *Compliance with Laws*. Each Loan Party and Subsidiary is in compliance with the requirements of all Laws (including, without limitation, all Environmental Laws and all Applicable Food and Feed Safety Laws) and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of Law or order, writ, injunction or

decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to so comply, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. Each Plan is in compliance, in all material respects, with all applicable requirements of ERISA, the Code and other Laws.

Section 3.13 ERISA Compliance. No Loan Party or ERISA Affiliate sponsors, maintains, contributes to, or has an obligation to, or has contributed to or been obligated to contribute to at any time during the immediately preceding seven plan years, a Plan that is covered by Title IV of ERISA or subject to the funding standards of Section 412 of the Code. There are no pending or, to the knowledge of the Borrowers, threatened or contemplated claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that, either individually or in the aggregate, has had or could reasonably be expected to have a Material Adverse Effect.

Section 3.14 Environmental Matters; Hazardous Materials.

(a) Except with respect to any matters that, either individually or in the aggregate, could not reasonably be expected to result in liability in excess of \$2,000,000 or have a Material Adverse Effect, no Loan Party or Subsidiary (a) has failed to comply with any Environmental Law or to obtain, maintain or comply with any License or other approval required under any Environmental Law, (b) knows of any basis for any License or other approval required under any Environmental Law to be revoked, canceled, limited, terminated, modified, appealed or otherwise challenged, (c) has or could reasonably be expected to become subject to any Environmental Liability, (d) has received notice of any claim, complaint, proceeding, investigation or inquiry with respect to any Environmental Liability (and no such claim, complaint, proceeding, investigation or inquiry is pending or, to the knowledge of the Borrowers, is threatened or contemplated) or (e) knows of any facts, events or circumstances that could give rise to any basis for any Environmental Liability of any Loan Party or Subsidiary.

(b) Except as disclosed on Schedule 3.14(b):

(i) All Farm Project Sites and the other facilities and properties currently or formerly owned, leased or operated by any Loan Party or Subsidiary (the "Properties") do not contain any Hazardous Materials attributable to such Loan Party's or Subsidiary's ownership, lease or operation of the Properties in amounts or concentrations or stored or utilized which (A) constitute or constituted a violation of Environmental Laws, or (B) could reasonably be expected to give rise to any Environmental Liability, in each case, to the extent that such violation could reasonably be expected to give rise, either individually or in the aggregate, to any Environmental Liability in excess of \$1,000,000; and

(ii) Hazardous Materials have not been transported or disposed of from the Properties (A) in violation of Environmental Law, or (B) in a manner or to a location which could reasonably be expected to give rise, either individually or in the aggregate, to any Environmental Liability in excess of \$1,000,000 for the Loan Parties and their Subsidiaries, nor have any Hazardous Materials been generated, treated, stored or disposed of by or on behalf of any Loan Party or Subsidiary at, on or under any of the Properties in violation of Environmental Laws or in a manner that could reasonably be

expected to give rise, either individually or in the aggregate, to any Environmental Liability in excess of \$1,000,000.

Section 3.15 Investment Company Act. No Loan Party or Subsidiary is or is required to be registered as an “investment company” as defined in the Investment Company Act of 1940.

Section 3.16 Insurance. The properties of each Loan Party and each of its Subsidiaries are insured pursuant to policies and other bonds that are valid and in full force and effect and that provide coverage satisfying or surpassing the requirements set forth in Section 5.6.

Section 3.17 Sanctions and Anti-Terrorism; Anti-Corruption.

(a) No Loan Party or Subsidiary or director, officer, employee, agent or Affiliate of any Loan Party or Subsidiary is an individual or entity (“person”) that is, or is owned or controlled by persons that are, (i) the target of any Sanctions or Anti-Terrorism Laws, or (ii) located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions or Anti-Terrorism Laws (including, currently, Crimea, Cuba, Iran, North Korea and Syria).

(b) Each Loan Party and Subsidiary and their respective directors, officers and employees and, to the knowledge of the Borrowers, the agents of each Loan Party and Subsidiary are in compliance with all applicable Sanctions, Anti-Terrorism Laws and Anti-Corruption Laws. Each Loan Party and Subsidiary has instituted and maintains policies and procedures designed to ensure continued compliance with applicable Sanctions, Anti-Terrorism Laws and Anti-Corruption Laws.

Section 3.18 Solvency. The Company, individually, is, and the Loan Parties, together with their Subsidiaries on a consolidated basis, are, Solvent.

Section 3.19 Material Agreements. The Borrowers have delivered to the Lender a true, correct and complete copy of each Material Agreement. No Material Agreement has been terminated or otherwise modified except in accordance with the terms thereof, and each Material Agreement (other than those terminated in accordance with their terms) remains in full force and effect. No material default or event of default has occurred and is continuing under any Material Agreement, and no condition or event has occurred and is continuing that would be likely to result in a material default or event of default with the giving notice, the lapse of time or both. The terms of each Material Agreement conform, in all material respects, to all applicable governmental and third-party consents and approvals and the requirements of Applicable Law. The Loan Parties and their Subsidiaries have all Material Agreements, material Licenses and other rights necessary to carry out their business as conducted.

Section 3.20 Employee and Labor Matters.

(a) There is no unfair labor practice complaint pending or, to the knowledge of the Borrowers, threatened against any Loan Party or its Subsidiaries before any Governmental Authority and no grievance or arbitration proceeding pending or threatened against any Loan Party or its Subsidiaries which arises out of or under any collective bargaining agreement and that could reasonably be expected to result in liability in excess of \$2,000,000.

(b) There exists no strike, labor dispute, slowdown, stoppage or similar action or grievance pending or threatened in writing against any Loan Party or its Subsidiaries that could reasonably be expected to lead to an interruption of their respective operations at any location or

result in liability in excess of \$2,000,000. To the knowledge of the Borrowers, no union representation question existing with respect to the employees of any Loan Party or its Subsidiaries and no union organizing activity is taking place with respect to any of the employees of any Loan Party or its Subsidiaries. No Loan Party or any of its Subsidiaries has incurred any liability or obligation under the Worker Adjustment and Retraining Notification Act or similar state law, which remains unpaid or unsatisfied. The hours worked and payments made to employees of each Loan Party and its Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable legal requirements, except to the extent such violations could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. All material payments due from any Loan Party or its Subsidiaries on account of wages and employee health and welfare insurance and other benefits have been paid or accrued as a liability on the books of the Borrowers.

(c) The Loan Parties and their Subsidiaries are in material compliance with Applicable Laws respecting employment and employment practices (including employment insurance, employer health tax, employment standards, labor relations, occupational health and safety, human rights, workers' compensation, employment equity and pay equity) and, to the knowledge of the Borrowers, there are no pending or threatened proceedings before any Governmental Authority or otherwise with respect to any of the foregoing that could reasonably be expected to result in liability in excess of \$2,000,000.

Section 3.21 Compliance with Food Security Act and Agricultural Lien Statutes; Agricultural Lien Notices.

(a) Each Loan Party (i) is in compliance in all material respects with the Food Security Act, as applicable to it, and has filed all appropriate notices and requests and otherwise taken all applicable steps, if any, that are required of it to register with the "Central Filing System" and subscribe to the portions of the master list covering effective financing statements related to farm products and other agricultural products purchased by such Loan Party, in each case established, maintained and distributed by the Secretary of State (or such other similar state agency) of each state that maintains a "Central Filing System" in accordance with the Food Security Act, and (ii) is in compliance in all material respects with all other applicable Agricultural Lien Statutes.

(b) (x) No Loan Party has received notice (written or otherwise) from any Producer, unpaid seller, supplier, agent or secured party indicating such Person's intent to claim or preserve the benefits of any trust under any Agricultural Lien Statute or of any Lien in any "farm products" (as defined in the UCC) under Applicable Law (other than any standard boiler-plate language included on invoices or similar documentation in the ordinary course of business), and (y) no action has been commenced against any Loan Party or any Subsidiary thereof by (i) any beneficiary of any such Lien to enforce such Lien or (ii) any Governmental Authority or any beneficiary of a trust created under any Agricultural Lien Statute to enforce payment from such trust.

Section 3.22 Agricultural Licenses. Each Loan Party and each Subsidiary thereof maintains all necessary and material Agricultural Licenses required to operate its business.

Section 3.23 The Farm Projects.

(a) The Borrowers have delivered to the Lender a true, correct, and complete copy of each Material Project Document, and any modification or termination thereof, entered into on or prior to the Closing Date, will promptly deliver to the Lender a true, correct, and complete copy of each Material Project Document entered into or obtained after the Closing Date, and none of the Material Project Documents that have been delivered to the Lender have been terminated or otherwise modified except in accordance with the terms hereof and remains in full force and effect.

(b) The Project Documents that have been or will be delivered to the Lender comprise substantially all of the material services, materials and property interests required for Completion of the applicable Farm Project.

(c) No material default or event of default has occurred under any Material Project Document, and no material condition or event has occurred that would result in such a default or event of default with the giving notice, the lapse of time or both.

(d) (i) Each Farm and Farm Project (except, following satisfaction of the STORE Sale-Leaseback Conditions, any Farm or Farm Project subject to the STORE Sale-Leaseback) is and will continue to be owned by a Loan Party, and (ii) each Farm and Farm Project is and shall be subject to a Lien in favor of the Lender (subject only to Permitted Liens), and developed, constructed and maintained in accordance with the Project Documents (as amended from time to time in accordance with this Agreement, with respect to the Farm Project in Pasco, Washington) and Applicable Law in all material respects.

(e) The terms of each Material Project Document conform in all material respects to the applicable Project Licenses and any other applicable governmental and third-party consents and approvals and the requirements of Applicable Law.

(f) All material property interests, utility services, means of transportation, facilities and other material necessary for Completion and operation of the applicable Farm Project are, or will be when needed, available to such Farm Project.

(g) Each Initial Construction Budget and each other Construction Budget is realistic and feasible for achievement of Completion on or prior to the applicable Completion Deadline.

(h) As of the First Amendment Funding Date, the location of each Farm and Farm Project of the Loan Parties is set forth on Schedule 3.23(h).

Section 3.24 Warrant Agreement.

(a) AUTHORIZATION. All corporate action required to be taken by Holdings' board of directors and stockholders in order to authorize Holdings to issue the 2023 Warrant, and to perform its obligations thereunder, has been taken or will be taken prior to the issuance of that security. All action on the part of the officers of Holdings necessary for the execution and delivery of the 2023 Warrant, the performance of all obligations of Holdings under the 2023 Warrant, and the issuance and delivery of the 2023 Warrant has been taken or will be taken prior to the issuance of these securities. The 2023 Warrant, when executed and delivered by Holdings, shall constitute valid and legally binding obligations of Holdings, enforceable against Holdings in accordance with its terms except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, or other laws of general application relating

to or affecting the enforcement of creditors' rights generally and (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

(b) VALID ISSUANCE OF SECURITIES. The 2023 Warrant, when issued, sold and delivered in accordance with the terms and for the consideration set forth therein, will be validly issued, fully paid and nonassessable and free of restrictions on transfer other than restrictions on transfer under the 2023 Warrant or the applicable securities, applicable state and federal securities laws and Permitted Liens. The 2023 Warrant will be issued in compliance with all Applicable Laws. The capital stock of Holdings issuable upon exercise of the 2023 Warrant, when issued in compliance with the provisions of the 2023 Warrant and Holdings' certificate of incorporation, will be duly authorized, validly issued, fully paid and nonassessable and free of restrictions on transfer other than restrictions on transfer under the 2023 Warrant or the applicable securities, applicable federal and state securities laws and Permitted Liens.

(c) GOVERNMENT CONSENTS AND FILINGS. No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state or local governmental authority is required on the part of Holdings in connection with the consummation of the transactions contemplated by the 2023 Warrant, except for (i) filings pursuant to Regulation D of the Securities Act of 1933, as amended (the "Securities Act"), and applicable state securities laws, which have been made or will be made in a timely manner.

(d) COMPLIANCE WITH OTHER INSTRUMENTS AND LAWS. Holdings is not in violation or default of (a) any provisions of its certificate of incorporation or bylaws or (b) any provision of federal or state statute, rule or regulation applicable to Holdings, except with respect to clause (b) in such instances in which (x) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (y) the failure to so comply, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. The execution, delivery and performance of the 2023 Warrant and the consummation of the transactions contemplated thereunder will not result in any such violation or be in conflict with or constitute, with or without the passage of time and giving of notice, either (i) a default under any provision, instrument, judgment, order, writ, decree, contract or agreement of Holdings, in each case as would have a material impact on Holdings, or (ii) an event which results in the creation of any Lien upon any assets of Holdings or the suspension, revocation, forfeiture, or nonrenewal of any License applicable to Holdings.

(e) NO FINDER'S FEES. Holdings neither is nor will be obligated for any finder's fee or commission in connection with the 2023 Warrant. The Borrowers jointly and severally agree to indemnify and hold harmless the Lender and the holder of the 2023 Warrant from any liability for any commission or compensation in the nature of a finder's or broker's fee arising out of the 2023 Warrant (and the costs and expenses of defending against such liability or asserted liability) for which Holdings or any of its officers, employees or representatives is responsible.

(f) BAD ACTOR DISQUALIFICATION.

(i) *No Disqualification Events*. With respect to the 2023 Warrant and shares of common stock issuable upon exercise of the 2023 Warrant to be offered and sold in reliance on Rule 506 under the Securities Act ("Regulation D Securities"), none of Holdings, any of its predecessors, any affiliated issuer, any director, executive officer, other officer of Holdings participating in the transactions contemplated hereby, any beneficial owner of 20% or more of Holdings' outstanding voting equity securities

(calculated on the basis of voting power), nor any promoter (as that term is defined in Rule 405 under the Securities Act) connected with Holdings in any capacity at the time of such sale (each, an “Issuer Covered Person” and, together, “Issuer Covered Persons”) is subject to any of the “Bad Actor” disqualifications described in Rule 506(d)(1)(i)-(viii) under the Securities Act (a “Disqualification Event”), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3). Holdings has exercised reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event. Holdings has complied, to the extent applicable, with its disclosure obligations under Rule 506(e), and has furnished to its investors a copy of any disclosures provided thereunder.

(ii) *Other Covered Persons*. Holdings is not aware of any Person (other than any Issuer Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of any Regulation D Securities.

(iii) *Notice of Disqualification Events*. Holdings will notify the Lender in writing prior to any closing of (A) any Disqualification Event relating to any Issuer Covered Person and (B) any event that would, with the passage of time, become a Disqualification Event relating to any Issuer Covered Person.

(g) SEC FILINGS. As to each report, form, proxy statement and other document filed by Holdings with the SEC since January 1, 2021, the information contained therein did not and does not, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein in light of the circumstances under which they were made not misleading.

(h) AUTHORIZATION OF SHARES UNDERLYING THE WARRANTS. There is a sufficient number of shares of common stock authorized under Holdings’ certificate of incorporation and otherwise unreserved to permit the exercise of the 2023 Warrant in full in accordance with the terms and conditions thereunder. Holdings agrees that such shares of common stock have been reserved exclusively for issuance upon exercise of the 2023 Warrant and that such shares shall remain so exclusively reserved until such shares have been issued upon exercise of the 2023 Warrant or until the 2023 Warrant ceases to be exercisable. For the avoidance of doubt, unless Holdings is in full compliance with the covenant in the preceding sentence, Holdings shall not reserve any additional shares of common stock that become authorized after the Sixth Amendment Effective Date for any other purposes, including as shares underlying equity incentive awards for issuance to any persons.

(i) STOCK EXCHANGE LISTING; SUPPLEMENTAL LISTING APPLICATION. Holdings shall use its reasonable best efforts to maintain the listing of the common stock on The New York Stock Exchange. Holdings has filed a Supplemental Listing Application with The New York Stock Exchange covering the issuance of the 2023 Warrant and all of the shares of common stock issuable upon exercise of the 2023 Warrant.

(j) FORM S-3 ELIGIBILITY. Holdings is eligible to register the shares issuable upon exercise of the 2023 Warrant for resale using Form S-3 promulgated under the Securities Act.

ARTICLE IV CONDITIONS

Section 4.1 Conditions Precedent to Effectiveness. The obligation of the Lender to make any Term Loan hereunder is subject to the condition precedent that, on or before the Closing Date, the Lender shall have received each of the following, each in form and substance satisfactory to the Lender:

- (a) this Agreement, the Collateral Documents and the other Loan Documents to be entered into on the Closing Date, each signed by a Responsible Officer of each Loan Party and a duly authorized officer of each other party thereto, together with all other original items required to be delivered pursuant to the Collateral Documents or any other Loan Document;
- (b) a certificate of a Responsible Officer of each Loan Party, attaching (i) the Organizational Documents of such Loan Party, (ii) resolutions or other action of the Governing Board of such Loan Party approving the transactions and other matters contemplated by the Loan Documents to which it is a party, and (iii) an incumbency certificate evidencing the identity, authority and capacity of each Responsible Officer of such Loan Party authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which it is a party;
- (c) such other documents and certificates as the Lender may request relating to the organization, existence and good standing of each Loan Party and any other legal matters relating to the Loan Parties, the Loan Documents or the transactions contemplated thereby;
- (d) a certificate of status, compliance or like certificate for each Loan Party and Subsidiary from the appropriate Governmental Authority of the jurisdiction of incorporation or formation of such Person and each jurisdiction where it is required to qualify to do business, each dated not more than thirty (30) days prior to the Closing Date;
- (e) a certificate of a Responsible Officer of the Company, dated as of the Closing Date and attaching reasonably detailed calculations demonstrating pro forma compliance with the minimum Liquidity covenant set forth in Section 6.8(d) after giving effect to the Term Loans to be funded on the Closing Date;
- (f) an appropriately completed Perfection Certificate with respect to the Borrowers and the other Loan Parties, dated as of the Closing Date and duly executed by a Responsible Officer of the Borrowers;
- (g) one or more opinions of counsel to the Loan Parties, addressed to the Lender and dated the Closing Date, in form and substance satisfactory to the Lender (covering the jurisdiction of formation of each Loan Party, the jurisdiction of the governing law of each Loan Document and the jurisdiction in which any Farm Project Site is located, as applicable);
- (h) with respect to the Existing Bridge Indebtedness and any other Indebtedness or other obligations owing by the Loan Parties to any Exiting Lenders:
 - (i) evidence that all such Indebtedness has been, or as of the Closing Date will be, repaid in full in cash and all such obligations have been, or as of the Closing Date will be, terminated;

(ii) a payoff letter (accompanied by such other discharges, releases (including, without limitation, mortgage releases), terminations or other documents as the Lender may request in its sole discretion), in each case duly executed by the Exiting Lenders or their agent, as applicable, releasing effective as of the Closing Date all Liens on any assets of any Loan Parties or any Subsidiaries of any Loan Party granted in favor of the Exiting Lenders upon receipt of the payoff amount on the Closing Date and authorizing the Borrowers, the Lender or their respective designees to file UCC-3 termination statements and such other releases and terminations as necessary to terminate any and all such Liens;

(i) Lien searches with respect to the Loan Parties and any Subsidiary in scope satisfactory to the Lender and with results showing no Liens (other than Liens in favor of the Lender, other Permitted Liens and Liens authorized to be released on the Closing Date in accordance with Section 4.1(h)) and otherwise satisfactory to the Lender;

(j) UCC financing statements for each jurisdiction as is necessary, in the Lender's sole discretion, to perfect the Lender's security interest in the Collateral to the extent such Liens can be perfected by filing or recordation;

(k) an executed Account Control Agreement with respect to (i) the Interest Reserve Account and (ii) each other deposit, securities and commodity account of the Loan Parties (other than Excluded Accounts);

(l) a written consent, duly executed by Holdings and confirming that this Agreement, the other Loan Documents, the Term Loan Facility and the Liens created pursuant to any Loan Document to secure the Obligations are permitted under, and do not conflict with or contravene, the SPAC Merger Agreement;

(m) a disbursement letter, duly executed by the Borrowers and demonstrating, among other things, that the Interest Reserve Account shall be funded with the Minimum Interest Amount required on such date in accordance with Section 5.17;

(n) evidence from the Borrowers that all material governmental and third-party consents required to effectuate the transactions contemplated by the Loan Documents have been obtained;

(o) true, correct and complete copies of the Closing Date Warrant Agreement and all other Material Agreements then in effect (including, without limitation, to the extent not previously delivered to the Lender, all Farm Lease Agreements then in effect) of the Borrowers, the Guarantors and any Subsidiary, each of which shall be satisfactory to the Lender, together with such Collateral Assignments of such Material Agreements and acknowledgments by such counterparties as may be reasonably requested by the Lender in its sole discretion, duly executed by the parties thereto;

(p) at least five (5) Business Days prior to the Closing Date (or such shorter period as may be approved by the Lender in its sole discretion), completed background checks and such other documentation and information requested by (or on behalf of) the Lender, in each case satisfactory to the Lender, including information required by Lender to satisfy any "know your customer" requirements, including, without limitation, the Beneficial Ownership Certification;

(q) evidence that adequate liability, property, business interruption and builder's risk insurance required to be maintained under this Agreement is in full force and effect, in each case together with certificates naming the Lender as additional insured, mortgagee and lender's loss payee, as applicable, with respect to the Collateral and, in the case of any business interruption insurance, accompanied by an assignment of such business interruption insurance in favor of the Lender signed by the Loan Parties and the applicable insurer;

(r) payment of (i) all fees, costs and expenses then due and payable pursuant to Section 8.3 hereof, to the extent invoiced on or prior to the date hereof and (ii) payment of such fees as are set forth in the Fee Letter; and

(s) such financial statements, budgets, forecasts, projections and any other information or documents as the Lender reasonably requests.

Section 4.2 Additional Conditions to First Post-SPAC Subordinated Term Loan. In addition to, and without limiting, the conditions set forth in Sections 4.1 and 4.3, the obligation of the Lender to make the First Post-SPAC Subordinated Term Loan is subject to the Lender's receipt, on or prior to Subordinated Facility Post-SPAC Funding Date, of the following, each of which shall be in form and substance satisfactory to the Lender in its sole discretion:

(a) evidence of the consummation of the Qualified SPAC Transaction and the occurrence of the Qualified SPAC Transaction Effective Date (including, without limitation, in the form of copies of the relevant certificates of merger certified or recorded by the appropriate Governmental Authorities); and

(b) a certificate of a Responsible Officer of the Company, substantially in the form delivered to the Lender pursuant to Section 4.1(b) and, among other things, (i) certifying the Organizational Documents of the Company after giving effect to the Qualified SPAC Transaction and the occurrence of the Qualified SPAC Transaction Effective Date, and (ii) attaching true, correct, and complete copies of the SPAC Merger Agreement and all Ancillary Agreements (as defined in the SPAC Merger Agreement);

it being understood and agreed, for the avoidance of doubt, that the funding of the Closing Date Subordinated Loan shall not be subject to this Section 4.2.

Section 4.3 Additional Conditions to each Term Loan. In addition to, and without limiting, the conditions set forth in Sections 4.1, 4.2 and 4.4 (other than with respect to the funding of (x) the Closing Date Subordinated Loan, (y) the First Amendment Term Loan, which funding shall be subject only to the satisfaction of the conditions in Section 4.4, and (z) a Term Loan pursuant to Section 5.17(b), which such funding shall be limited to Section 4.1 above, Section 4.4 below and to clauses (a), (b), (c) and (d) of this Section 4.3), and subject to the last paragraph of this Section 4.3, the obligation of the Lender to make any Term Loan hereunder is subject to the satisfaction (or waiver by the Lender in its sole discretion) of the following additional conditions precedent on or before the date of such Term Loan, each of which shall be in form and substance satisfactory to the Lender:

(a) the representations and warranties set forth in this Agreement and the other Loan Documents shall be true and correct in all material respects (or, in the case of any such representation or warranty already qualified by materiality, in all respects) on and as of the date of such Term Loan;

(b) no Default or Event of Default shall have occurred and be continuing or would result from such Term Loan or from the application of proceeds thereof;

(c) the Borrowers shall have delivered to the Lender an appropriately completed and duly executed Loan Request for each Term Loan requested to be made pursuant to this Agreement;

(d) the Lender shall have received evidence that, concurrently with the funding of each Term Loan requested hereunder, (x) an equity or capital contribution is made by the Borrowers, and (y) until the Term Loan Facility hereunder is fully advanced, a loan is also funded under the Senior Credit Agreement, in each case in accordance with Section 6.8(e);

(e) to the extent the proceeds of a requested Term Loan are to be used for the first payment of Project Costs in respect of a Farm Project, the Lender shall have received, on or prior to the date of such Term Loan:

(i) each of the items set forth in Section 5.15 with respect to the Farm Project Site where the Farm Project being funded by the applicable Term Loan is to be located (including, without limitation, Mortgages, insurance (including title insurance and flood insurance) documentation, surveys, appraisals and environmental assessment, in each case complying with Section 5.15); and

(ii) such financial statements, budgets, forecasts, projections (including projected draw schedules) or other information or documents with respect to such Farm Project as the Lender reasonably requests, in each case in form and substance satisfactory to the Lender;

(f) the Lender and the Disbursing Agent shall have received all items required under the Disbursing Agreement in connection with such Term Loan;

(g) the Lender shall have received a copy of each Material Project Document and each other Material Agreement then in effect (including, without limitation, each Farm Lease Agreement) not previously delivered to the Lender, together with a Collateral Assignment of the same (to the extent such Collateral Assignment (or any consent or acknowledgment thereof) is required or requested in accordance with the definition of "Collateral Assignment");

(h) the Lender shall have received a certificate of a Responsible Officer of the Company, in the form of Exhibit D attached hereto, certifying, as of the date of such Term Loan, that:

(i) after giving effect to such Term Loan, (A) such Term Loan, together with any loan under the Senior Credit Agreement made concurrently with such Term Loan (if any), shall constitute not more than 75% of the Project Costs in respect of which such Term Loan is requested, and (B) the Borrowers will be in compliance with the capital stacking covenant set forth in Section 6.8(e), and attaching thereto reasonably detailed calculations demonstrating each of the foregoing;

(ii) each Material Project Document delivered to the Lender as of such date is a true, correct and complete copy of the same;

(iii) each Material Project Document is in full force and effect and, to the best knowledge of the Company, no default or event of default has occurred thereunder;

(iv) all Project Licenses and any other governmental and third-party consents, permits and approvals with respect to each Farm Project that are required as of such date have been duly obtained, validly issued and are in full force and effect, not subject to any appellate, judicial or administrative proceeding or to any unsatisfied condition that may allow material modification or revocation, and no material violation thereof shall have occurred;

(v) such Term Loan shall not be used to pay for materials or equipment for a Farm Project unless (x) such materials or equipment have been incorporated into such Farm Project or have been delivered to the applicable Farm Project Site for later incorporation into such Farm Project and stored at the applicable Farm Project Site or (y) such Term Loan shall be used to fund deposits or scheduled payments required pursuant to any Project Documents prior to work being commenced or materials or equipment being delivered to or incorporated into the such Farm Project;

(vi) the development of each Farm Project is substantially proceeding in the manner provided for in the Project Documents relating thereto;

(vii) the aggregate amount of the Project Costs paid (and remaining to be paid) with respect to each Farm Project does not exceed the Initial Construction Budget applicable to such Farm Project; provided, notwithstanding the foregoing, the aggregate amount of the Project Costs paid (and remaining to be paid) with respect to each Farm Project may exceed the Initial Construction Budget applicable to such Farm Project by an amount not to exceed 5% of such Initial Construction Budget, but only so long as, on or prior to the date of the requested Term Loan, (A) (x) such excess amount is funded by cash contributions from the Borrowers in compliance with Section 6.8(d) or an irrevocable capital cash contribution from Holdings to the Borrowers, and (y) the Borrowers have fully paid such excess Projects Costs from the proceeds of such contributions, and (B) the Borrowers deliver to the Lender reasonably satisfactory evidence of the foregoing;

(viii) as of the date of such certificate, and after giving effect to the requested Term Loan, the unadvanced amounts under both the Term Loan Facility and the Senior Credit Agreement (determined in accordance with the capital stacking requirements set forth in Section 6.8(e)) and Unrestricted Cash of the Borrowers (including Unrestricted Cash contributed to the Borrowers by Holdings) are sufficient to pay all Project Costs required in order to achieve the Completion of each Farm Project on or prior to the Completion Deadline applicable to such Farm Project;

(ix) the Final Completion Date of each Farm Project can reasonably be expected to occur on or prior to the Completion Deadline applicable to such Farm Project;

(i) the Lender shall have received an updated Project Status Report, Construction Budget and Construction Schedule with respect to each Farm Project;

(j) the Lender shall have received (i) a current sworn construction cost statement of the Company in form reasonably acceptable to the Lender, (ii) a current sworn construction cost statement of each Material Project Contractor in form reasonably acceptable to the Lender, and (iii) copies of invoices, bills, statements or bills of sale representing the Project Costs to be paid from proceeds of the requested Term Loan;

(k) to the extent permitted under Applicable Law, the Lender shall have received Lien waivers and releases, conditioned only upon receipt of payment, duly executed by each Person (other than an Excluded Contractor or Subcontractor) being paid from the proceeds of the requested Term Loan who may have or may be entitled to have a Lien pursuant to Applicable Law or agreement;

(l) the Lender shall have received unconditional Lien waivers and releases, duly executed by each Person (other than an Excluded Contractor or Subcontractor) paid from proceeds of all prior Term Loans who may have or may be entitled to have a Lien pursuant to Applicable Law or agreement, to the extent not previously delivered to the Lender;

(m) no stop notice with respect to any Farm Project shall have been delivered to the Company or any other Loan Party, unless the Company has filed a release bond with respect thereto in accordance with the requirements of Law in the state where the Farm Project Site is located;

(n) if required by the Lender, the Lender shall have received a certificate from the Project Consultant, duly executed by the Project Consultant and dated not earlier than five (5) Business Days prior to the date of the requested Term Loan, certifying as follows: (i) the Project Consultant has reviewed the Project Status Report, Construction Budget, and Construction Schedule applicable to each Farm Project, (ii) the Project Consultant recommends payment of the Project Costs that the Borrowers intend to pay with proceeds of such requested Term Loan, (iii) the development of each Farm Project is substantially proceeding in the manner provided for in the Project Documents relating thereto, (iv) the aggregate amount of the Project Costs paid (and remaining to be paid) with respect to each Farm Project does not exceed the Initial Construction Budget applicable to such Farm Project (provided that the aggregate amount of the Project Costs paid (and remaining to be paid) with respect to each Farm Project may exceed the Initial Construction Budget applicable to such Farm Project by an amount not to exceed 5% of such Initial Construction Budget, but only so long as, on or prior to the date of such certificate, (A) (x) such excess amount is funded by cash contributions from the Borrowers in compliance with Section 6.8(d) or an irrevocable capital cash contribution from Holdings to the Borrowers, and (y) the Borrowers have fully paid such excess Projects Costs from the proceeds of such contributions, and (B) the Borrowers deliver to the Lender reasonably satisfactory evidence of the foregoing), (v) as of the date of such certificate, and after giving effect to the requested Term Loan, the unadvanced amounts under both the Term Loan Facility and the Senior Credit Agreement (determined in accordance with the capital stacking requirements set forth in Section 6.8(e) and Unrestricted Cash of the Borrowers (including Unrestricted Cash contributed to the Borrowers by Holdings) are sufficient to pay all Project Costs required in order to achieve Completion of each Farm Project on or prior to the Completion Deadline applicable to such Farm Project, and (vi) the Final Completion Date of each Farm Project can reasonably be expected to occur on or prior to the Completion Deadline applicable to such Farm Project;

(o) to the extent requested by the Lender, the Lender shall have received payment and performance bonds in the amount of the GC Contract with the General Contractor with

respect to a Farm Project (which, to the extent approved by the Lender in writing in its reasonable discretion, may be in the form of payment and performance bonds issued by applicable subcontractors), together with a dual obligee rider in favor of the Lender, in each case in form and substance acceptable to the Lender;

(p) to the extent not previously delivered, the Borrowers shall have delivered to the Lender evidence of the insurance required by Section 5.18(d);

(q) the Lender shall have received such bring-down certificates, searches, an endorsement to the title insurance policy issued to the Lender covering the date of such Term Loan and increasing the amount of Lender's insurance coverage by the amount of such Term Loan disbursed and date down the coverage for mechanics' liens with the ALTA 33-06 Construction Disbursement Endorsement; and

(r) if the requested Term Loan is for the last disbursement necessary to Complete a Farm Project, the Lender shall have received (i) a certification from the Company and the Project Consultant that the improvements on such Farm Project will, after application of the proceeds of such Term Loan, be Complete and (ii) the applicable title insurance company shall be committed to issue to the Lender such endorsements as the Lender may reasonably require, to be issued by such title insurance company subsequent to the expiration of the period during which any Lien for labor, services or materials may be validly recorded against such Farm Project or such other endorsements to the Lender's title insurance policy as the Lender may reasonably require which shall insure that such Farm Project improvements have been completed free of all mechanics' and materialmen's Liens or claims and other Liens, other than Liens expressly permitted under the Mortgage applicable to such Farm Project).

Notwithstanding anything to the contrary herein, to the extent any Term Loan is requested after the First Amendment Funding Date to pay for Project Costs in respect of any Farm or Farm Project other than a Farm or Farm Project located at the Montana Property or any Paragon Property, such Term Loan may be made at the Lender's sole and absolute discretion, with no obligation whatsoever by the Lender to make such Term Loan.

Section 4.4 Conditions to First Amendment Term Loan. The obligation of the Lender to make the First Amendment Term Loan is subject to the Lender's receipt, on or prior to the Paragon Acquisition Effective Date, of the following:

(a) a certificate of a Responsible Officer of the Company, dated as of the Paragon Acquisition Effective Date and:

(i) certifying that:

(A) the Specified Representations shall be true and correct in all material respects (or, in the case of any such representation or warranty already qualified by materiality, in all respects) on and as of the Paragon Acquisition Effective Date;

(B) no Specified Event of Default shall have occurred and be continuing or would result from the First Amendment Term Loan or from the application of proceeds thereof;

(C) no Paragon Purchase Document has been amended, restated, supplemented or otherwise modified since the First Amendment Effective Date, in a manner that would be materially adverse to the Lender (it being understood and agreed that any amendment, change or other modification to the purchase price or any component thereof under any Paragon Purchase Document (including, without limitation, any such amendment, change or other modification to the Parent Share Value (as defined in the Paragon California PSA)) shall be deemed materially adverse to the Lender (other than (x) any decrease in the Aggregate Paragon Consideration of not more than 5% (whether such reduction is in non-cash consideration or cash consideration), provided that any such reduction in cash consideration is automatically accompanied by a dollar-for-dollar reduction, on a pro rata basis, of the Term Loan Amount (as defined in the Subordinated Credit Agreement) and the Term Loan Amount, and (y) any increase to the Aggregate Paragon Consideration of not more than 5% so long as such increase represents additional non-cash consideration or cash consideration not consisting of additional First Amendment Term Loans or First Amendment Term Loans (as defined in the Subordinated Credit Agreement)), unless approved in writing by the Lender, and the transactions contemplated under each Paragon Purchase Agreement shall have been consummated in accordance with the terms of the applicable Paragon Purchase Documents;

(D) the Specified Purchase Agreement Representations shall be true and correct in all material respects (or, in the case of any such representation or warranty already qualified by materiality, in all respects);

(E) all governmental and third-party consents expressly required as conditions to consummation of the transactions pursuant to Section 7.02(e)(x) of the Paragon California PSA have been obtained (and not waived); and

(F) since the First Amendment Effective Date, no Paragon Material Adverse Effect shall have occurred and be continuing; and

(ii) attaching reasonably detailed calculations demonstrating that the sum of the First Amendment Term Loan and the First Amendment Term Loan (as defined in the Senior Credit Agreement) to be made on the Paragon Acquisition Effective Date constitutes not more than 70% of the Aggregate Paragon Consideration;

(b) an appropriately completed Loan Request for the First Amendment Term Loan, duly executed by the Borrowers;

(c) a disbursement letter, demonstrating, among other things, that the Interest Reserve Account shall, as of the date of the First Amendment Term Loan, be funded in cash with the Minimum Interest Amount required on such date, duly executed by the Borrowers;

(d) [reserved];

(e) with respect to the ESOP (as defined Paragon California PSA): (A) a copy of the amendment to the ESOP in accordance with the provisions set forth in Section 6.20(a) of the Paragon California PSA (and providing, among other things, for termination of the ESOP effective as of the Paragon Acquisition Effective Date), accompanied by appropriate resolutions

of the ESOP authorizing the same; (B) evidence that the ESOP Loan Receivable (as defined Paragon California PSA) is, as of the Paragon Acquisition Effective Date, canceled or paid in full, and all shares held in the “suspense account” of the ESOP Share Seller are, as of the Paragon Acquisition Effective Date and after accounting for all contributions and loan payments that are made prior to or coincident with the Paragon Acquisition Effective Date, either cancelled or allocated to ESOP participants or surrendered to Paragon (or some combination thereof); (C) a copy of the certificate delivered by the trustee of the ESOP to the Company complying with the requirements set forth in Section 7.02(e)(ix) of the Paragon California PSA; and (D) a copy of the Fairness Opinion (as defined in the Paragon California PSA) delivered to the Company in accordance with Section 7.02(e)(xii) of the Paragon California PSA;

(f) the First Amendment Funding Date shall not occur prior to April 1, 2022 or after May 20, 2022;

(g) a certificate of status, compliance or like certificate for each Loan Party and Subsidiary (including each First Amendment Joinder Party) from the appropriate Governmental Authority of the jurisdiction of incorporation or formation of such Person, each dated not more than thirty (30) days prior to the Paragon Acquisition Effective Date;

(h) an appropriately completed and duly executed Perfection Certificate with respect to the Loan Parties (including the First Amendment Joinder Parties);

(i) each of the following documents:

(i) a Joinder Agreement, duly executed and delivered by each First Amendment Joinder Party;

(ii) to the extent that any of the Equity Interests of the First Amendment Joinder Parties are evidenced by one or more certificates, the originals of such certificates, together with undated stock or other transfer powers executed in blank by the applicable Loan Party that will acquire such Equity Interests on the Paragon Acquisition Effective Date (provided that any such certificates will be required to be delivered on the First Amendment Funding Date only to the extent available to the Borrowers after use of commercially reasonable efforts (without undue burden or expense));

(iii) UCC financing statements for filing in the jurisdiction of formation of each First Amendment Joinder Party, in a form sufficient to perfect the security interest of the Lender in the Collateral of the First Amendment Joinder Parties to the extent such Liens can be perfected by filing or recordation UCC financing statements in the jurisdiction of formation of each First Amendment Joinder Party;

(iv) trademark, patent and copyright security agreements, duly executed by the applicable First Amendment Joinder Parties and in appropriate form for recordation or registration with the applicable intellectual property office;

(v) customary opinions of counsel to the Loan Parties with respect to the authorization, execution and delivery by the Loan Parties of the Loan Documents (including by the First Amendment Joinder Parties of the Joinder Agreement referenced in clause (i) above), enforceability of the Loan Documents (including the Joinder Agreement) and the creation and perfection of the Liens on the applicable assets of the Loan Parties (including the First Amendment Joinder Parties);

(vi) a certificate of a Responsible Officer of each First Amendment Joinder Party, attaching (A) the Organizational Documents of such First Amendment Joinder Party, (B) resolutions or other action of the Governing Board of such First Amendment Joinder Party approving the transactions and other matters contemplated by the Loan Documents to which it is a party, and (C) an incumbency certificate evidencing the identity, authority and capacity of each Responsible Officer of such First Amendment Joinder Party authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which it is a party; and

(vii) a Term Loan Note, payable to the order of the Lender, duly executed by the Borrowers and amending and restating (without novating) the Term Loan Note of the Lender in effect immediately prior to the First Amendment Funding Date;

(j) with respect to any Indebtedness or other obligations (other than Permitted Indebtedness) owing by the First Amendment Joinder Parties as of the Paragon Acquisition Effective Date:

(i) evidence that all such Indebtedness has been, or as of the Paragon Acquisition Effective Date will be, repaid in full in cash and all such obligations have been, or as of the date hereof will be, terminated; and

(ii) (1) payoff letters (accompanied by such other discharges, releases (including, without limitation, mortgage releases), terminations or other documents), in each case duly executed by the holders of such Closing Pay-Off Indebtedness (as defined in the Paragon California PSA as in effect on the date hereof), releasing automatically upon the repayment in full of such Indebtedness on the Paragon Acquisition Effective Date all Liens on any assets of any First Amendment Joinder Party and authorizing the Borrowers, the Lender or their respective designees to file UCC-3 termination statements and such other releases and terminations as necessary to terminate any and all such Liens, and (2) the Pay-Off Letters in the forms attached as Exhibit F-1 and Exhibit F-2 to the Paragon California PSA as in effect on the date hereof (accompanied by such other discharges, releases, terminations or other documents required to be delivered under such Pay-Off Letters), duly executed by the parties thereto;

(k) (i) repayment of all indebtedness outstanding under, and termination of, (1) the Amended and Restated Master Lease Agreement dated as of April 30, 2021 between STORE Master Funding XVIII, LLC and Hollandia Real Estate, LLC, (2) the Amended and Restated Mortgage Loan Agreement, dated as of March 4, 2021, by and between Hollandia Real Estate LLC and Store Capital Acquisitions, LLC, (3) the Disbursement Agreement dated as of April 30, 2021 between STORE Capital Acquisitions, LLC and Hollandia Real Estate, LLC, (4) the Amended and Restated Unconditional Guaranty of Payment and Performance dated as of April 30, 2021 by Paragon for the benefit of STORE Master Funding XVIII, LLC, and (5) the Unconditional Guaranty of Payment and Performance dated as of June 30, 2020 by Paragon for the benefit of STORE Capital Acquisitions, LLC, and (ii) release of (1) all Liens granted by any Paragon Entity in favor of STORE Master Funding XVIII, LLC and its Affiliates, and all Liens granted by STORE Master Funding XVIII, LLC on any Paragon Property, (2) all Liens granted by any Paragon Entity in favor of STORE Capital Acquisitions, LLC and its Affiliates, and all Liens granted by STORE Capital Acquisitions, LLC on any Paragon Property;

(l) [reserved];

(m) at least three (3) Business Days prior to the date of the First Amendment Term Loan (or such shorter period as may be approved by the Lender in its sole discretion), completed background checks and such other documentation and information requested by (or on behalf of) the Lender, in each case satisfactory to the Lender, including information required to satisfy any “know your customer” requirements, including, without limitation, any Beneficial Ownership Certification if any Borrower is a “legal entity customer” under the Beneficial Ownership Regulation;

(n) payment of (i) all fees, costs and expenses then due and payable pursuant to Section 8.3, to the extent invoiced on or prior to the Paragon Acquisition Effective Date, and (ii) such fees or payment or issuance of such other consideration as are set forth in the First Amendment Fee Letter; and

(o) payment in immediately available funds of all accrued and unpaid interest on the Term Loan outstanding immediately prior to the Paragon Acquisition Effective Date, and funding in immediately available funds of the Interest Reserve Account in an amount equal to or greater than the Minimum Interest Amount.

ARTICLE V AFFIRMATIVE COVENANTS

The Borrowers covenant and agree with the Lender that, until all Obligations shall have been Paid in Full:

Section 5.1 Financial Statements. The Borrowers will furnish to the Lender:

(a) as soon as available, and in any event within 120 days after the end of each Fiscal Year, audited financial statements of Holdings and its Subsidiaries consisting of a consolidated balance sheet of Holdings and its Subsidiaries as at the end of such Fiscal Year and the related consolidated statements of income or operations, shareholders’ equity and cash flows for such Fiscal Year, setting forth in each case in comparative form the figures for the previous Fiscal Year, prepared by independent public accountants of nationally or regionally recognized standing (or other firm of independent public accountants reasonably acceptable to the Lender, it being agreed and acknowledged that each of RSM US LLP and WithumSmith+Brown, P.C. is acceptable to the Lender) in accordance with generally accepted auditing standards (and, except for the Permitted Going Concern Qualification (if any), shall not be subject to any “going concern” or like qualification, exception or explanatory paragraph), certified by a Financial Officer of the Company as fairly presenting in all material respects the financial condition, results of operations, shareholders’ equity and cash flows of Holdings and its Subsidiaries in accordance with GAAP consistently applied, together with a management discussion and analysis of such financial statements; and

(b) as soon as available, but in any event within 60 days after the end of each calendar quarter, commencing with the calendar quarter ending September 30, 2021, a consolidated balance sheet of Holdings and its Subsidiaries as at the end of such calendar quarter, the related consolidated statements of income or operations, shareholders’ equity and cash flows for such calendar quarter and for the portion of Holdings’ Fiscal Year then ended, in each case setting forth in comparative form the year-to-date period of the current Fiscal Year as compared to the corresponding portion of the previous Fiscal Year, certified by a Financial Officer of the Company as fairly presenting in all material respects the financial condition, results of operations,

shareholders' equity and cash flows of Holdings and its Subsidiaries in accordance with GAAP consistently applied, subject only to normal year-end adjustments and the absence of footnotes.

(c) Notwithstanding anything in this Section 5.1 to the contrary, commencing after the Qualified SPAC Transaction Effective Date, (i) any financial statements required to be delivered pursuant to this Section 5.1 shall be financial statements of the Consolidated Group and (ii) the obligations in clauses (a) and (b) of this Section 5.1 may be satisfied with respect to financial information of the Consolidated Group by furnishing (A) the applicable financial statements of the Consolidated Group to the Lender or (B) the Form 10-K, 10-Q or 8-K, as applicable, of the Consolidated Group, filed with the SEC. Documents required to be delivered pursuant to Sections 5.1(a) and (b) and Section 5.2(d) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the earliest date on which (x) Holdings or the Company provides a link thereto on Holdings' or the Company's website on the Internet, (y) such documents are posted on Holdings' or the Company's behalf on IntraLinks/IntraAgency or another website, if any, to which the Lender has access (whether a commercial, third-party website or whether sponsored by the Lender), or (z) such financial statements and/or other documents are posted on the SEC's website on the Internet at www.sec.gov.

Section 5.2 Certificates; Other Information. The Borrowers will deliver, or cause to be delivered, to the Lender:

(a) (i) concurrently with the delivery of the financial statements referred to in Sections 5.1(a) and (b), a duly completed Compliance Certificate signed by a Responsible Officer of the Company (x) certifying as to whether a Default or Event of Default has occurred and, if a Default or Event of Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto and (y) setting forth reasonably detailed calculations demonstrating compliance with the covenants set forth in Sections 6.8(a), (b), (c), (d), (e), (g) and (h); and

(ii) not later than 20 days after the end of each calendar month (commencing with the calendar month ending January 31, 2023), a duly completed Capital Expenditures Compliance Certificate signed by a Responsible Officer of the Company setting forth reasonably detailed calculations demonstrating compliance with the covenant set forth in Section 6.8(f) as of the last day of such month;

(b) promptly following request therefor, copies of any detailed audit reports, management letters or recommendations submitted to the Governing Board (or the audit committee of the Governing Board) of any Loan Party or Subsidiary by independent accountants in connection with the accounts or books of such Loan Party or Subsidiary, or any audit of any of them as the Lender may from time to time reasonably request;

(c) as soon as practicable and in any event before the beginning of each Fiscal Year, the projected balance sheets, income statements, capital expenditures budget and cash flow statements for the Consolidated Group, on a consolidated basis, for each month of the next Fiscal Year, each in reasonable detail, representing the good faith projections of the Consolidated Group for each such month, and certified by a Financial Officer of the Company as being the projections upon which the Consolidated Group relies, together with such supporting schedules and information as the Lender from time to time may reasonably request;

(d) promptly after receipt or furnishing thereof, copies of each annual report, proxy or financial statement or other report or communication sent to the shareholders of any Loan Party or Subsidiary, and copies of all annual, regular, periodic and special reports and registration statements that such Loan Party or Subsidiary may file or be required to file with the SEC or with any national securities exchange, and not otherwise required to be delivered pursuant hereto;

(e) promptly after receipt thereof by any Loan Party or Subsidiary, copies of each notice or other correspondence received from the SEC (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation or other similar inquiry by such agency regarding financial or other operational results of such Loan Party or Subsidiary thereof;

(f) promptly after the occurrence thereof, notice of any change in the information provided in the Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified in such certification; provided, that following the Qualified SPAC Transaction Effective Date, such notice shall only be required to the extent Holdings or any other Loan Party is a “legal entity customer” under the Beneficial Ownership Regulation;

(g) promptly upon execution thereof, a true, correct and complete copy of each Material Agreement, or any amendment thereto, entered into after the Closing Date;

(h) promptly after the furnishing thereof, copies of any material request, report or notice received by any Loan Party or any Subsidiary, or any material statement or report furnished by any Loan Party or any Subsidiary pursuant to the terms of any Material Agreement (including, without limitation, the SPAC Merger Agreement and any STORE Document);

(i) with respect to each Farm Project:

(i) as soon as practicable and in any event at least thirty (30) days before commencing construction of any new Farm or Farm Project or closing upon the acquisition of any interest in real property with respect thereto, written notice thereof;

(ii) as soon as available and in any event within thirty (30) days after the end of each fiscal month of the Company, a Project Status Report and Construction Budget with respect to such Farm Project, in each case certified by the Project Consultant;

(iii) promptly upon receipt, a copy of any Farm Project Site visit report or other reviews or notices issued by any Governmental Authority, including, without limitation, EPA or USDA;

(iv) promptly upon receipt, a copy of each material report delivered to a Loan Party by any Person pursuant to a Material Project Document;

(v) copies of all material notices sent or received by any Loan Party with respect to such Farm Project; and

(vi) promptly after any officer of any Loan Party has knowledge of any material delays in the construction of such Farm Project or if the Project Costs applicable to such Farm Project at any time exceed the Initial Construction Budget applicable to such Farm Project, a certificate signed by a Responsible Officer of the Company setting

forth the details with respect thereto and the action that the Company proposes to take with respect thereto;

(j) promptly after delivery or receipt thereof by any Loan Party or any Subsidiary, (i) a copy of Paragon's application to the U.S. Internal Revenue Service requesting a favorable determination with respect to the ESOP amendments and the termination of the ESOP described in Section 6.20(a) of the Paragon California PSA, and copies of the U.S. Internal Revenue Service's approvals or responses to the same, and (ii) copies of any material notices, reports or certificates delivered in connection with the Paragon Purchase Documents (it being understood and agreed, without limiting any of the foregoing, that any notices, reports or certificates delivered pursuant to or in connection with any purchase-price adjustment under any Paragon Purchase Agreement shall be material);

(k) as soon as available, but in any event at least 30 days prior to the commencement of each Fiscal Year, an updated Projected Production Model; and

(l) promptly following any request therefor, such other information, notices, meeting minutes, consents and other materials regarding the operations, business, properties, liabilities (actual or contingent), condition (financial or otherwise) or prospects of any Loan Party or Subsidiary, or compliance with the terms of the Loan Documents, as the Lender may from time to time reasonably request.

Section 5.3 Notices. The Borrowers will promptly notify the Lender of:

(a) in any event within two (2) Business Days thereof, the occurrence of any Default or Event of Default;

(b) the consummation of the Qualified SPAC Transaction and the occurrence of the Qualified SPAC Transaction Effective Date;

(c) the filing or commencement of any action, claim, suit, injunction, arbitration, settlement, investigation or proceeding by or before any arbitrator or Governmental Authority against or affecting any Loan Party, any Subsidiary or any Affiliate thereof, which, if adversely determined, could reasonably be expected to give rise to liability in excess of \$2,000,000;

(d) any labor dispute or any noncompliance by any Loan Party or Subsidiary with Applicable Law (other than Environmental Law) or any permit, approval, license or other authorization, which, if adversely determined, could reasonably be expected to give rise to liability in excess of \$2,000,000;

(e) any action arising under any Environmental Law or any noncompliance by any Loan Party or Subsidiary with any Environmental Law, which, if adversely determined, could reasonably be expected to give rise to liability in excess of \$1,000,000;

(f) the discovery of any Hazardous Materials or of any Release from or upon any Farm Project Site, the Montana Property or any other land or property owned (either individually or jointly), operated or controlled by any Loan Party or Subsidiary, which, individually or in the aggregate, could reasonably be expected to give rise to liability in excess of \$1,000,000;

- (g) any damage to or destruction of any property of the Loan Parties (or any of their Subsidiaries) which, either individually or in the aggregate, could reasonably be expected to give rise to a claim for insurance monies in excess of \$2,000,000;
- (h) any material change in accounting or financial reporting practices by any Loan Party or any Subsidiary;
- (i) any material breach or non-performance of, or any material default under, any Material Agreement;
- (j) any cessation or material delay in the construction of any Farm Project, in each case accompanied by a reasonably detailed report or certificate of the Borrowers explaining whether or not such cessation or delay is expected to have a Material Adverse Effect; and
- (k) any matter or development that has had or could reasonably be expected to have a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Responsible Officer of the Company setting forth the details of the occurrence requiring such notice and stating what action the Company has taken and proposes to take with respect thereto.

Section 5.4 Preservation of Existence, Etc. Each Borrower will, and will cause each other Loan Party and Subsidiary to, (a) preserve, renew and maintain in full force and effect its legal existence and good standing under the Laws of the jurisdiction of its organization and under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license; (b) take all reasonable action to maintain all material rights, licenses, permits, bonding arrangements, privileges and franchises necessary in the normal conduct of its business; and (c) preserve or renew all of its registered patents, trademarks, trade names and service marks, the non-preservation of which, in the case of this clause (c), could reasonably be expected to have a Material Adverse Effect.

Section 5.5 Maintenance of Properties.

(a) Each Borrower will, and will cause each other Loan Party and Subsidiary to, (i) maintain, preserve and protect all of its properties and equipment material to the operation of its business (including, without limitation, each Farm) in good working order and condition (ordinary wear and tear excepted), and operate each Farm, in each case in accordance in all material respects with prudent industry practice and applicable Contractual Obligations and (ii) make all necessary repairs thereto and renewals and replacements thereof.

(b) The sole owner of all assets with respect to each Farm Project (including, without limitation, each Farm and all Project Documents and Project Licenses relating to such Farm Project, whether now existing or hereafter arising, but excluding, following satisfaction of the STORE Sale-Leaseback Conditions, any Farm or Farm Project owned by the STORE Sale-Leaseback Buyer pursuant to the STORE Documents), is, and at all times will continue to be, a Loan Party.

Section 5.6 Maintenance of Insurance. The Borrowers will, and will cause each other Loan Party and Subsidiary to, maintain with financially sound and reputable insurance companies, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business (including fire, extended coverage, workers'

compensation, public liability, property damage, business interruption and, with respect to each Farm Project, builder's risk insurance) and against other risks (including errors and omissions) and in such amounts as are customarily carried under similar circumstances by such Persons. Such insurance policies shall contain (a) with respect to any general liability insurance policy, an additional insured special endorsement and (b) with respect to any property insurance policy, a mortgagee and a lender's loss payee special endorsement, in each case in form and substance satisfactory to the Lender naming the Lender as additional insured, mortgagee and lender's loss payee, as applicable, on a primary, non-contributory basis, waiving subrogation, and providing the Lender with notice of cancellation acceptable to the Lender. Without limiting the foregoing, the Borrowers will, and will cause each other Loan Party to, to the extent required under Flood Laws, obtain and maintain flood insurance for such structures and contents constituting Collateral located in a flood hazard zone, in such amounts as similar structures and contents are insured by prudent companies in similar circumstances carrying on similar businesses and otherwise satisfactory to the Lender.

Section 5.7 Payment of Obligations. The Borrowers will, and will cause each other Loan Party and Subsidiary to, pay, discharge or otherwise satisfy as the same shall become due and payable (i) all of its material Tax liabilities and remittances and other obligations owing to any Governmental Authority and (ii) all of its material other obligations, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings diligently conducted and the Borrowers or such Loan Party or Subsidiary has set aside on its books adequate reserves with respect thereto to the extent required by GAAP, and (b) no foreclosure or similar proceedings have been commenced or notice of Liens filed with respect thereto.

Section 5.8 Compliance with Laws. The Borrowers will, and will cause each other Loan Party and Subsidiary to, comply with the requirements of all Laws (including, without limitation, all Applicable Food and Feed Safety Laws) and all orders, writs, injunctions and decrees applicable to it or to its business or property, except where the failure to do so, either individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. The Borrowers shall, and, where applicable, shall cause each of their Affiliates (including any ERISA Affiliates) to, maintain each Plan in compliance with all applicable requirements of Law ERISA and the Code, except where the failure to do so could not be reasonably expected to result in a Material Adverse Effect.

Section 5.9 Environmental Matters. Except to the extent that the failure to do so could not reasonably be expected to have, individually or in the aggregate, liability (including any Environmental Liability) in excess of \$2,000,000 or a Material Adverse Effect, the Borrowers will, and will cause each other Loan Party and Subsidiary to, (a) comply with all Environmental Laws, (b) obtain, maintain in full force and effect and comply with any Licenses or other approvals (including any Project Licenses) required for the facilities or operations of the Borrowers, any other Loan Party or Subsidiary, and (c) conduct and complete any investigation, study, sampling or testing, and undertake any corrective, cleanup, removal, response, remedial or other action necessary to identify, report, remove and clean up all Hazardous Materials present or released at, on, in, under or from any of the facilities or real properties of the Borrowers, any other Loan Party or Subsidiary.

Section 5.10 Books and Records. Each Borrower will, and will cause each other Loan Party and Subsidiary to, maintain proper books of record and account, in which entries shall be made of all financial transactions and matters involving the assets and business of such Borrower, other Loan Party or Subsidiary, as the case may be, that are true, complete and correct in all material respects and prepared in conformity with GAAP in all material respects.

Section 5.11 Inspection Rights. Each Borrower will, and will cause each other Loan Party and Subsidiary to, permit representatives and independent contractors of the Lender and the Project Consultant to visit and inspect any of its properties (including, but not limited to, examination and inspection of (i) any Farm Project Site and the Montana Property and (ii) the production of produce and other inventory at any Farm or Farm Project), to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its owners, directors, officers, and independent public accountants, all at the reasonable expense of the Borrowers; provided that, if no Event of Default has occurred and is continuing, (x) the Lender shall not request, and shall not be permitted to receive, reimbursement from the Borrowers for more than one visit and inspection in any Fiscal Year and (y) the Lender will provide the Borrowers with at least five (5) days' prior notice of each visit and inspection (or such shorter period acceptable to the Borrowers in their sole discretion).

Section 5.12 Use of Proceeds. The Borrowers will, and will cause each other Loan Party and Subsidiary to, use the proceeds of:

(a) the Closing Date Subordinated Loan (i) to fund or otherwise remit cash to the Interest Reserve Account in accordance with Section 5.17, (ii) to pay the reasonable costs and expenses of the Loan Parties with respect to the closing of the transactions effected by this Agreement and by the Senior Credit Agreement, (iii) to pay the fees set forth in the Fee Letter dated as of the Closing Date among the Borrowers and the Lender, and (iv) to repay the Existing Bridge Indebtedness;

(b) the First Amendment Term Loan (i) to pay the costs and expenses of the Loan Parties with respect to the transactions effected by this Agreement and by the Senior Credit Agreement, (ii) to pay the fees set forth in the First Amendment Fee Letter, and (iii) to finance the Paragon Acquisition; provided, that in no event shall the aggregate portions of the First Amendment Term Loan and the First Amendment Term Loan (as defined in the Senior Credit Agreement) used for the purpose set forth in this clause (iii) exceed \$103,000,000; and

(c) any other Term Loan (i) to fund the Interest Reserve Account as a result of an IRA Shortfall in accordance with Section 5.17, (ii) to pay Project Costs applicable to a Farm Project, and (iii) for working capital related to the operation of a Farm Project or Farm,

in each case not in contravention of any Law or of any Loan Document. Notwithstanding the foregoing or anything herein to the contrary, however, no Term Loan will be used to finance (1) dual use goods (i.e., products and technologies which may have military applications), (2) tobacco products, (3) extraction of thermal coal, and/or (4) business activities which are not aligned with the principles of the New York Declaration on Forests (2014) (<https://forestdeclaration.org/about>).

Section 5.13 Sanctions and Anti-Terrorism Laws; Anti-Corruption Laws. The Borrowers will, and will cause each other Loan Party and Subsidiary to, maintain in effect policies and procedures designed to promote compliance by the Loan Parties and Subsidiaries, and their respective directors, officers, employees, and agents with applicable Sanctions and Anti-Terrorism Laws and applicable Anti-Corruption Laws.

Section 5.14 Additional Subsidiaries; Holdings as Guarantor.

(a) Promptly after (i) the creation or acquisition of any Subsidiary of Holdings or any other Loan Party (including, without limitation, any Subsidiary formed by merger, amalgamation,

consolidation, division under the Delaware Code or otherwise), in each case other than an Excluded Subsidiary, or (ii) any existing Excluded Subsidiary ceases to be an Excluded Subsidiary (and, in any event, within ten (10) days after each event described in the preceding clauses (i) or (ii) and without limiting Section 6.14 hereof (or such later date as may be agreed by the Lender in writing)), the Borrowers will (unless otherwise waived in writing by the Lender in its sole discretion) cause such Person to (A) become a Borrower hereunder by delivering to the Lender a duly executed Joinder Agreement or such other documents as the Lender shall deem appropriate for such purpose, (B) grant a Lien on substantially all of the real and personal property of such Person by delivering to the Lender such deeds of trust, security agreements and other agreements as the Lender shall deem appropriate for such purpose, (C) deliver to the Lender such original certificated Equity Interests or other certificates and stock or other transfer powers evidencing the Equity Interests of such Person as the Lender may require, (D) deliver to the Lender such opinions, documents and certificates as the Lender requests and (E) deliver to the Lender such updated Schedules to the Loan Documents as requested by the Lender with respect to such Person and Collateral; in each case, in form, content and scope satisfactory to the Lender.

(b) [Reserved].

(c) Promptly, and in any event not later than ten (10) Business Days after the Qualified SPAC Transaction Effective Date, the Borrowers shall cause Holdings to (i) become a Guarantor by delivering to the Lender a duly executed Guaranty or such other documents as the Lender shall deem appropriate for such purpose, (ii) grant a Lien on substantially all of the real and personal property of Holdings by delivering to the Lender such deeds of trust, security agreements and other agreements as the Lender shall deem appropriate for such purpose, (iii) deliver to the Lender such original certificated Equity Interests or other certificates and stock or other transfer powers evidencing the Equity Interests owned or held by Holdings as the Lender may require, (iv) deliver to the Lender such opinions, documents and certificates as the Lender requests, and (v) deliver to the Lender such updated Schedules to the Loan Documents as requested by the Lender with respect to Holdings and its Collateral; in each case, in form, content and scope satisfactory to the Lender.

Section 5.15 Real Property.

(a) Fee-Owned Real Property. Not more than sixty (60) days (or such later date as may be agreed by the Lender in writing) following the acquisition by the Borrowers, any other Loan Party or any Subsidiary of any fee interest in any real property (including the acquisition of any Subsidiary (including any First Amendment Joinder Party) that has a fee interest in real property), the Borrowers shall (unless otherwise waived in writing by the Lender in its sole discretion) deliver to the Lender each of the following, each in form and substance satisfactory to the Lender:

(i) a Mortgage covering such property, properly executed on behalf of the applicable Loan Party or Subsidiary;

(ii) if requested by the Lender or the Disbursing Agent, an amendment to the Disbursing Agreement (or a new Disbursing Agreement), a priority agreement or other similar agreements or documents, in each case duly executed by the parties thereto and incorporating jurisdiction-specific updates or other modifications;

(iii) an ALTA title insurance policy or policies in favor of the Lender, insuring such Mortgage as a valid second priority Lien upon such parcel subject only to such exceptions as are acceptable to the Lender (including such endorsements as the Lender may require);

(iv) a survey that either (A) meets such minimum survey standards as the Lender may require, such survey to be certified in favor of (and to permit reliance by) the Lender as to such parcel, or (B) covers such property and is in a form that the title insurance company that issues the title insurance policy to Lender described in Section 5.15(a)(iii) above determines is sufficient to permit such title insurance company to delete the standard exception for matters of survey from the lender's policy of title insurance issued to the Lender;

(v) if requested by the Lender, a final "as built" appraisal with respect to any Farm or Farm Project to be located on such real property, in form and containing assumptions and appraisal methods reasonably satisfactory to the Lender, conducted by an appraiser acceptable to the Lender, addressed to the Lender and on which the Lender is expressly permitted to rely;

(vi) if requested by the Lender, a Phase I environmental audit or such other environmental due diligence report as the Lender may approve (and permitting reliance by the Lender), together with such other environmental information as the Lender may request;

(vii) evidence that the Loan Parties have taken all actions required under the Flood Laws and/or requested by the Lender to ensure that the Lender is in compliance with the Flood Laws applicable to each parcel of real property constituting Collateral; and

(viii) such evidence as the Lender may require that such Mortgage has been duly authorized by all appropriate action of and is enforceable against the applicable Loan Party, together with such opinions of counsel covering such authorization and enforceability and other matters as the Lender may reasonably require.

(b) Leased Real Property, Warehouses, Etc. (i) In the case of any headquarters location of the Loan Parties or any leased premises, warehouse or other third party-owned or -operated storage facility where tangible Collateral with a value in excess of \$1,000,000 is located, the Loan Parties shall obtain Lien Waiver Agreements after entering into any lease following the Closing Date or after the tangible Collateral valued at any such location exceeds \$1,000,000, and (ii) in the case of any Third-Party Farm Lease Agreement, the Loan Parties shall deliver, or cause to be delivered, to the Lender a Mortgage in respect of the leasehold interest in the real property subject to such Third-Party Farm Lease Agreement, together with (x) a corresponding lender's title insurance policy (and accompanying endorsements) in favor of the Lender (up to an amount reasonably determined by the Lender in consultation with the Borrowers), (y) a ground lease recognition and estoppel agreement, duly executed by the lessor under such Third-Party Farm Lease Agreement, and (z) opinions of counsel with respect to such Mortgage, each of the foregoing to be in form and substance reasonably satisfactory to the Lender.

Section 5.16 Further Assurances. The Borrowers shall, and shall cause each other Loan Party and Subsidiary to, from time to time, at the Borrowers' expense, preserve and protect the Lender's Lien on the Collateral (first in priority subject only to Permitted Liens) and shall do such other acts and things

as the Lender in its sole discretion may deem necessary or advisable from time to time in order to preserve, perfect and protect the Liens granted or purported to be granted under the Collateral Documents and to exercise and enforce its rights and remedies thereunder with respect to the Collateral. Without limiting the generality of the foregoing or Sections 4.1(k) or 5.17 hereof, concurrently with the opening of any deposit account, commodity account or securities account (other than Excluded Accounts) by any Borrower, any other Loan Party or Subsidiary after the Closing Date, the Borrowers shall deliver a notice of the opening of such account to the Lender and an executed Account Control Agreement in respect of such account. In addition the Borrowers shall deliver, or cause to be delivered, to the Lender a Collateral Assignment with respect to any Material Agreement entered into by the Borrowers or the other Loan Parties (to the extent such Collateral Assignment (or any consent or acknowledgment thereof) is required or requested in accordance with the definition of “Collateral Assignment”).

Section 5.17 Interest Reserve Account.

(a) Commencing on the funding date of the Closing Date Subordinated Loan, the Borrowers will, or will cause, the Interest Reserve Account to be funded with cash of the Loan Parties in an amount equal to or greater than the Minimum Interest Amount.

(b) If at any time (whether as a result of fluctuations in applicable interest rates or otherwise) the funds in the Interest Reserve Account are determined by the Lender in its reasonable discretion to be less than the Minimum Interest Amount (each such shortfall, an “IRA Shortfall”), the Borrowers shall promptly (and in any event not later than two (2) Business Days after an IRA Shortfall has been identified) fund or otherwise remit cash (including, at the Borrowers’ election, any proceeds of a Term Loan) to the Interest Reserve Account in an amount equal to or greater than such IRA Shortfall. For the avoidance of doubt, the Borrowers shall cause the Interest Reserve Account to be subject to a blocked Account Control Agreement in favor of the Lender at all times.

Section 5.18 Farm Project Construction.

(a) The Borrowers will, and will cause each other Loan Party and Subsidiary to, continuously, diligently and with reasonable dispatch proceed with the design, development and construction of each Farm Project in a good workmanlike manner in material accordance with the Project Documents applicable to such Farm Project, the Loan Documents and all Applicable Laws so that the Final Completion Date applicable to such Farm Project will be reasonably expected to occur on or prior to the Completion Deadline applicable to such Farm Project.

(b) The Borrowers will, and will cause each other Loan Party and Subsidiary to, comply in all material respects with each Material Agreement to which they are a party and enforce all of their respective material rights under the Project Documents, including all material indemnification rights thereunder, and pursue all material remedies available to any Loan Party or Subsidiary with diligence and in good faith.

(c) Not later than sixty (60) after the Final Completion Date of a Farm Project, the Borrowers will deliver or cause to be delivered to the Lender:

(i) if requested by the Lender in its sole discretion, a date down endorsement to the applicable title insurance policy insuring the priority of Mortgage in respect of the applicable Farm Project Site and which deletes from such title insurance policy any mechanic’s Lien, survey or other standard exception, and includes the following

endorsements, to the extent not previously delivered to the Lender: ALTA 3.1 zoning endorsement; ALTA 9.3 conditions, covenants and restrictions endorsement; ALTA 9.6 private rights; ALTA 17 access and entry endorsement; ALTA 17.2 utility access endorsement; ALTA 18 single tax parcel or ALTA 18.1 multiple tax parcels (as applicable); and ALTA 28 easement endorsement (as applicable);

(ii) copies of the as-built final plans and specifications for such Farm Project; and

(iii) such additional items as the Lender may reasonably request, including, without limitation, copies of final appraisals, final as-built appraisals, surveys and final unconditional Lien waivers.

(d) The Borrowers will cause:

(i) the design professionals who prepare the Project Plans applicable to a Farm Project to maintain professional liability insurance written on a claims made basis, with coverage limits in amounts reasonably acceptable to the Lender, insuring each such design professional and its sub-consultants against any and all liabilities arising out of or in connection with the negligent acts, errors, or omissions of the foregoing in connection with the carrying out of their professional responsibilities for the applicable Farm Project;

(ii) each Material Project Contractor to maintain such insurance as will protect such Material Project Contractor from claims set forth below which may arise out of or result from such Material Project Contractor's operations and completed operations in connection with the applicable Farm Project, whether such operations be by such Material Project Contractor or by its subcontractors or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable: (A) claims under workers' compensation, disability benefit and other similar employee benefit acts that are applicable to the work to be performed; (B) claims for damages because of bodily injury, occupational sickness or disease, or death of such Material Project Contractor's employees; (C) claims for damages because of bodily injury, sickness or disease, or death of any person other than such Material Project Contractor's employees; (D) claims for damages insured by usual personal injury liability coverage; (E) claims for damages because of injury to or destruction of tangible property, including loss of use resulting therefrom; (F) claims for damages because of bodily injury, death of a person or property damage arising out of ownership, maintenance or use of a motor vehicle; and (G) claims for bodily injury or property damage arising out of completed operations;

(iii) each Material Project Contractor referenced in subsection (ii) above to name the Lender as an additional insured for claims caused in whole or in part by such Material Project Contractor's negligent acts or omissions during such Material Project Contractor's ongoing operations and completed operations, with such insurance afforded to the Lender as an additional insured being primary insurance and not excess over, or contributing with, any insurance purchased or maintained by the Lender; and

(iv) to the extent requested by the Lender, prior to the execution of a GC Contract, each General Contractor that has commenced any work with respect to a Farm Project to obtain payment and performance bonds (which, to the extent approved by the

Lender in writing in its reasonable discretion, may be in the form of payment and performance bonds issued by applicable subcontractors) and dual obligee riders in favor of the Lender, in form and substance acceptable to the Lender in its sole discretion.

Section 5.19 Post-Closing Requirements. The Borrowers will deliver, or cause to be delivered, to the Lender each of the following, each in form and substance acceptable to the Lender:

(a) As soon as reasonably practicable, but in any event not later than sixty (60) days after the First Amendment Funding Date (or such later date as the Lender may agree to in writing in its sole discretion), each of the items set forth in Section 5.15(a) with respect to each Paragon Property (including, without limitation, a Mortgage covering each Paragon Property, properly executed on behalf of the applicable Paragon Entity, and one or more opinions of counsel covering the jurisdiction in which each Paragon Property is located); provided, however, notwithstanding the foregoing, that with respect to the Paragon Property in Warner Robins, Georgia, the deadline for delivering the items described in Section 5.15(a) (iv) with respect to such property shall be sixty (60) days (or such later date as the Lender may agree to in writing in its sole discretion) after final completion of the existing construction occurring at such property.

(b) As soon as reasonably practicable, but in any event not later than sixty (60) days after the First Amendment Funding Date (or such later date as the Lender may agree to in writing in its sole discretion), a subordination, non-disturbance and attornment agreement with respect to each sublease of any Paragon Property, duly executed by the applicable sublessee, the applicable sublessor and the Lender; provided, however, that a subordination, non-disturbance and attornment agreement shall not be required for any sublease of a Paragon Property that has a month-to-month term and that is for residential purposes only.

(c) As soon as reasonably practicable, but in any event not later than thirty (30) days after the First Amendment Funding Date (or such later date as the Lender may agree to in writing in its sole discretion), executed amendments to, or amendments and restatements of, each Account Control Agreement existing as of the First Amendment Effective Date (including, without limitation, the Account Control Agreement with respect to the Interest Reserve Account), confirming that each such Account Control Agreement is among the Lender, the depository institution party thereto, and Local Bounti Operating Company LLC (evidencing its current legal name) or another Borrower.

(d) As soon as reasonably practicable, but in any event not later than thirty (30) days after the First Amendment Funding Date (or such later date as the Lender may agree to in writing in its sole discretion), an Account Control Agreement with respect to each deposit account, commodity account or securities account (other than Excluded Accounts) of the First Amendment Joinder Parties.

(e) As soon as reasonably practicable, but in any event not later than thirty (30) days after the First Amendment Funding Date (or such later date as the Lender may agree to in writing in its sole discretion), each of the items set forth in Section 4.3(g) and, to the extent available, each of the items set forth in Section 4.3(i), (j), (k) and (l) with respect to the Farm Project located at the Paragon Property in Warner Robins, Georgia.

(f) As soon as reasonably practicable, but in any event not later than thirty (30) days after the First Amendment Funding Date (or such later date as the Lender may agree to in writing in its sole discretion), a certificate of status, compliance or like certificate for each Loan Party and

Subsidiary (including each First Amendment Joinder Party) from the appropriate Governmental Authority of each jurisdiction (other than its state of formation) where it is required to qualify to do business, each dated not more than thirty (30) days prior to the date of such delivery.

(g) As soon as reasonably practicable, but in any event not later than the earlier of (i) thirty (30) days after the First Amendment Funding Date and (ii) the date of expiration of any insurance in effect as of the First Amendment Effective Date (in each case, or such later date as the Lender may agree to in writing in its sole discretion), evidence that all insurance required to be maintained under the Loan Documents is in full force and effect (including, with respect to the First Amendment Joinder Parties, evidence of adequate liability, property, business interruption, recall insurance and builder's risk insurance), in each case together with certificates naming the Lender as additional insured, mortgagee and lender's loss payee, as applicable, with respect to the Collateral and, in the case of any business interruption and recall insurance, accompanied by an assignment of such business interruption or recall insurance in favor of the Lender signed by the First Amendment Joinder Parties and the applicable insurer.

(h) As soon as reasonably practicable, but in any event not later than five (5) Business Days after the First Amendment Funding Date, evidence that each of Hollandia GA Investor Corp. and Hollandia GP has merged with and into Paragon or another Loan Party, with Paragon or such other Loan Party continuing as the surviving entity.

(i) As soon as reasonably practicable, but in any event not later than sixty (60) days after the earlier of (i) the STORE Sale-Leaseback Closing Date and (ii) June 2, 2023 (or such later date as the Lender may agree to in writing in its sole discretion), an appropriately completed Perfection Certificate with respect to the Borrowers and the other Loan Parties, duly executed by a Responsible Officer of the Borrowers.

(j) As soon as reasonably practicable, but in any event not later than thirty (30) days after the Sixth Amendment Effective Date (or such later date as the Lender may agree to in writing in its sole discretion), a Patent and Trademark Security Agreement in favor of the Lender, duly executed by the Loan Parties party thereto.

(k) As soon as reasonably practicable, but in any event not later than July 31, 2024 (or such later date as the Lender may agree to in writing in its sole discretion):

(i) an organizational chart, depicting each Loan Party, each equity holder of each Loan Party (other than Holdings), each other Subsidiary of any Loan Party and each direct and indirect Affiliate of any Loan Party (other than any equity holder of Holdings), and listing the percentage and type of ownership and state or country of formation of each Loan Party and equity holder (other than any equity holder of Holdings);

(ii) a list of all deposit, securities and commodity accounts of any Loan Party or any other Subsidiary of any Loan Party (including the nature of the account, the institution or broker maintaining the account, the average daily amount in such account, whether such account is subject to a control agreement or Lien in favor of any Person), and identifying each account into which account debtors are directed to make payments, together with evidence supporting the foregoing;

(iii) a list of all locations of (A) real property owned by any Loan Party or any other Subsidiary of any Loan Party, (B) real property leased by any Loan Party or

any other Subsidiary of any Loan Party, and (C) leased premises, warehouse or other third party-owned or -operated storage facilities where tangible Collateral is located;

(iv) copies of the current certificates of insurance of the Loan Parties (including without limitation any liability insurance, property insurance, business interruption insurance, builder's risk insurance, recall insurance and workers compensation insurance), together with any endorsements in favor of Lender;

(v) a list of all federal, state and local licenses, and material licenses obtained from Affiliates or third parties in connection with any Farms or Farm Projects, maintained by any Loan Party or any other Subsidiary of any Loan Party;

(vi) a list, together with reasonably detailed descriptions, of all actions, suits, arbitrations, proceedings or investigations pending or, to the knowledge of the Loan Parties or any other Subsidiary of any Loan Party, threatened against any Loan Party or any other Subsidiary of any Loan Party at law or in equity before any Governmental Authority; and

(vii) a list, together with reasonably detailed descriptions, of all circumstances that (A) constitute or constituted a violation of Environmental Laws or (B) could reasonably be expected to give rise to any Environmental Liability.

ARTICLE VI NEGATIVE COVENANTS

The Borrowers covenant and agree with the Lender that, until all Obligations have been Paid in Full:

Section 6.1 Indebtedness. The Borrowers will not, nor will they permit any other Loan Party or Subsidiary to, create, incur, assume or suffer to exist any Indebtedness, except (collectively, the "Permitted Indebtedness"):

(a) Indebtedness under the Loan Documents;

(b) Senior Indebtedness;

(c) Indebtedness (contingent or otherwise) of any Loan Party arising under (i) any Swap Contract with a Swap Party or (ii) to the extent approved by the Lender in advance in writing, any other Swap Contract; provided that such obligations are entered into by a Loan Party in the ordinary course of business for the purpose of mitigating risks associated with liabilities, commitments, investments, assets or property held or reasonably anticipated by such Person, or changes in the value of securities issued by such Person, and not for speculative purposes;

(d) Indebtedness in respect of performance bonds, bid bonds, appeal bonds, surety bonds and similar obligations not in connection with money borrowed, in each case provided in the ordinary course of business, including those incurred to secure health, safety and environmental obligations in the ordinary course of business, and in an aggregate amount issued not to exceed \$2,000,000 (or such higher amount as may be approved by the Lender in writing);

(e) Indebtedness resulting from a bank or other financial institution honoring a check, draft or similar instrument in the ordinary course of business or arising under or in connection with cash management services in the ordinary course of business;

(f) Indebtedness arising from or incurred with respect to Capitalized Leases, Purchase Money Security Interests or other title retention agreements and leases that are in the nature of title retention agreements in an amount not to exceed (i) if such Indebtedness is reflected in the then-current Approved Budget, the amount set forth in such Approved Budget, and (ii) in all other cases, an aggregate principal amount not to exceed \$2,500,000 at any time;

(g) Indebtedness set forth on Schedule 6.1;

(h) Indebtedness arising under guaranties made in the ordinary course of business of obligations of any Loan Party (and only so long as such Person is and remains a Loan Party) which obligations are otherwise permitted hereunder;

(i) subject to satisfaction of the STORE Sale-Leaseback Conditions, Indebtedness of Hollandia Real Estate under the STORE Documents;

(j) subject to satisfaction of the STORE Sale-Leaseback Conditions, Indebtedness in the form of the STORE Guaranty, but only so long as (i) Holdings is the sole guarantor under the STORE Guaranty, and (ii) the STORE Guaranty is unsecured;

(k) subject to satisfaction of the STORE Sale-Leaseback Conditions, Indebtedness arising under the STORE Letter of Credit up to an aggregate face amount not to exceed \$6,825,000;

(l) other Indebtedness, but only so long as, immediately following the incurrence thereof, the aggregate principal amount of all such Indebtedness permitted under this clause (l) does not exceed \$2,000,000; and

(m) Indebtedness of a Loan Party to any other Loan Party.

Section 6.2 Liens. The Borrowers will not, nor will they permit any other Loan Party or Subsidiary to, create, incur, assume or suffer to exist any Lien upon any of their property, assets or revenues, whether now existing or owned or hereafter arising or acquired, other than the following (collectively, the "Permitted Liens"):

(a) Liens created pursuant to any Loan Document to secure the Obligations;

(b) subject to the terms of the Subordination Agreement, Liens securing payment of the Senior Indebtedness;

(c) pledges or deposits in the ordinary course of business in connection with (i) workers' compensation, unemployment insurance and other social security legislation, other than any Lien imposed by ERISA or other applicable pension and employment Law, and (ii) public utility services provided to the Borrowers, any other Loan Party or Subsidiary;

(d) deposits to secure the performance of bids, surety and appeal bonds, performance bonds and similar obligations not in connection with money borrowed incurred in the ordinary course of business, in each case to the extent permitted under Section 6.1(d);

(e) Liens for Taxes, assessments or other governmental charges the payment of which is not yet due or the payment of which is not at the time required by Section 5.7, so long as no filing of a Lien has been made in connection therewith;

(f) easements, rights-of-way, restrictions and other similar encumbrances affecting real property that either (i) appear as exceptions on any lender's policy of title insurance issued to Lender, or (ii) in the aggregate, are not substantial in amount, and that do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the applicable Person, and any zoning or similar law or right reserved to or vested in any Governmental Authority to control or regulate the use of any real property that does not materially interfere with the ordinary conduct of the business of the Borrowers, any other Loan Party or Subsidiary;

(g) Liens of warehouses, carriers, workers, repairmen, employees or other like Liens, securing obligations incurred in the ordinary course of business that are not yet due and payable or for amounts being contested in good faith by appropriate proceedings and for which adequate reserves are being maintained in accordance with GAAP;

(h) Liens in favor of a banking institution arising as a matter of Law encumbering deposits (including the right of setoff) that are customary in the banking industry;

(i) any interest or title of a lessor or sublessor under any lease incurred in the ordinary course of business and not prohibited by the Loan Documents;

(j) Liens in favor of collecting banks arising by operation of law under Section 4-210 of the UCC or, with respect to collecting banks located in the State of New York, under Section 4-208 of the UCC;

(k) Liens securing Indebtedness permitted by Section 6.1(f); provided that such Liens do not at any time encumber any property other than the property financed by such Indebtedness;

(l) judgment Liens in respect of judgments that do not constitute an Event of Default under Section 7.1(k);

(m) mineral rights the use and enjoyment of which do not materially detract from the value of the property subject thereto or materially interfere with the use and enjoyment of the Farm Project or the Farm Project Site;

(n) involuntary Liens (including a Lien of an attachment, judgment or execution) securing a charge or obligation, on the Company's property, either real or personal, related to the Farm Project, whether now or hereafter owned, in the aggregate sum of less than \$500,000;

(o) Liens set forth on Schedule 6.2;

(p) subject to satisfaction of the STORE Sale-Leaseback Conditions, Liens securing Indebtedness permitted by Section 6.1(i), but only so long as such Liens do not at any time encumber any property other than "Personalty" (as defined in the STORE Purchase Agreement); and

(q) subject to satisfaction of the STORE Sale-Leaseback Conditions, Liens securing the STORE Letter of Credit, but only so long as such Liens do not at any time encumber any property other than cash collateral in an aggregate amount not to exceed \$6,825,000.

Section 6.3 Fundamental Changes. The Borrowers will not, nor will they permit any other Loan Party or Subsidiary to, in each case without the prior written consent of the Lender, (i) dissolve, liquidate or wind-up its affairs, (ii) become a party to, or suffer to exist, any merger, amalgamation, consolidation or division (under the Delaware Code or otherwise), (iii) Dispose of (whether in one transaction or in a series of transactions) any of its assets (whether now existing or owned or hereafter arising or acquired) to or in favor of any Person, or (iv) acquire by purchase, lease or otherwise all or substantially all of the assets or Equity Interests of any other Person or group of related Persons or any division, line of business or other business unit of any other Person (other than the Paragon Acquisition); except that, so long as no Default or Event of Default exists or would result therefrom, (A) the Borrowers and their Subsidiaries may make Dispositions permitted by Section 6.4 and Investments permitted by Section 6.6, and (B) following reasonable prior written notice to the Lender, any Loan Party or other Subsidiary may dissolve or merge into another Loan Party (such other Loan Party, the “Surviving Loan Party”), in each case with the Surviving Loan Party continuing as the surviving entity.

Section 6.4 Dispositions. The Borrowers will not, and will not permit any other Loan Party or Subsidiary to, make any Disposition or enter into any agreement to make any Disposition, except:

(a) Dispositions of inventory in the ordinary course of business;

(b) transactions and Investments permitted by Sections 6.2, 6.3, 6.6 and 6.17;

(c) conversions of Cash Equivalents into cash or other Cash Equivalents;

(d) the transfer of property by a Loan Party to any other Loan Party;

(e) Dispositions of tangible assets that are obsolete, worn out or no longer used or useful in the business of a Loan Party or any Subsidiary, provided that the fair market value of assets subject to such Dispositions does not exceed \$2,000,000 in the aggregate for all such Dispositions during any Fiscal Year;

(f) Dispositions of accounts receivable in connection with the compromise, settlement or collection thereof in the ordinary course of business;

(g) the surrender or waiver of contract rights or settlement, release or surrender of a contract, tort or other litigation claim, in each case, in the ordinary course of business; and

(h) subject to satisfaction of the STORE Sale-Leaseback Conditions, the Disposition of the “Properties” (as defined in the STORE Purchase Agreement) on the STORE Sale-Leaseback Closing Date.

Section 6.5 Restricted Payments; Payments of Junior Debt.

(a) The Borrowers will not, and will not permit any other Loan Party or Subsidiary to, declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, or permit, commence or consummate any issuance of Equity Interests (other than any issuance of common shares of Equity Interests by Holdings so long as no Change of Control has occurred or would result therefrom); provided that the foregoing shall not

prohibit (i) any Restricted Payment from a Loan Party to any other Loan Party or from a Subsidiary that is not a Loan Party to any Loan Party or any other Subsidiary, (ii) [reserved], (iii) any Restricted Payment and the issuance of Equity Interests pursuant to any Warrant Agreement (or, if applicable, any warrant issued thereunder), or (iv) dividends with respect to Equity Interests payable solely in additional common shares of Equity Interests.

(b) Unless expressly provided otherwise in the intercreditor agreement or subordination agreement applicable thereto, the Borrowers will not, and will not permit any other Loan Party or Subsidiary to, make any payment on, or redeem, repurchase, defease or otherwise acquire or retire for value, in each case, any Junior Debt; provided, notwithstanding the foregoing, subject to satisfaction of the STORE Sale-Leaseback Conditions, so long as no Event of Default has occurred and is continuing or would result therefrom, Holdings may make payments under the STORE Guaranty.

Section 6.6 Investments. The Borrowers will not, and will not permit any other Loan Party or Subsidiary to, make any Investments, except:

- (a) Investments in the form of cash or Cash Equivalents;
- (b) Investments consisting of the indorsement of negotiable instruments payable to such Person for deposit or collection in the ordinary course of business;
- (c) Investments by a Loan Party in any other Loan Party;
- (d) Investments in the form of Swap Contracts permitted by Section 6.1(c);
- (e) guarantees of Indebtedness permitted under Section 6.1; and
- (f) the Paragon Acquisition.

Section 6.7 Transactions with Affiliates; Management Fees. The Borrowers will not, and will not permit any other Loan Party or Subsidiary to, enter into any transaction of any kind with any Affiliate of the Borrowers, whether or not in the ordinary course of business, other than:

- (a) on fair and reasonable terms substantially as favorable to the Borrowers or such other Loan Party or Subsidiary as would be obtainable by the Borrowers or such other Loan Party or Subsidiary at the time in a comparable arm's-length transaction with a Person other than an Affiliate;
- (b) the payment of management fees to a manager of the Company pursuant to a management services agreement or similar agreement (a "Management Agreement"), but only so long as (i) such Management Agreement is in form and substance satisfactory to the Lender in its sole discretion, and subject to subordination arrangements satisfactory to the Lender in its sole discretion, and (ii) both at the time of and after giving effect to each such payment, no Default or Event of Default shall have occurred and be continuing;
- (c) transactions among the Loan Parties; and
- (d) Restricted Payments permitted by Section 6.5.

Section 6.8 Financial Covenants.

(a) *Minimum Debt Service Coverage Ratio*. Commencing September 30, 2025, and as of the last day of each calendar quarter thereafter, the Borrowers will not permit the Debt Service Coverage Ratio to be less than 1.25 to 1.00.

(b) *Maximum Consolidated Total Net Leverage Ratio*. Commencing September 30, 2025, and as of the last day of each calendar quarter thereafter, the Borrowers will not permit the Consolidated Total Net Leverage Ratio to be greater than 4.75 to 1.00.

(c) *Minimum Consolidated Interest Coverage Ratio*. Commencing September 30, 2025, and as of the last day of each calendar quarter thereafter, the Borrowers will not permit the Consolidated Interest Coverage Ratio to be less than 2.50 to 1.00.

(d) *Minimum Liquidity*. Commencing as of the Fifth Amendment Effective Date and at all times thereafter, the Borrowers will not permit Liquidity to be less than \$1,000,000.

(e) *Capital Stacking Requirement*. Commencing on the Closing Date and at all times thereafter, the Borrowers will ensure that the proceeds of Term Loans made hereunder (other than a GA/TX/WA Term Loan) will constitute not more than 15% of all amounts used by the Borrowers in respect of Farms and Farm Projects or in any way related to Farms or Farm Projects, including, without limitation, working capital in connection therewith (collectively, the “Total Farm Financing Amounts”), with all remaining Total Farm Financing Amounts funded solely from Senior Indebtedness or from equity or capital contributions of the Borrowers. The First Amendment Term Loan (as defined in the Senior Credit Agreement) may be funded pursuant to the Senior Credit Agreement if and only if all Term Loans under this Agreement shall have been funded in full.

(f) *Maximum Capital Expenditures*.

(i) Commencing on the Sixth Amendment Effective Date and continuing at all times thereafter, no Loan Party or Subsidiary may make or incur Capital Expenditures or acquire any interest in real property, in each case with respect to any new Farm or new Farm Project without the prior written consent of the Lender.

(ii) Without limiting the foregoing or any other provision of the Loan Documents, commencing January 6, 2023, the Borrowers will not make or incur, or permit any Loan Party or Subsidiary to make or incur, Capital Expenditures for Project Costs in excess of \$1,000,000 in the aggregate among all Loan Parties and Subsidiaries in any fiscal year of the Company, beginning with the fiscal year ending December 31, 2023, other than (x) if an Initial Construction Budget has been received and approved by the Lender, Capital Expenditures for Project Costs made or incurred in accordance with such Initial Construction Budget and the Loan Documents in an aggregate total amount not to exceed (1) in respect of the Warner Robins (Georgia) Farm, 108% of the Initial Construction Budget for the Warner Robins (Georgia) Farm, (2) in respect of the Pasco (Washington) Farm, 116% of the Initial Construction Budget for the Pasco (Washington) Farm, and (3) in respect of the Mt. Pleasant (Texas) Farm, 112% of the Initial Construction Budget for the Mt. Pleasant (Texas) Farm, and (y) Capital Expenditures for the restoration, repair or replacement of any fixed or capital asset of such Person that was destroyed or damaged, in whole or in part, to the extent paid from proceeds of an insurance policy maintained by such Person or any reimbursement or indemnification payment made by a third party to such Person and, in each case, netting from such

expenditures any credit or offset received by such Person on account of assets sold or traded-in concurrently therewith.

(g) *Maximum Projected Production Variance*. Commencing June 30, 2023 and as of the last day of each calendar quarter thereafter, the Borrowers will not permit, for any Farm or Farm Project, either (x) the actual amount of produce and other inventory produced (in pounds) or (y) the actual amount of produce and other inventory sold (measured both in Dollars and weighed in pounds), in each case by the Loan Parties and their Subsidiaries on a consolidated basis for such Farm or Farm Project to be less than 80% of the amount projected to be produced (in pounds) or sold (in Dollars or pounds) for such Farm or Farm Project for such calendar quarter as set forth in the last Projected Production Model delivered to the Lender pursuant to Section 5.2(k).

(h) *Consolidated Operating Expense Ratio*. Commencing on September 30, 2024, and as of the last day of each calendar quarter thereafter, in each case for the calendar quarter then ending, the Borrowers will not permit the Consolidated Operating Expense Ratio of the Consolidated Group to be greater than the ratio set forth opposite such date below:

Calendar Quarter End	Consolidated Operating Expense Ratio
September 30, 2024	1.16 to 1.00
December 31, 2024	1.05 to 1.00
March 31, 2025	0.85 to 1.00
June 30, 2025	0.83 to 1.00
September 30, 2025 and the last day of each calendar quarter thereafter	0.82 to 1.00

Section 6.9 Certain Restrictive Agreements. The Borrowers will not, and will not permit any other Loan Party or Subsidiary to, enter into any Contractual Obligation (other than this Agreement, any other Loan Document, the Senior Indebtedness Documents, or the documentation governing the Indebtedness permitted under Sections 6.1(f)) that, directly or indirectly, (a) limits the ability of (i) Holdings or any Subsidiary to make Restricted Payments to any Borrower or to otherwise transfer property to any Borrower, (ii) Holdings or any Subsidiary to guaranty Indebtedness of any Borrower or (iii) any Borrower, any Loan Party or any Subsidiary to create, incur, assume or suffer to exist Liens (other than Permitted Liens) on property of such Person to secure the Obligations; or (b) requires the grant of a Lien to secure an obligation of such Person if a Lien (other than a Permitted Lien) is granted to secure another obligation of such Person.

Section 6.10 Changes in Fiscal Periods; Accounting Methods. No Borrower will, and no Borrower will permit any other Loan Party or Subsidiary to, change its method of determining its fiscal year, fiscal months or other accounting periods. In addition, no Borrower will, and no Borrower will permit any other Loan Party or Subsidiary to, change its method of accounting (other than as may be required to conform to GAAP, in which case the Borrowers shall disclose such changes to the Lender).

Section 6.11 Changes in Nature of Business. The Borrowers will not, and will not permit any other Loan Party or Subsidiary to, engage in any material extent in any business other than those businesses conducted by the Borrowers, such Loan Party or Subsidiary on the First Amendment Funding Date or any business reasonably related or incidental thereto or representing a reasonable expansion thereof.

Section 6.12 Organizational Documents. The Borrowers will not, and will not permit any other Loan Party or Subsidiary to, amend its Organizational Documents unless, in each case, the Borrowers have provided not less than fifteen (15) Business Days' prior written notice thereof to the Lender and, if such amendment could reasonably be expected to have an adverse effect on the Lender, obtained the prior written consent of the Lender.

Section 6.13 Material Agreements: Change Orders.

(a) The Borrowers will not, and will not permit any other Loan Party or Subsidiary to, without the prior written consent of the Lender, cause or permit to occur any amendment, restatement, supplement, termination, cancellation or revocation of, or any waiver or forbearance in respect of the exercise of any rights or remedies of the Borrowers or any other Loan Party or Subsidiary under, any GC Contract or any STORE Document, except to the extent that such amendment, restatement, supplement, termination, cancellation, revocation or waiver (i) is not adverse to the Lender (as determined by the Lender in its reasonable discretion) and (ii) complies with clause (d) below.

(b) With respect to any Material Agreement (other than a GC Contract or any STORE Document), the Borrowers will not, and will not permit any other Loan Party or Subsidiary to, without the prior written consent of the Lender, cause or permit to occur any amendment, restatement, supplement, termination, cancellation or revocation of, or any waiver or forbearance in respect of the exercise of any rights or remedies of the Borrowers or any other Loan Party or Subsidiary under, any such Material Agreement, except to the extent that such amendment, restatement, supplement, termination, cancellation, revocation or waiver (i) is not materially adverse to the Lender (as determined by the Lender in its reasonable discretion) (it being understood and agreed that any amendment, change or other modification to the purchase price or any component thereof under any Paragon Purchase Document (including, without limitation, any such amendment, change or other modification to the Parent Share Value (as defined in the Paragon California PSA)) shall be deemed materially adverse to the Lender (other than (x) any decrease in the Aggregate Paragon Consideration of not more than 5% (whether such reduction is in non-cash consideration or cash consideration), provided that any such reduction in cash consideration is automatically accompanied by a dollar-for-dollar reduction, on a pro rata basis, of the Term Loan Amount (as defined in the Subordinated Credit Agreement) and the Term Loan Amount, and (y) any increase to the Aggregate Paragon Consideration of not more than 5% so long as such increase represents additional non-cash consideration or cash consideration not consisting of additional First Amendment Term Loans or First Amendment Term Loans (as defined in the Subordinated Credit Agreement))), and (ii) complies with clause (d) below.

(c) The Borrowers will not permit any Material Project Participant to commence any work with respect to a Farm Project unless and until the Borrowers have received and delivered to the Lender, each in form and substance satisfactory to the Lender, (i) if requested by the Lender, a consent and acknowledgment of such Material Project Participant to the Collateral Assignment of the applicable Project Document, (ii) if requested by the Lender, if such Material Project Participant is a Material Project Contractor, payment and performance bonds of such Material

Project Contractor (which, to the extent approved by the Lender in writing in its reasonable discretion, may be in the form of payment and performance bonds issued by applicable subcontractors) and dual obligee riders in favor of the Lender as required by Section 5.18(d)(iv), and (iii) if such Material Project Participant is a Material Project Contractor, evidence of insurance of such Material Project Contractor as required by Sections 5.18(d)(ii) and 5.18(d)(iii).

(d) The Borrowers will not, and will not permit any other Loan Party or Subsidiary to, without the prior written consent of the Lender, sign or permit to exist any change orders to a Material Project Document that are, individually, in excess of \$250,000 or, with respect to all change orders relating to any one contractor, are in excess of \$500,000 in the aggregate.

Section 6.14 Subsidiaries, Joint Ventures. The Borrowers will not, and will not permit any other Loan Party or Subsidiary to, own or create directly or indirectly any Subsidiaries (other than any Excluded Subsidiary) without the prior written consent of the Lender unless such new Subsidiary is a Loan Party hereunder. The Borrowers will not, and will not permit any other Loan Party or Subsidiary to, become or agree to become a party to any partnership or joint venture without the prior written consent of the Lender.

Section 6.15 Sanctions and Anti-Terrorism; Anti-Corruption Use of Proceeds. The Borrowers will not, directly or indirectly, use the proceeds of any Term Loan, or lend, contribute or otherwise make available such proceeds to any other Loan Party, Subsidiary, joint venture partner or other Person, (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 the FCPA or any other Anti-Corruption Law, or (ii) (A) to fund any activities or business of or with any Person, or in any country or territory, that, at the time of such funding, is, or whose government is, the subject of Sanctions or Anti-Terrorism Laws, or (B) in any other manner that would result in a violation of Sanctions, Anti-Terrorism Laws or Anti-Corruption Laws by any Person.

Section 6.16 ERISA. The Borrowers will not, and will not permit any ERISA Affiliate, Loan Party or Subsidiary to, establish, maintain, contribute to, or become obligated to contribute to any employee benefit plan or other plan that is covered by Title IV of ERISA or subject to the funding standards of Section 412 of the Code; or become an ERISA Affiliate of any Person that sponsors, maintains, contributes to or is obligated to contribute to (or in the immediately preceding seven plan years has contributed to or been obligated to contribute to) any employee benefit plan or other plan that is covered by Title IV or ERISA or subject to the funding standards of Section 412 of the Code.

Section 6.17 Sale-Leasebacks. The Borrowers will not, and will not permit any other Loan Party or Subsidiary to, directly or indirectly, sell or otherwise transfer, in one or more related transactions, any property (whether real, personal or mixed) and thereafter rent or lease such transferred property or substantially similar property, other than (subject to satisfaction of the STORE Sale-Leaseback Conditions) the STORE Sale-Leaseback.

Section 6.18 Operating Leases. The Borrowers will not, and will not permit any other Loan Party to Subsidiary to, become a party to or suffer to exist any operating lease, other than (a) Farm Lease Agreements, but only so long as (i) the Borrowers provide the Lender with not less than thirty (30) days' prior written notice before entering into any Farm Lease Agreement, (ii) if such Farm Lease Agreement is a Third-Party Farm Lease Agreement, the Borrowers will comply with the requirements set forth in Section 5.15(b)(ii) (provided, that if such Farm Lease Agreement is not a Third-Party Farm Lease Agreement, the Borrowers will comply with the requirements set forth in Section 5.15(b)(i)), (iii) each Farm Lease Agreement is non-cancellable and has a tenor ending no earlier than the later of (x) the

seventh (7th)-year anniversary of such Farm Lease Agreement and (y) the Maturity Date, and (iv) each Farm Lease Agreement is otherwise in form and substance reasonably acceptable to the Lender, (b) subject to satisfaction of the STORE Sale-Leaseback Conditions, the STORE Lease Agreement, and (c) subject to Section 6.1(l), other operating leases.

**ARTICLE VII
EVENTS OF DEFAULT**

Section 7.1 Events of Default. If any of the following events (each, an “Event of Default”) shall occur:

- (a) the Borrowers or any other Loan Party shall fail to pay any principal or interest hereunder when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise; or
- (b) the Borrowers or any other Loan Party shall fail to pay any fee or any other amount (other than an amount referred to in clause (a) of this Section) payable under this Agreement or under any other Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of two (2) Business Days; or
- (c) any representation or warranty made or deemed made by or on behalf of any Loan Party in or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof, or any waiver hereunder or thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof, or any waiver hereunder or thereunder, shall prove to have been incorrect in any material respect (or, in the case of any such representation or warranty under this Agreement or any other Loan Document already qualified by materiality, such representation or warranty shall prove to have been incorrect) when made or deemed made; or
- (d) any of the Loan Parties shall fail to observe or perform any covenant, condition or agreement contained in Section 5.3, 5.4, 5.5(b), 5.6, 5.8, 5.9, 5.12 through 5.19 or in Article VI; or
- (e) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in this Agreement or any other Loan Document (other than those specified in clause (a), (b) or (d) of this Section) and such failure shall continue unremedied for a period of thirty (30) or more days (or such earlier period as may be specified in any other Loan Document); or
- (f) (i) a material default shall occur under the SPAC Merger Agreement, any Warrant Agreement (or, if applicable, any warrant issued thereunder), and such material default shall remain in effect after any grace period applicable thereto, (ii) a default shall occur under any STORE Document, and such default shall remain in effect after any grace period applicable thereto, if any, (iii) a default shall occur under a Swap Contract with a Swap Party, and such default shall remain in effect after any grace period applicable thereto, if any, or (iv) with respect to any Material Agreement other than (x) a Material Agreement specified in the foregoing clauses (i) or (ii) or (y) a Material Project Document, any Loan Party or any Subsidiary of a Loan Party fails to perform or observe any material term, covenant or agreement contained in such Material Agreement or otherwise breaches any such Material Agreement in any material respect; or

(g) (i) any Loan Party or Subsidiary shall fail to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Indebtedness (other than Indebtedness under the Loan Documents) of more than \$500,000 (including, without limitation, undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement), in each case beyond the applicable grace or cure periods with respect thereto, if any; or (ii) any Loan Party or Subsidiary shall fail to observe or perform any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders or beneficiary or beneficiaries of such Indebtedness (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, such Indebtedness to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity, in each case, beyond the applicable grace or cure periods with respect thereto; provided that this clause (g)(ii) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness, if (x) such Indebtedness and repayment is permitted under the Loan Documents and (y) the sale or transfer is permitted hereunder and under the documents providing for such Indebtedness and such Indebtedness is repaid when required under the documents providing for such documents; or

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of any Loan Party or any of its Subsidiaries or its debts, or of a substantial part of its assets, under any Debtor Relief Law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Loan Party or any of its Subsidiaries or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for a period of thirty (30) or more days or an order or decree approving or ordering any of the actions sought in such proceeding shall be entered; or

(i) any Loan Party or Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief, including any stay of proceeding under any Debtor Relief Law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Section, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Loan Party or Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing; or

(j) any Loan Party or Subsidiary shall become unable, admit in writing its inability or fail generally to pay its debts as they become due; or

(k) there is entered against any Loan Party or Subsidiary a judgment, award, decree or order, which is either (i) for the payment of money in an aggregate amount (as to all such judgments and orders) exceeding \$2,000,000 (to the extent not covered by independent third-party insurance as to which the insurer has been notified of such judgment or order and has not denied or failed to acknowledge coverage), or (ii) a non-monetary judgment, award, decree or order that, either individually or in the aggregate, has or could reasonably be expected to have a

Material Adverse Effect, in each case, that has remained unsatisfied, unvacated, undischarged and unstayed pending appeal for a period of thirty (30) days after the entry thereof; or

(l) a Change of Control shall occur; or

(m) [reserved]; or

(n) any material License (including any Agricultural License) of any Loan Party or any Subsidiary thereof shall terminate or otherwise cease to be in full force and effect and the conditions causing the termination or cessation of such License are not cured within 15 days of such termination or cessation; or

(o) any material provision of any Loan Document or any Warrant Agreement (or, if applicable, any warrant issued thereunder), at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or Payment in Full of all Obligations, ceases to be in full force and effect; or any Loan Party or other Person contests in writing the validity or enforceability of any provision of any Loan Document or any Warrant Agreement (or, if applicable, any warrant issued thereunder); or any Loan Party denies in writing that it has any or further liability or obligation under any Loan Document or any Warrant Agreement (or, if applicable, any warrant issued thereunder), or purports in writing to revoke, terminate or rescind any Loan Document or such Warrant Agreement (or, if applicable, any warrant issued thereunder); or

(p) any Lien purported to be created under any Collateral Document shall cease to be, or shall be asserted by any Loan Party not to be, a valid, perfected or second-priority Lien on any portion of the Collateral (subject only to Permitted Liens and except to the extent not required to be perfected or second priority under the terms of the Collateral Documents); or

(q) (i) any inventory or products of any Loan Party or any Subsidiary thereof shall be subject to any seizure, administrative detention or mandatory recall by any Governmental Authority; (ii) any Loan Party or any Subsidiary thereof shall voluntarily recall any of its inventory or products having a fair market value in excess of \$1,000,000; or (iii) any Loan Party or any Subsidiary thereof receives a warning letter from any Governmental Authority in connection with such Loan Party's or Subsidiary's failure to adequately address any Form 483 observations or any other Governmental Authority findings relating to the conditions, procedures or products in any such Loan Party's or Subsidiary's facilities; or

(r) there shall occur any uninsured damage to or loss, condemnation, theft or destruction of any portion of the Loan Parties' or any of their Subsidiaries' assets with a fair market value in excess of \$2,000,000; or such assets with a fair market value in excess of \$2,000,000 are attached, seized, levied upon or subjected to a writ of attachment, garnishment, levy or similar process; or any assets of the Loan Parties or any of their Subsidiaries with a fair market value in excess of \$2,000,000 come within the possession of any receiver, trustee, custodian or assignee for the benefit of creditors; or

(s) any Loan Party or any Subsidiary of a Loan Party incurs any Environmental Liability which will require expenditures, individually or in the aggregate, in excess of \$1,000,000 during any Fiscal Year; or

(t) any act of expropriation, nationalization or similar event or circumstance occurs affecting the properties and assets of the Loan Parties; or

(u) any Loan Party or any Subsidiary of a Loan Party shall, or shall propose to, suspend or discontinue its business or any material line thereof; or

(v) Holdings' common Equity Interests shall cease to remain registered with the SEC and listed for trading on the New York Stock Exchange or other nationally recognized exchange; or

(w) any development, event or circumstance shall occur or exist that results in or could result in a Material Adverse Effect; or

(x) (i) any Material Project Participant fails to perform or observe any material term or obligation contained in any Material Project Document and within the later of (x) the cure period provided therefor in such Material Project Document or (y) thirty (30) days thereafter (or such longer period as expressly permitted under the applicable Material Project Document), either (A) such default has not been cured on terms reasonably acceptable to the Lender, or (B) the applicable Material Project Participant has not been replaced by a replacement Material Project Participant pursuant to a replacement Material Project Document that is, in each case, reasonably acceptable to the Lender and subject to a Collateral Assignment; or

(ii) (A) any Material Project Document for any reason ceases to be legal, valid and binding and in full force and effect with respect to each Material Project Participant that is a party thereto or any such Material Project Participant shall so assert in writing; (B) any Material Project Document is terminated for any reason whatsoever prior to the later of (x) its scheduled expiration date and (y) sixty (60) days after the Final Completion Date applicable to the Farm Project to which such Material Project Document relates, in each case without the prior consent of the Lender; or (C) any material provision of any Material Project Document shall be declared to be null and void (unless such declaration is expressly permitted pursuant to the terms of such Material Project Document and does not result in any Default or Event of Default); provided, that any such event described in this Section 7.1(x)(ii) shall not be an Event of Default if, within thirty (30) days of the occurrence thereof, the applicable Material Project Participant has been replaced pursuant to a replacement Material Project Document that, in each case, is reasonably acceptable to the Lender and subject to a Collateral Assignment; provided, however, that if (I) such breach or default cannot be cured within such thirty (30)-day period, (II) such breach or default is susceptible to cure within sixty (60) days, (III) such breach or default has not resulted, and could not, with the additional cure time contemplated by this proviso, be reasonably expected to result, in a Material Adverse Effect with respect to the Borrowers or any other Loan Party, and (IV) the Borrowers are proceeding with all requisite diligence and in good faith to cure such failure, then the time within which such failure may be cured shall be extended to such date, not to exceed a total of thirty (30) days after the end of the initial thirty (30)-day period, as shall be necessary for such party diligently to cure such failure; or

(y) (i) the Project Costs applicable to a Farm Project at any time exceed the Initial Construction Budget applicable to such Farm Project (including the contingency reserves set forth therein) or (ii) the Lender shall at any time reasonably determine that the unadvanced amounts under both the Term Loan Facility and the Senior Credit Agreement (determined in accordance with the capital stacking requirements set forth in Section 6.8(e)) and Unrestricted Cash of the Borrowers (including Unrestricted Cash contributed to the Borrowers by Holdings) are insufficient to pay all costs and expenses that are reasonably anticipated in connection with the

Completion of all Farm Projects; provided, that any such event described in this Section 7.1(y) shall not be an Event of Default if (A) in the case of the preceding clauses (i) and (ii), the Borrowers have, within thirty (30) days after notice or knowledge thereof, deposited in escrow or otherwise posted security or evidence of funds reasonably acceptable to the Lender, and (B) in the case of the preceding clause (i), such excess amount does not exceed (1) in the case of the Warner Robins (Georgia) Farm, 8% of the Initial Construction Budget for the Warner Robins (Georgia) Farm, (2) in the case of the Pasco (Washington) Farm, 16% of the Initial Construction Budget for the Pasco (Washington) Farm, (3) in the case of the Mt. Pleasant (Texas) Farm, 12% of the Initial Construction Budget for the Mt. Pleasant (Texas) Farm, and (4) in the case of any other Farm Project, 5% of the Initial Construction Budget applicable to such Farm Project; or

(z) any cessation in the construction of any Farm Project shall have occurred for more than thirty (30) days, regardless of the cause, except to the extent such cessation could not reasonably be expected to have a Material Adverse Effect with respect to the Borrowers or any other Loan Party; or

(aa) any material portion of any Farm Project is destroyed, condemned or seized, or the Borrowers suffer a total loss with respect to any Farm Project; or

(bb) the Final Completion Date applicable to a Farm Project shall not have occurred on prior to the Completion Deadline applicable to such Farm Project; provided, that any such event described in this Section 7.1(bb) shall not be an Event of Default so long as (i) such failure to meet the applicable Completion Deadline could not reasonably be expected to have a Material Adverse Effect with respect to the Borrowers or any other Loan Party, (ii) the Borrowers are proceeding with all requisite diligence and in good faith to Complete the applicable Farm Project, and (iii) such Farm Project is Completed not later than sixty (60) days after the applicable Completion Deadline;

then, and in every such event and at any time thereafter during the continuance of such event, the Lender shall have no further obligation to offer any credit accommodations and the Lender may, by notice to the Borrowers, take any or all of the following actions, at the same or different times, in each case in the Lender's sole discretion:

(i) declare the Term Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Term Loans so declared to be due and payable, together with accrued interest thereon and all fees (including, without limitation, any Specified Fees set forth in Section 2.10) and other Obligations of the Borrowers accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers;

(ii) apply for the appointment of, or taking possession by, a trustee, receiver, liquidator or other similar official of the Borrowers with respect to the operations of any Loan Party or to hold or liquidate all or any substantial part of the properties or assets of any Loan Party (and each Loan Party hereby consents to such appointment and agrees to execute and deliver any and all documents requested by the Lender relating to the appointment of such trustee, receiver, liquidator or other similar official, whether by joining in a petition for the appointment of such an official, by entering no contest to a

petition for the appointment of such an official, or otherwise, as appropriate under Applicable Law);

(iii) setoff and apply any and all obligations at any time owing by the Lender or any of its Affiliates to the Borrowers or any other Loan Party (including, if applicable, any obligations owing by CRM to any Borrower under a Swap Contract) against any or all of the Obligations, irrespective of whether or not the Lender shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrowers or such other Loan Party may be contingent or unmatured; and

(iv) exercise all rights and remedies available to it under the Loan Documents and Applicable Law;

provided that, in case of any event with respect to the Borrowers described in clause (h), (i) or (j) of this Section, the principal of the Term Loan then outstanding, together with accrued interest thereon and all fees (including, without limitation, any Specified Fees set forth in Section 2.10) and other Obligations accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers.

Section 7.2 Application of Payments. Notwithstanding anything herein to the contrary, following the occurrence and during the continuance of an Event of Default, all payments received on account of the Obligations shall be applied in such order as the Lender shall, in its sole discretion, determine.

ARTICLE VIII MISCELLANEOUS

Section 8.1 Notices. All notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile or email as follows:

(a) if to any Borrower or any other Loan Party or Subsidiary, delivered to the Company at 490 Foley Lane, Hamilton, MT 59840, Attention: Kathleen Valiasek; Email: kvaliasek@localbounti.com; and

(b) if to the Lender, delivered to Cargill Financial Services International, Inc., 9320 Excelsior Boulevard, MS 142, Hopkins, MN 55343, Attention: Erik Haugen; Telephone No.: (952) 984-0574; Fax No.: (952) 249-4416; Email: erik_haugen@cargill.com.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile or email shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Any party hereto may change its address, facsimile number or email address for notices and other communications hereunder by notice to the other parties hereto.

Section 8.2 Amendments; Waivers. No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrowers therefrom, shall be effective unless in writing executed by the Borrowers and the Lender, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No

failure or delay by the Lender in exercising any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, remedy, power or privilege, or any abandonment or discontinuance of steps to enforce such a right, remedy, power or privilege, preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges of the Lender are cumulative and are not exclusive of any rights, remedies, powers or privileges that the Lender would otherwise have.

Section 8.3 Expenses; Indemnity; Damage Waiver.

(a) *Costs and Expenses.* The Borrowers shall pay (i) all reasonable and documented out-of-pocket expenses incurred by the Lender and its Affiliates (including the reasonable and documented fees, charges and disbursements of the Project Consultant and of outside counsel for the Lender) in connection with the preparation, negotiation, execution, delivery and administration of this Agreement, the other Loan Documents and the Warrant Agreements (including, if applicable, any warrant issued thereunder), or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), and (ii) all out-of-pocket expenses incurred by the Lender (including the fees, charges and disbursements of the Project Consultant and of outside counsel for the Lender) in connection with (A) the enforcement or protection of its rights, including, without limitation, any expenses incurred in connection with the hiring of consultants or advisors, (I) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (II) in connection with the Term Loans, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of the Term Loans, and (B) any bankruptcy or other insolvency proceeding with respect to any Loan Party or any Subsidiary of any Loan Party.

(b) *Indemnification.* The Borrowers shall indemnify the Lender, the Project Consultant, each Swap Party and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all actual costs and expenses, losses, claims, damages, liabilities and related expenses (including the out-of-pocket costs, expenses, fees, charges and disbursements of outside counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any Person (including any Borrower) arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) the Term Loans or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or Release of Hazardous Materials on or from any property owned or operated by any Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrowers, the other Loan Parties or any of their Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrowers, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by the Borrowers against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the

Borrowers has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction.

(c) *Waiver of Consequential Damages, Etc.* To the fullest extent permitted by Applicable Law, no party to this Agreement shall assert, and each such party hereby waives, any claim against any other party hereto, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, the Term Loans or the use of the proceeds thereof. No Indemnitee referred to in paragraph (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(d) *Payments.* All amounts due under this Section shall be payable not later than three (3) days after demand therefor.

(e) *Survival.* Each party's obligations under this Section shall survive the termination of the Loan Documents and payment of the Obligations hereunder.

Section 8.4 Engagement of Project Consultant, Other Agents. In addition to, and not in limitation of Sections 5.1, 5.11 and 8.3 of this Agreement, the Borrowers acknowledge that the Lender may from time to time engage the Project Consultant and other agents on terms and conditions acceptable to the Lender. The Borrowers shall at all times cooperate with reasonable requests for information from the Project Consultant and each such agent, and the Borrowers acknowledge and agree that the Borrowers shall, promptly after demand therefor, reimburse the Lender for all costs, fees, charges and disbursements of the Project Consultant each such agent; provided, notwithstanding the foregoing, that the Borrowers' reimbursement obligations under this Section in respect of all costs, fees, charges and disbursements of the Project Consultant shall not exceed \$300,000 in the aggregate.

Section 8.5 Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Borrower may assign or otherwise transfer any of its rights or obligations hereunder or under any other Loan Document without the prior written consent of the Lender. The Lender may at any time assign to one or more assignees all or a portion of its rights or obligations under this Agreement (including all or a portion of the Term Loans or commitments of the Lender under the Term Loan Facility), provided that such assignment shall be subject to the consent of the Borrowers (such consent not to be unreasonably withheld or delayed) unless an Event of Default has occurred and is continuing. Notwithstanding the foregoing, the Lender may participate all or a portion of its rights and obligations under this Agreement (including all or a portion of the Term Loans) without the prior written consent of the Borrowers. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, the Related Parties of the Lender) any legal or equitable right, remedy or claim under or by reason of this Agreement.

Section 8.6 Survival. All covenants, agreements, representations and warranties made by the Borrowers herein and in any Loan Document or other documents delivered in connection herewith or therewith or pursuant hereto or thereto shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery hereof and thereof and the making of the Term Loans

hereunder, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Lender may have had notice or knowledge of any Default or Event of Default at the time of the Term Loans, and shall continue in full force and effect until Payment in Full. The provisions of Sections 8.3 and 8.14 shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, Payment in Full or the termination of this Agreement or any provision hereof.

Section 8.7 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or in electronic (e.g., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 8.8 Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 8.9 Governing Law; Jurisdiction; Etc.

(a) *Governing Law*. This Agreement and the other Loan Documents and any claims, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement or any other Loan Document (except, as to any other Loan Document, as expressly set forth therein) and the transactions contemplated hereby and thereby shall be governed by, and construed in accordance with, the internal law of the State of New York (without giving effect to the conflict of laws principles thereof other than Sections 5-1401 and 5-1402 of the New York General Obligations Law, which shall apply to this Agreement and all documentation hereunder).

(b) *Jurisdiction*. Each Borrower irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Lender or any Related Party of the foregoing in any way relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto, in any forum other than a state court located in the County of New York, State of New York or a federal court located in the Southern District of New York, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such New York state court or, to the fullest extent permitted by Applicable Law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Loan Party or its properties in the courts of any jurisdiction.

(c) *Waiver of Venue*. Each Borrower irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) *Service of Process*. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 8.1. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by Applicable Law.

Section 8.10 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 8.11 Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

Section 8.12 PATRIOT Act. The Lender hereby notifies the Loan Parties that, pursuant to the requirements of the PATRIOT Act, it may be required to obtain, verify and record information that identifies the Loan Parties, which information includes the name and address of the Loan Parties and other information that will allow the Lender to identify the Loan Parties in accordance with the PATRIOT Act. The Borrowers will, promptly following a request by the Lender, provide all documentation and other information, including, without limitation, the certification regarding beneficial ownership of legal entity customers (the "Beneficial Ownership Certification") (if any Borrower is a "legal entity customer" under the Beneficial Ownership Regulation), that the Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the PATRIOT Act.

Section 8.13 Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to the Term Loans, together with all fees, charges and other amounts that are treated as interest on the Term Loans under Applicable Law (collectively, "charges"), shall exceed the maximum lawful rate (the "Maximum Rate") that may be contracted for, charged, taken, received or reserved by the Lender in accordance with Applicable Law, the rate of interest payable in respect of the Term Loans hereunder, together with all charges payable in respect thereof, shall be limited to the Maximum Rate. Any amount collected by the Lender that exceeds the maximum amount collectible at the Maximum Rate shall be applied to the reduction of the principal balance of the Term Loans or refunded to the Borrowers so that at no time shall the interest and charges paid or payable in respect of the Term Loans exceed the maximum amount collectible at the Maximum Rate.

Section 8.14 Payments Set Aside; Reinstatement of Liens. To the extent that any payment by or on behalf of the Borrowers is made to the Lender and such payment or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceedings under any Debtor Relief Law or otherwise, then, to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred. In addition, in the event that the Lender is required to return funds received after Payment in Full and release of the Liens to any Loan Parties or estates thereof or Persons claiming through the foregoing, in connection with a proceeding under Debtor Relief Laws or otherwise, then the Liens granted pursuant to the Loan Documents shall automatically be reinstated without further action of the Loan Parties. This Section 8.14 shall survive termination of this Agreement and the other Loan Documents.

Section 8.15 Joint and Several Liability. EACH BORROWER AGREES THAT IT IS LIABLE, JOINTLY AND SEVERALLY, WITH EACH OTHER BORROWER FOR THE PAYMENT AND PERFORMANCE OF ALL OBLIGATIONS OF THE BORROWERS UNDER THIS AGREEMENT, AND THAT THE LENDER CAN ENFORCE SUCH OBLIGATIONS AGAINST ANY OR ALL BORROWERS, IN THE LENDER'S SOLE AND UNLIMITED DISCRETION. Each Borrower represents and warrants to the Lender that it has established adequate means of obtaining from every other Borrower on a continuing basis financial and other information relating to the financial condition of such other Borrower, and each Borrower agrees to keep adequately informed by such means of any facts, events or circumstances which might in any way affect its risks hereunder. Each Borrower further agrees that the Lender shall have no obligation to disclose to it any information or material about any other Borrower which is acquired by the Lender in any manner. Until Payment in Full has occurred, each Borrower waives any right to enforce any remedy which the Lender now has or may hereafter have against any other Borrower or any other Person, and waives any benefit of, or any right to participate in, any security now or hereafter held by the Lender.

Section 8.16 The Company as Agent for Borrowers. Each Borrower hereby irrevocably appoints the Company as the borrowing agent and attorney-in-fact for all Borrowers (the "Administrative Borrower") which appointment shall remain in full force and effect unless and until the Lender shall have received prior written notice signed by each Borrower that such appointment has been revoked and that another Borrower has been appointed Administrative Borrower. Each Borrower hereby irrevocably appoints and authorizes the Administrative Borrower (a) to provide the Lender with all notices with respect to Term Loans obtained for the benefit of any Borrower and all other notices and instructions under this Agreement and the other Loan Documents (and any notice or instruction provided by Administrative Borrower shall be deemed to be given by all Borrowers hereunder and shall bind each Borrower), (b) to receive notices and instructions from the Lender (and any notice or instruction provided by the Lender to the Administrative Borrower in accordance with the terms hereof shall be deemed to have been given to each Borrower), (c) to execute, deliver and perform any Loan Document on behalf of such Borrower (it being understood and agreed that any Loan Document that is binding on the Administrative Borrower will be deemed binding on all Borrowers), and (d) to take such action as the Administrative Borrower deems appropriate on its behalf to obtain Term Loans and to exercise such other powers as are reasonably incidental thereto to carry out the purposes of this Agreement and the other Loan Documents. Each Borrower agrees that any action taken by the Administrative Borrower in accordance with the terms of this Agreement or the other Loan Documents, and the exercise by the Administrative Borrower of its powers set forth herein or therein, together with such other powers that are reasonably incidental thereto, shall be binding upon all of the Borrowers. Each Borrower hereby jointly and severally agrees to indemnify the Lender and hold the Lender harmless against any and all liability,

expense, loss or claim of damage or injury, made against the Lender by any Borrower or by any third party whosoever, arising from or incurred by reason of (x) the handling of any Collateral of the Borrowers as provided in this Section 8.16, or (y) the Lender relying on any instructions of the Administrative Borrower.

Section 8.17 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), each Borrower acknowledges and agrees, and acknowledges its Affiliates' understanding, that (a) no fiduciary, advisory or agency relationship between such Borrower and its Subsidiaries and the Lender is intended to be or has been created in respect of the transactions contemplated hereby or by the other Loan Documents, irrespective of whether the Lender has advised or is advising such Borrower or any Subsidiary on other matters and irrespective of any Equity Interest of such Borrower held by the Lender (if any), (b) the services regarding this Agreement provided by the Lender are arm's-length commercial transactions between such Borrower and its Affiliates, on the one hand, and the Lender, on the other hand, (c) such Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent that it has deemed appropriate, (d) such Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents, (e) the Lender has no obligation to such Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents, and (f) the Lender and its Affiliates may be engaged, for their own accounts or the accounts of customers, in a broad range of transactions that involve interests that differ from those of such Borrower and its Affiliates, and the Lender has no obligation to disclose any of such interests to such Borrower or its Affiliates. To the fullest extent permitted by Law, each Borrower hereby waives and releases any claims that it may have against the Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

Section 8.17 CALIFORNIA JUDICIAL REFERENCE. IF ANY ACTION OR PROCEEDING IS FILED IN A COURT OF THE STATE OF CALIFORNIA BY OR AGAINST ANY PARTY HERETO IN CONNECTION WITH ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, (A) THE COURT SHALL, AND IS HEREBY DIRECTED TO, MAKE A GENERAL REFERENCE PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638 TO A REFEREE (WHO SHALL BE A SINGLE ACTIVE OR RETIRED JUDGE) TO HEAR AND DETERMINE ALL OF THE ISSUES IN SUCH ACTION OR PROCEEDING (WHETHER OF FACT OR OF LAW) AND TO REPORT A STATEMENT OF DECISION, PROVIDED THAT AT THE OPTION OF ANY PARTY TO SUCH PROCEEDING, ANY SUCH ISSUES PERTAINING TO A "PROVISIONAL REMEDY" AS DEFINED IN CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 1281.8 SHALL BE HEARD AND DETERMINED BY THE COURT, AND (B) WITHOUT LIMITING THE GENERALITY OF SECTION 8.3, THE BORROWERS SHALL BE SOLELY RESPONSIBLE TO PAY ALL FEES AND EXPENSES OF ANY REFEREE APPOINTED IN SUCH ACTION OR PROCEEDING.

Signature page follows.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

LOCAL BOUNTI OPERATING COMPANY LLC, as Borrower

By: /s/ Kathleen Valiasek
Name: Kathleen Valiasek
Title: Chief Financial Officer

BOUNTI BITTERROOT LLC, as Borrower

By: /s/ Kathleen Valiasek
Name: Kathleen Valiasek
Title: Chief Financial Officer

CONTROLLED ENVIRONMENT PROPERTY COMPANY, LLC, as Borrower

By: LOCAL BOUNTI OPERATING COMPANY LLC, its sole member

By: /s/ Kathleen Valiasek
Name: Kathleen Valiasek
Title: Chief Financial Officer

GROW BOUNTI NORTHWEST, LLC, as Borrower

By: CONTROLLED ENVIRONMENT PROPERTY COMPANY, LLC, its sole member

By: LOCAL BOUNTI OPERATING COMPANY LLC, its sole member

By: /s/ Kathleen Valiasek
Name: Kathleen Valiasek

Signature Page to Subordinated Credit Agreement

Title: Chief Financial Officer

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4143-9388-2193

531 FOLEY LANE HAMILTON, LLC, as Borrower

By: /s/ Kathleen Valiasek
Name: Kathleen Valiasek
Title: President

LOCAL BOUNTI CORPORATION, as Holdings

By: /s/ Kathleen Valiasek
Name: Kathleen Valiasek
Title: Chief Financial Officer

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**LOCAL BOUNTI TEXAS LLC
HOLLANDIA PRODUCE GROUP, INC.
HOLLANDIA PRODUCE GA, LLC
ADVANCED SUSTAIN ABILITY, LLC
HOLLANDIA REAL ESTATE, LLC
GREEN GROWTH CONSULTING, LLC
HOLLANDIA FLOWERS, LLC
HOLLANDIA PRODUCE, LLC, as Guarantors**

By: /s/ Kathleen Valiasek
Name: Kathleen Valiasek
Title: President

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CARGILL FINANCIAL SERVICES INTERNATIONAL, INC., as Lender

By: /s/ Dana Herman

Name: Dana Herman

Title: TM Settlement Supervisor

Signature Page to Subordinated Credit Agreement

LOCAL BOUNTI CORPORATION
DIRECTOR COMPENSATION POLICY
AMENDED AND RESTATED: DECEMBER 11, 2023

Each member of the Board of Directors (the “*Board*”) of Local Bounti Corporation (the “*Company*”) who is not an employee of the Company (each such member, an “*Outside Director*”) will receive the compensation described in this Director Compensation Policy (the “*Director Compensation Policy*”), as amended, for their Board service to the Company.

The Director Compensation Policy was originally adopted effective as of January 12, 2022 (the “*Effective Date*”). The Director Compensation Policy may be amended at any time in the sole discretion of the Board.

Annual Cash Compensation

Each Outside Director will receive the cash compensation set forth below for service on the Board. The annual cash compensation amounts will be payable in arrears, in equal quarterly installments following the end of each fiscal quarter of the Company in which the service occurred. Any amount payable for a partial quarter of service will be pro-rated by multiplying such amount by a fraction, the numerator of which will be the number of days of service that the Outside Director provided in such quarter and the denominator of which will be the number of days in such quarter inclusive. All annual cash fees are vested upon payment. For purposes of clarity, the first quarterly installment of the annual retainers set forth below shall be paid for the first quarter that ends on or after the Effective Date, with the amount of such payment equal to the full quarterly installment, pro-rated as applicable based on the days of service that the Outside Director provided in such quarter.

1. **Annual Board Member Service Retainer:**
 - a. All Outside Directors: \$87,500.
 - b. Outside Director serving as Lead Independent Director: \$15,000 (in addition to above).
2. **Annual Committee Member Service Retainer:** None
3. **Annual Committee Chair Service Retainer:**
 - a. Chairperson of the Audit Committee: \$20,000.
 - b. Chairperson of the Compensation Committee: \$15,000.
 - c. Chairperson of the Nominating and Corporate Governance Committee: \$10,000.

Equity Compensation

Equity awards will be granted under the Company’s 2021 Equity Incentive Plan or any successor equity incentive plan adopted by the Board and the stockholders of the Company (the “*Plan*”).

1. **Annual RSU Grants.** Without any further action of the Board, at the close of business on the date of each annual meeting of the Company’s stockholders (an “*Annual Meeting*”) beginning with the 2022 Annual Meeting, each continuing Outside Director shall be granted a restricted
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stock unit (“*RSU*”) award (“*Annual RSU Award*”) under the Plan covering shares (“*Shares*”) of the Company’s Common Stock (as defined in the Plan) having an *RSU Value* (as defined below) of **\$87,500** (a “*Continuing Director Annual RSU Award* ”); provided that the number of Shares covered by each Continuing Director Annual *RSU Award* will be rounded down to the nearest whole Share. Each Continuing Director Annual *RSU Award* shall vest on the earlier of (i) the day before the next Annual Meeting or (ii) the one-year anniversary of the grant date, subject to the applicable Outside Director’s continued service as a member of the Board through such vesting date.

2. **Elective *RSU Award*.** Notwithstanding anything to the contrary herein, with respect to annual cash retainers to be earned for Board service after the 2022 Annual Meeting, an Outside Director may elect (in a form and upon the terms and conditions prescribed by the Company) to receive up to 100% of the annual cash retainers to be earned in respect of the applicable year of Board service in the form of an *RSU Award* (an “*Elective RSU Award*” and, together with any Annual *RSU Award* (an “*RSU Award*”) under the Plan covering the number of Shares with an *RSU Value* equal to the annual cash retainer amounts subject to the election. Each *Elective RSU Award* shall be granted on the same date and subject to the same terms and conditions as the Annual *RSU Award*, as applicable, granted for the corresponding year of service except that the *Elective RSU Award* shall vest in quarterly installments in the same proportions as to which the annual cash retainers the award replaces would have been earned, subject to the applicable Outside Director’s continued service as a member of the Board and/or on a committee, as applicable, through each such vesting date.
 3. **Change in Control.** All vesting is subject to the Outside Director’s continued service as a member of the Board through each applicable vesting date. Notwithstanding the foregoing, if an Outside Director remains in continuous service as a member of the Board until immediately prior to the: (a) the Outside Director’s death, (b) the Outside Director’s “*Disability*” (as defined in the Plan) or (c) the closing of a “*Change in Control*” (as defined in the Plan) (each an “*Acceleration Event*”), any unvested portion of any *RSU Award* granted in consideration of such Outside Director’s service as a member of the Board shall vest in full immediately prior to, and contingent upon, the applicable *Acceleration Event*.
 4. **Calculation of *RSU Value*.** The “*RSU Value*” of an *RSU Award* to be granted under this policy will equal the number of Shares subject to the restricted stock unit award multiplied by the closing price of a Share on the grant date, or if the grant date is not a trading day, the closing price of a Share on the trading day immediately prior to the grant date.
 5. **Discretionary Grants.** In addition to the automatic grants described herein, the Board, in its sole discretion, may grant additional equity awards to certain Outside Directors for services to the Company that exceed the standard expectations of an Outside Director or for other circumstances determined appropriate by the Board, including, without limitation, an inducement for the Outside Director to remain on the Board or an initial grant for an individual to become an Outside Director.
 6. **Remaining Terms.** The remaining terms and conditions of each *RSU Award* granted under this policy will be as set forth in the Plan and the Company’s standard form of *RSU Award* agreement, as amended from time to time by the Board or the Compensation Committee of the Board, as applicable.
 7. **Option Grants in Lieu of *RSU Awards*.** To avoid adverse tax consequences in the case of Outside Directors who do not reside in the United States, at the sole discretion of the Board, any *RSU Award* to be granted under this policy may instead be granted in the form of a non-statutory stock option under the Plan (an “*Option Award*”) covering such number of Shares that result in such *Option Award* having an *Option Value* equal to the *RSU Value* of the *RSU Award* that such *Option Award* is intended to replace. The “*Option Value*” of an *Option Award* will equal its grant date value calculated in accordance with the Black-Scholes option valuation methodology. Each *Option Award* will have a term of ten years from the grant date and an exercise price per Share equal to the closing price of a Share on the grant date, or if the grant date is not a trading
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day, the closing price of a Share on the trading day immediately prior to the grant date. All other terms and conditions that apply to RSU Awards under this policy will apply to Option Awards.

Deferral of Cash Retainers and Equity Grants

Prior to a cash retainer being earned, upon election by an Outside Director in a form and within the timeframe prescribed by the Company, an Outside Director may elect to defer their cash retainer into fully-vested deferred stock units (“*DSUs*”) of the Company, which will be granted after such retainer is earned. DSUs are held as stock units, but are settled in Shares upon the earlier of: (1) the date chosen on the election form, and (2) the “*separation from service*” (as defined in Treasury Regulation Section 1.409A-3(a)(1)) of the Outside Director.

In addition, an Outside Director may elect in a form and within the timeframe prescribed by the Company to defer restricted stock units into DSUs with a settlement date that occurs at least three years after the restricted stock units have fully vested and up to the time the Outside Director has a “separation from service.”

All deferral elections to DSUs must comply with Section 409A of the Internal Revenue Code of 1986, as amended, the Treasury Regulations and other official guidance thereunder and applicable law.

Expenses

The Company will reimburse each Outside Director for ordinary, necessary and reasonable out-of-pocket travel expenses to cover in-person attendance at, and participation in, Board and committee meetings, provided, that the Outside Director timely submits to the Company appropriate documentation substantiating such expenses in accordance with the Company’s travel and expense policy, as in effect from time to time.



LOCAL BOUNTI CORPORATION INSIDER TRADING POLICY

(Revised April 12, 2023)

1. Purpose

The following sets forth the policy of Local Bounti Corporation (the “**Company**”) with respect to transactions in the Company’s securities (e.g., common stock), as well as the securities of publicly traded companies with which the Company has a business relationship, for the purpose of promoting compliance with applicable securities laws by its directors, officers, employees, and designated contractors.

Federal and state securities laws prohibit the purchase or sale of a company’s securities by anyone who is aware of material information about that company that is not generally known or available to the public. These laws also prohibit anyone who is aware of material nonpublic information (“**MNPI**”) from disclosing this information to others who may trade. Companies and their controlling persons (for instance, directors and officers) may also be subject to liability if they fail to take reasonable steps to prevent insider trading by company personnel.

The adverse consequences for insider trading violations can be staggering and include potential criminal and civil liability and disciplinary action. Penalties for insider trading include fines of up to \$5 million, jail sentences of up to 20 years, and civil penalties of up to three times the profit gained or loss avoided. The Securities and Exchange Commission (“**SEC**”) has imposed large penalties even when an individual did not profit from the trading or disclosure. The SEC, stock exchanges, and the Financial Industry Regulatory Authority use sophisticated electronic surveillance techniques to uncover insider trading, and there is a very high likelihood that federal or other regulatory authorities will detect and prosecute insider trading violations involving even small dollar amounts.

2. Covered Persons

As a director, officer, employee, or designated contractor of the Company or its subsidiaries (each, a “**Covered Person**”), this policy applies to you. The same restrictions that apply to you apply to your family members who reside with you, anyone else who lives in your household, and any family members who do not live in your household but whose transactions in the Company’s securities are directed by you or are subject to your influence or control (such as parents or children who consult with you before they trade in the Company’s securities); it also covers venture capital firms and other entities (such as partnerships, trusts, and corporations) that are affiliated or associated with you or these related persons. You are responsible for making sure that any transaction in securities covered by this policy by you or any of these people or entities complies with this policy.



An affiliate of a person subject to this policy is someone who directly or indirectly controls or is controlled by, or is under common control with the person. An associate of a person subject to this policy is (i) a corporation or organization (other than the Company or a majority owned subsidiary of the Company) of which the person is an officer or partner or is directly or indirectly the beneficial owner of 10% or more of any class of equity securities or (ii) any trust in which the person has a substantial beneficial interest or as to which the person serves as trustee or in a similar capacity.

Each individual is responsible for the consequences of their actions. You are responsible for understanding and complying with this policy. Individuals who violate this policy will also be subject to disciplinary action by the Company, which may include ineligibility for future participation in the Company's equity plans or termination of employment for cause. In addition, if the Company becomes aware of a violation of this policy, the Company may inform the appropriate governmental authorities. In determining consequences resulting from a violation of this policy, the Compliance Officer will consider a number of factors including the individual's culpability; cooperation with the investigation; the individual's past violations, if any; consistency with consequences for other violations, if any; the availability of restitution; penalties assessed by regulators; the need for deterrence; and extent of the harm to the Company, including the impact on Company culture.

The portions of this policy relating to trading while in possession of MNPI and the use or disclosure of that information continue to apply to transactions in the Company's securities even after termination of employment or association with the Company. If you are aware of MNPI about the Company when your employment or other business relationship with the Company ends, you may not trade in the Company's securities or disclose the MNPI to anyone else until that information is made public or becomes no longer material.

3. Definition of Material Nonpublic Information

For purposes of this policy, "**material nonpublic information**" or "**MNPI**" is any material information about a company that has not yet become publicly available.

Information is "material" if a reasonable investor would likely consider it important in making a decision to buy, hold, or sell securities. Any information that could reasonably be expected to affect the price of the security is material. The information may be positive or negative. Financial information is frequently material, even if it covers only part of a fiscal period or less than all of the company's operations, since either of these might convey enough information about the company's consolidated results of operations to be considered material information. Other common examples of information that may be material include the following:

- information regarding financial results, financial condition and financial forecasts, including estimates of financial results or changes in previously announced estimates of financial results
- significant proposed mergers, acquisitions, investments, or divestitures
- gain or loss of significant customers or suppliers

- entry into, renewal, termination, or changes to material contracts
- layoffs or restructurings
- cybersecurity incidents and data breaches
- developments in significant litigation or government investigations
- public or private debt or equity offerings
- significant changes in senior management or board of directors
- new product or service offerings
- capital allocation developments, such as share repurchases and dividends

It is not possible to define all categories of material information, and you should recognize that the public, media, and courts may use hindsight in judging what is material. Further, the materiality of particular information is subject to reassessment on a regular basis. Therefore, it is important to “play it safe” and assume information is material if there is any doubt. You may also consult with the Compliance Officer. The “**Compliance Officer**” means the Company’s General Counsel; provided that in the event there is no General Counsel or the General Counsel is unavailable, the Company’s Chief Financial Officer will be authorized to serve as the Compliance Officer in the interim or to designate another person as the Compliance Officer.

Information is “nonpublic” until the information is broadly disseminated in a manner sufficient to ensure its availability to the investing public generally, without favoring any special person or group.

Release of information to the media does not immediately mean the information has become publicly available. Information is considered to be available to the public only when it has been released broadly to the marketplace (such as by a press release or SEC filing) and the investing public has had time to absorb and evaluate it. Ordinarily, information about the Company should not be considered public until at least one full trading day has passed following its formal release to the market.

4. Trading While in Possession of MNPI is Prohibited

- 4.1. You are prohibited from engaging in any transaction in the Company’s securities (including gifts or other transfers without consideration, such as partnership distributions) while aware of MNPI about the Company. It does not matter whether you relied on or used MNPI in deciding to trade—if you are aware of MNPI about the Company, the prohibition applies.

This prohibition covers virtually all transactions in securities of the Company, including securities and transactions not permitted under this policy. In this regard, the term “securities” includes common stock, options to purchase common stock, debt securities, preferred stock, and derivative securities, such as put and call

options, warrants, swaps, caps, and collars. The term “transactions” includes purchases, sales, pledges, hedges, loans, and gifts of the Company’s securities, as well as other direct or indirect transfers of the Company’s securities. This prohibition extends to trades of the Company’s securities in which you have any “beneficial” or other interest, or over which you exercise investment control, including: (i) transactions in the Company’s securities held in joint accounts or accounts of persons or entities controlled directly or indirectly by you; (ii) transactions in the Company’s securities for which you act as trustee, executor, or custodian; and (iii) transactions in any other account or investment involving in any way any the Company’s securities over which you exercise any direct or indirect control.

4.2 For the avoidance of doubt, this prohibition applies to the subsequent sales of the Company’s securities issued pursuant to equity awards, as well broker-assisted sales for the purpose of generating the cash needed to cover the costs of options exercises or tax withholding. In addition, your decision to participate in any ESPP and any decision to change your election under any ESPP should not be made while you are in possession of MNPI.

4.3 You are also prohibited from engaging in transactions in securities of other companies (as broadly defined in the second paragraph of Section 4.1) while aware of material nonpublic information about those companies. In particular, information learned in connection with your work on transactions or relationships between the Company and another publicly traded company may constitute MNPI about the other company. This MNPI may include negotiations over mergers, acquisitions, divestitures, renewal or termination of significant contracts, or other arrangements.

4.4. These prohibitions do **not** apply to the following:

- Transactions made pursuant to a 10b5-1 Plan (as defined below) meeting the requirements of Section 8
- The exercise of stock options or option-like awards if the exercise price is paid in cash or through the Company withholding a portion of the shares underlying the options
- The Company’s withholding of shares underlying equity awards to satisfy tax withholding requirements
- The purchase of shares under any ESPP
- Transfers by will or the laws of descent and distribution or transfers for tax planning purposes in which your beneficial ownership and pecuniary interest in the transferred securities does not change
- Transactions otherwise prohibited by this policy if, prior to the transaction, the Compliance Officer determines that the transaction is not inconsistent with the purposes of this policy and exceptional circumstances apply

The existence of a personal financial emergency does not excuse you from compliance with this policy and will not be the basis for a potential exception to the policy described above or otherwise for a transaction that is not inconsistent with the purposes of the policy.

5. Disclosure of MNPI is Prohibited; No “Tipping”

You may not disclose to others MNPI about the Company or any other company with which the Company has a business relationship learned in connection with your role as a Covered Person, make recommendations or express opinions to others about investments in or the prospects of the Company or those companies while in possession of this information, or otherwise make unauthorized disclosure or use of this information (collectively, “**Tipping**”). Tipping can result in legal liability and consequences under this policy even if you did not benefit from the resulting transaction.

Any written or oral statement that would be prohibited under the law or under this policy is equally prohibited if made on the internet or through social media platforms, regardless of whether Covered Persons use their own name or a pseudonym, including the disclosure of MNPI about the Company or with respect to other publicly traded companies with which the Company has a business relationship that you learn in connection with your role as a Covered Person.

6. Other Prohibited Transactions

You may not take any of the following actions:

- 6.1 Engage in short sales of the Company’s securities (sales of securities that are not then owned), including “sales against the box” (short sales not exceeding the number of shares already owned)
- 6.2 Trade in derivatives of the Company’s securities, such as exchange-traded put or call options and forward transactions
- 6.3 Purchase any financial instruments (such as prepaid variable forward contracts, equity swaps, collars, or exchange funds) or otherwise engaging in any transactions that hedge or offset any decrease in the market value of the Company’s securities or limit your ability to profit from an increase in the market value of the Company’s securities
- 6.4 Holding the Company’s securities in a margin account or pledging the Company’s securities as collateral for a loan unless the pledge has been approved by the Compliance Officer
- 6.5 Except under a 10b5-1 Plan meeting the requirements of Section 8, establish standing or limit orders for transactions in the Company’s Securities for more than three business days

7. Blackout Periods; Preclearance of Transactions

Except under a 10b5-1 Plan meeting the requirements of Section 8:

- 1.1 No Restricted Person (as defined below) may engage in transactions in the Company's securities during a Quarterly Blackout Period (as defined below) regardless of whether they are actually aware of MNPI during that period.

A "**Restricted Person**" means each of the Company's directors and "officers" (as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**")) and any other person designated by the Compliance Officer for purposes of this policy. These persons are determined to be at an enhanced risk of possessing MNPI during periods of time proximate to quarterly announcements of financial results and who therefore must exercise greater diligence to comply with insider trading prohibitions. These persons generally include certain senior business, operational, finance, legal, and management personnel, as well as other individuals in a role that makes it likely they will have awareness of MNPI in proximity to quarterly announcements of financial results.

The Compliance Officer maintains a list of all Restricted Persons. You will be notified by the Compliance Officer if you are considered a Restricted Person, and you will remain a Restricted Person until notified otherwise by the Compliance Officer. Even if you have not been notified, if you believe you should be a Restricted Person, you must adhere to the prohibitions in this section.

"**Quarterly Blackout Periods**" are in effect with respect to each quarterly announcement of financial results, starting on the seventh day prior to the end of the third month of each fiscal quarter (provided that, if that day is not a business day, then the next business day) and ending when one full trading day has passed following the public announcement of the Company's quarterly financial results. The Company has selected this period because it is the time when Restricted Persons are likely to have MNPI about the Company.

The Compliance Officer will notify Restricted Persons by email when the Quarterly Blackout Period begins and ends. Even if you have not been notified, if you are a Restricted Person, you must not transact in the Company's Securities during the Quarterly Blackout Period. If you have questions about a Quarterly Blackout Period, you should consult the Compliance Officer.

- 1.2 In addition to Quarterly Blackout Periods, from time to time the Compliance Officer may decide to impose a **Special Blackout Period** for Covered Persons who are aware of particular information that the Company or the Compliance Officer considers likely to be MNPI. A Special Blackout Period may be imposed in connection with a potential acquisition, anticipated positive or negative announcements of financial results, cybersecurity incidents, or other potentially material developments. The Compliance Officer will determine on an ongoing basis who is subject to a Special Blackout Period and notify these individuals. Even if you have not been notified, if you reasonably believe you are or should be subject to a Special Blackout Period, you must adhere to the following prohibition. If you are subject to a Special Blackout Period, you may not engage in transactions in the

Company's securities until notified by the Compliance Officer that the Special Blackout Period has ended.

Any person made aware of a Special Blackout Period should not disclose the existence of the Special Blackout Period to anyone else. If you have questions about a Special Blackout Period, you should consult the Compliance Officer.

1.3 Pre-clearance of Transactions and 10b5-1 Plans; Related Procedures

- 1.3.1 Each Restricted Person must receive preclearance from the Compliance Officer prior to directly or indirectly engaging in transactions in the Company's securities or entering into or modifying a 10b5-1 Plan for engaging in transactions in the Company's securities (collectively, "**Preclearance Events**"). The Restricted Person will be permitted to proceed only after (i) submitting a written request for preclearance at least three business days prior to any desired Preclearance Event, including a statement that the Restricted Person is not in possession of MNPI, and (ii) receiving written approval of the preclearance request from the Compliance Officer.
- 1.3.2 Covered Persons must also comply with SEC Rule 144, Section 16 of the Exchange Act, and all applicable reporting requirements. In connection with the preclearance process, Restricted Persons should provide to the Compliance Officer an analysis of how the proposed Preclearance Event complies with SEC Rule 144 and does not result in short swing profits under Section 16 of the Exchange Act. 10b5-1 Plans for Restricted Persons should also include a provision stating that the Restricted Person will arrange for the electronic filing of any required Form 144 with the SEC via the EDGAR system and authorize the 10b5-1 Plan broker to notify the Company of all transactions on the Restricted Persons behalf to ensure a Form 4 is filed in the required two business days.
- 1.3.3 If a Preclearance Event is precleared in accordance with this policy, a Restricted Person will then have three business days to effect the Preclearance Event. However, if a Restricted Person becomes aware of MNPI or becomes subject to a Blackout Period after receiving preclearance, but before the Preclearance Event has been effected, that person must not proceed with the Preclearance Event.
- 1.3.4 The Compliance Officer is under no obligation to approve a request under the preclearance procedures provided for under this policy and may determine to reject any request for any reason, even if the proposed Preclearance Event would not violate the federal securities laws or a specific provision of this policy.
- 1.3.5 Approval of any request under these preclearance procedures does not insulate you from liability under the securities laws. The ultimate responsibility for determining whether an individual is in compliance with the securities law rests with that individual in all cases.

1. 10b5-1 Plans

- 1.1 It is not a violation of this policy to transact in the Company's Securities while you are aware of any MNPI or during a Blackout Period if: (i) the transactions are made pursuant to a written trading plan (a "**10b5-1 Plan**") that complies with the requirements of this policy and Rule 10b5-1(c) Exchange Act (as this rule and related regulations may be amended from time to time by the SEC, including any SEC Staff interpretations relating thereto) ("**Rule 10b5-1**"); (ii) the 10b5-1 Plan was not entered into while you were subject to a Blackout Period; (iii) the 10b5-1 Plan contains a representation certifying that, on the date of adoption of the 10b5-1 Plan, you (a) are not aware of MNPI about the Company or its Securities and (b) adopted the 10b5-1 Plan in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1 under the Exchange Act; and (iv) if required by Section 8.2, the 10b5-1 Plan was precleared in writing in advance by the Compliance Officer; provided, however, that any and all transactions in the Company's Securities under a 10b5-1 Plan that satisfy the conditions in clauses (i) through (iv) will not qualify for the foregoing exception if after you have entered into the 10b5-1 Plan you fail to act in good faith with respect to it, including with respect to modifications and terminations.
- 1.2 Restricted Persons must submit a proposed 10b5-1 Plan and any modification of a 10b5-1 Plan for preclearance in accordance with the provisions of Section 7.3 at least five business days before the desired date of entry into or modification of the plan.
- 1.3 To help demonstrate that a 10b5-1 Plan fully complies with Rule 10b5-1 and this policy, the Company has adopted the requirements for these plans set forth on Appendix A to this policy.

2. Inquiries

Any questions about this policy, its application to a proposed transaction, or the requirements of applicable laws should be directed to the Compliance Officer at complianceofficer@localbounti.com.

APPENDIX A
LOCAL BOUNTI CORPORATION
10B5-1 PLAN GUIDELINES

These 10b5-1 Plan Guidelines provide further requirements for entering into and operating a 10b5-1 Plan under the Company's Insider Trading Policy (the "policy"). Capitalized terms used but not defined in these guidelines will have the meanings ascribed to them in the policy.

1. Good Faith

You must act in good faith with respect to your 10b5-1 Plan under the policy. Your failure to act in good faith with respect to a 10b5-1 Plan, including with respect to modifications and terminations, will cause the plan to no longer comply with Rule 10b5-1 and the policy and potentially cause your prior transactions in the Company's securities under the 10b5-1 Plan to violate the policy.

2. Trades Outside of a 10b5-1 Plan

Any transaction outside of a 10b5-1 Plan may mitigate the benefits of the 10b5-1 Plan. Consequently, Covered Persons should generally not transact in the Company's securities (except as permitted by Section 4.3 of the policy) outside of a 10b5-1 Plan while a 10b5-1 Plan is in effect.

All Covered Persons, whether or not they are Restricted Persons, must comply with the preclearance provisions of Section 7.3 of the policy for any transactions outside of a 10b5-1 Plan while they have a 10b5-1 Plan in effect.

3. 10b5-1 Plan Adoption or Termination (including Modification); Good Faith Considerations

Section 8 of the policy sets forth the requirements for entering into a 10b5-1 Plan, including preclearance requirements. The same requirements and provisions apply to any modification of a 10b5-1 Plan. Any questions regarding proposed modifications to, or terminations other than pursuant to the existing terms of, a 10b5-1 Plan should be directed to the Compliance Officer.

While Rule 10b5-1 does not expressly forbid the early termination of a 10b5-1 Plan, the SEC has made clear that once a 10b5-1 Plan is terminated, the affirmative defense may not apply to any trades that were made pursuant to that plan if the termination calls into question whether the good faith requirement was met or whether the plan was part of a plan or scheme to evade Rule 10b-5 under the Exchange Act. The risk associated with terminating a plan increases if the Covered Person promptly engages in market transactions or adopts a new 10b5-1 Plan. This behavior could arouse suspicion that the Covered Person is modifying trading behavior to benefit from MNPI. Accordingly, Covered Persons are encouraged to not terminate 10b5-1 Plans except in unusual circumstances. For similar reasons, Covered Persons are encouraged to avoid frequent modifications of 10b5-1 Plans. Covered Persons are required to provide prompt notice of termination of any 10b5-1 Plan to the Compliance Officer.

4. Overlapping Plans

Under Rule 10b5-1, Covered Persons may not have more than one 10b5-1 Plan in operation at any given time, subject to certain limited exceptions. Consult with the Compliance Officer to discuss whether any of these exceptions may apply to your situation, particularly if you wish to enter into a new 10b5-1 Plan under which trades will commence shortly after an existing 10b5-1 Plan would terminate in accordance with its terms.

5. Single-Trade Plans

Covered Persons may not enter into a 10b5-1 Plan that is designed to transact the total amount of the Company's securities subject to the 10b5-1 Plan as a single transaction (a "**Single-Trade Plan**"), unless: (i) the Covered Person has not, during the prior 12-month period, entered into another 10b5-1 Plan of the same design and (ii) the other 10b5-1 Plan was eligible to receive the affirmative defense under Rule 10b5-1.

6. Timing of First Trade (Cooling-Off Periods)

For Company directors and officers, 10b5-1 Plans must be subject to a "cooling off" period pursuant to which no trading may commence after the 10b5-1 Plan is adopted until the expiration of the later of (i) 90 days after the adoption of the 10b5-1 Plan, or (ii) two business days following the filing of the Form 10-Q or Form 10-K for the fiscal quarter in which the plan was adopted, not to exceed 120 days following adoption of the 10b5-1 Plan.

For other Covered Persons, 10b5-1 Plans must be subject to a "cooling off" period (between the date the 10b5-1 Plan is adopted and when trading under the plan may commence), pursuant to which no trading may commence after the 10b5-1 Plan is adopted until the expiration of 30 days after the adoption of the 10b5-1 Plan.

7. Plan Suspension & Termination

10b5-1 Plans should include a provision that automatically suspends trading under the plan upon notice of suspension from the Company triggered by certain events. Events contemplated by this type of notice include underwritten public offerings by the Company and acquisition of the Company.

10b5-1 Plans should also include a provision automatically terminating the plan at some future date. In addition, any 10b5-1 Plan must provide for automatic termination in the event of death, a personal bankruptcy filing, the filing of a divorce petition, employment termination (in which case automatic termination will occur at the beginning of the next open trading window), the last scheduled sale of shares, the public announcement of a merger, recapitalization, acquisition, tender or exchange offer, or other business combination or reorganization resulting in the exchange or conversion of the shares of the Company into shares of another company, or the conversion of the Company's Securities into rights to receive fixed amounts of cash or into debt securities or preferred stock (whether in whole or in part).

8. Plan Brokers

A Covered Person must not communicate any MNPI about the Company to the broker or attempt to influence how the broker exercises his or her discretion in any way.

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 Nos. 333-280232, 333-278356, 333-262325, and 333-271058 and Registration Statements on Form S-3 Nos. 333-269094, 333-267993, and 333-271472 of our report dated March 31, 2025, relating to the consolidated financial statements of Local Bounti Corporation as of and for the years ended December 31, 2024 and 2023, appearing in this Form 10-K.

/s/ WithumSmith+Brown, PC

Whippany, New Jersey
March 31, 2025

**CERTIFICATION PURSUANT TO RULES 13a-14(a) AND 15d-14(a)
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Craig M. Hurlbert, certify that:

1. I have reviewed the Annual Report on Form 10-K of Local Bounti Corporation (the "Registrant") for the year ended December 31, 2024;
 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
 4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
 5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.
-

March 31, 2025

/s/ Craig M. Hurlbert

Name: Craig M. Hurlbert

Title: Chief Executive Officer and Director
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO RULES 13a-14(a) AND 15d-14(a)
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Kathleen Valiasek, certify that:

1. I have reviewed the Annual Report on Form 10-K of Local Bounti Corporation (the “Registrant”) for the year ended December 31, 2024;
 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
 4. The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and
 5. The Registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.
-

March 31, 2025

/s/ Kathleen Valiasek
Name: Kathleen Valiasek
Title: Chief Financial Officer
(Principal Financial and Accounting Officer)

Certification
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), the undersigned officer of Local Bounti Corporation, a Delaware corporation (the "Company"), hereby certifies that, to his knowledge:

The Annual Report on Form 10-K for the 12 months ended December 31, 2024 (the "Report") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 31, 2025

/s/ Craig M. Hurlbert

Name: Craig M. Hurlbert

Title: Chief Executive Officer

The foregoing certification is being furnished solely pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code) and is not being filed as part of the Report or as a separate disclosure document.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Certification
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), the undersigned officer of Local Bounti Corporation, a Delaware corporation (the "Company"), hereby certifies that, to her knowledge:

The Annual Report on Form 10-K for the 12 months ended December 31, 2024 (the "Report") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 31, 2025

/s/ Kathleen Valiasek

Name: Kathleen Valiasek
Title: Chief Financial Officer

The foregoing certification is being furnished solely pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code) and is not being filed as part of the Report or as a separate disclosure document.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.