

**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, 2022

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)

98-1584830

(I.R.S Employer Identification No.)

400 W. Main St. Hamilton MT 59840

(Address of principal executive offices, including zip code)

(800) 640-4016

(Registrant's telephone number, including area code)

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
Warrants, each exercisable for one share of Common Stock for \$11.50 per share	LOCL WS	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 \$ 175.3 million as of June 30, 2022 (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 104,489,422 at March 24, 2023.

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 20, 2023, are incorporated by reference into Part III of this Annual Report on Form 10-K.

TABLE OF CONTENTS

	Page
<u>Cautionary Note Regarding Forward-Looking Statements</u>	4
<u>Additional Information</u>	5
<u>PART I</u>	
Item 1. <u>Business</u>	5
Item 1A. <u>Risk Factors</u>	22
Item 1B. <u>Unresolved Staff Comments</u>	48
Item 2. <u>Properties</u>	48
Item 3. <u>Legal Proceedings</u>	49
Item 4. <u>Mine Safety Disclosures</u>	49
<u>PART II</u>	
Item 5. <u>Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</u>	50
Item 6. <u>Reserved</u>	50
Item 7. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	51
Item 7A. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	59
Item 8. <u>Financial Statements and Supplementary Data</u>	60
Item 9. <u>Changes in and Disagreements With Accountants on Accounting and Financial Disclosure</u>	87
Item 9A. <u>Controls and Procedures</u>	87
Item 9B. <u>Other Information</u>	88
Item 9C. <u>Disclosure Regarding Foreign Jurisdictions that Prevent Inspections</u>	88
<u>PART III</u>	
Item 10. <u>Directors, Executive Officers and Corporate Governance</u>	89
Item 11. <u>Executive Compensation</u>	89
Item 12. <u>Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u>	89
Item 13. <u>Certain Relationships and Related Transactions, and Director Independence</u>	89
Item 14. <u>Principal Accountant Fees and Services</u>	89
<u>PART IV</u>	
Item 15. <u>Exhibits and Financial Statement Schedules</u>	90
Item 16. <u>Form 10-K Summary</u>	93
<u>Signatures</u>	94

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," "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 CEA 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 generate revenue;
- the risk that Local Bounti may never achieve or sustain profitability;
- the risk that Local Bounti could fail to effectively manage its future growth;
- 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 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 CEA 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;
- restrictions contained in Local Bounti's debt facility agreements with Cargill Financial Services International, Inc. ("Cargill Financial");
- 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 natural food market;
- Local Bounti's ability to defend itself against intellectual property infringement claims;
- Local Bounti's ability to effectively integrate the recently acquired operations of Hollandia Produce Group, Inc., a Delaware corporation, and its subsidiaries (collectively, "Pete's") 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 NYSE; 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 bring our farm to your kitchen. Our vision is to deliver the freshest, locally grown produce over the fewest food miles. 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 things.

Company Overview

Local Bounti is a controlled environment agriculture ("CEA") company that produces sustainably grown produce, focused today on living and loose leaf lettuce. Founded in 2018, and headquartered in Hamilton, Montana, Local Bounti utilizes its patent pending Stack & Flow Technology™ to grow healthy food sustainably and affordably. Our proprietary process is a hybrid, 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, consistent, and delicious 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 CEA facility in Hamilton, Montana (the "Montana Facility") commenced construction in 2019 and reached full commercial operation by the second half of 2020. In 2021, we successfully completed the expansion of our Montana Facility, more than doubling our production capacity. Immediately after expansion, this facility was dedicated equally to commercial production and research and development that focused on new products, technology and system design. Today, the majority of the Montana Facility is dedicated to commercial production, but we continue to utilize dedicated space for research and development to improve our existing and future facilities.

On April 4, 2022, Local Bounti acquired California-based complementary greenhouse farming company Hollandia Produce Group, Inc. and its subsidiaries (the "Pete's Acquisition"), which operate under the name Pete's ("Pete's"). Through the Pete's acquisition, we significantly increased our growing footprint, now operating three additional greenhouse growing facilities, including two in California and one in Georgia, the latter of which became operational in July 2022. We now have distribution to over 10,000 retail locations across 35 U.S. states and Canadian provinces, primarily through direct relationships with blue-chip retail customers, including Albertsons, Sam's Club, Kroger, Target, Walmart, Whole Foods, and AmazonFresh. Today, 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 salad and cress.

Local Bounti's founders are Craig M. Hurlbert and Travis M. Joyner, business partners with a track record of building and managing capital-intensive, commodity-based businesses in energy, water, and industrial technology. After initially setting out to invest in a CEA business, Craig and Travis could not find a suitable existing business or technology in which to invest. Instead, they took a clean sheet approach and began to build a business with long-term CEA leadership in mind and a focus on unit economics and sustainability. With this background, we created our high-yield and low-cost Stack & Flow Technology™. Local Bounti plans to install its patent pending Stack & Flow

Technology™ at its California facilities, combining the best aspects of vertical farming and greenhouse growing technologies to deliver higher yields of diverse leafy greens with superior unit economics.

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 defines our execution strategy, which underpins our value proposition and enhances value for all stakeholders as depicted in the diagram below.



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 in the future, plant genetics. 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 hydroponic greenhouse farms.

Additionally, our greenhouse configuration is organized in a highly modular layout with our control center technology suite we are developing to centralize operational control. Our control center technology suite provides for remote monitoring of our operations to efficiently collect and analyze information to drive yields, reduce risk, and grow product more consistently.

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 plan to update facilities 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 more than 10,000 retail locations across 35 U.S. states and Canadian provinces primarily through direct relationships with blue-chip retail customers, including Albertsons, Sam's Club, Kroger, Target, Walmart, Whole Foods, and AmazonFresh. Our stock keeping unit ("SKU") assortment at the end of 2022 includes 25 SKUs across living and loose leaf lettuce, 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 expect to continue to target new SKUs that incorporate spinach, kale, and arugula, which continue to grow in popularity in American households. We believe the power of our brands, including Local Bounti and Pete's, 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 directly addresses 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.

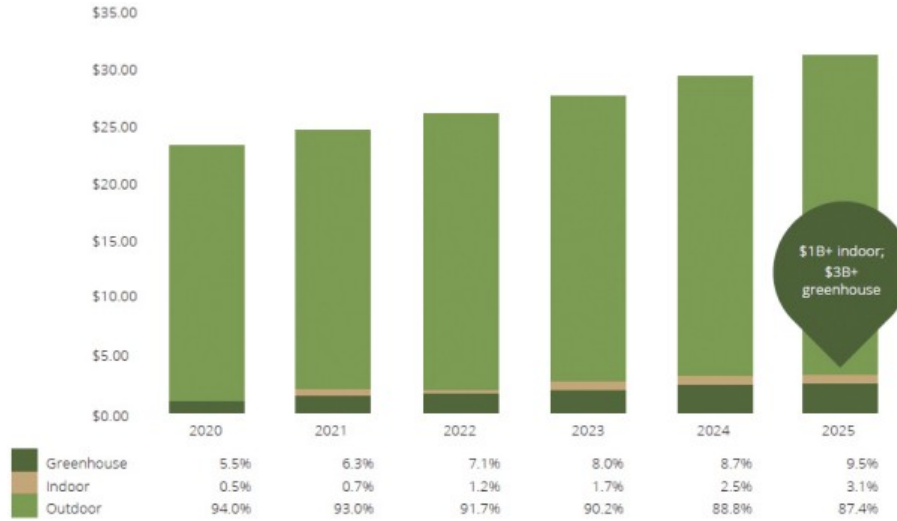
Market Overview

According to the U.N., by 2050, the global population is projected to be 9.8 billion with about 68% of the population living in an urban area, which presents challenges around energy, transportation, housing and food availability. In addition, consumer demands are challenging agriculture businesses to produce food in ways that are more safe, transparent, personalized and sustainable.

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 2019 Food and Health Survey of American Consumers, 75% of respondents claimed they were eating healthier than a decade ago, including limiting sugar intake, eating less carbohydrates and processed foods, eating more fruits and vegetables, and paying more attention to what they are putting into their bodies. As the trend toward fresh food continues, the market for vegetables and herbs in the United States is expected to reach \$75 billion by 2025 and grow 15% annually, according to a report published by S2G Ventures.

Projected US Market Size by Environment, Vegetables & Fresh Cut Herbs (\$B)*



Source: S2G report.

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, from November through March, approximately 90% of all leafy vegetables grown in the United States are sourced from Yuma County in southwest Arizona, according to the Yuma County Chamber of Commerce, which is hundreds 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.

Types of growing environments:

Greenhouse: A glass or polycarbonate structure that uses sunlight in crop production. Variables such as temperature, humidity and sunlight need to be considered carefully when growing produce in greenhouses, particularly during the summer months.

Vertical Farming: A crop production that utilizes supplemental lighting such as LED lights and gives the ability to control the environment. This type of controlled environment agriculture often uses a vertical space where plants can be stacked horizontally or in tall towers and may include rooms, warehouses, containers, factories and other converted indoor spaces not usually created for growing crops.

Protected Cropping: A crop production that is grown outdoors with some protection against exogenous elements. The protection may offer value against rain, hail and frost.

Types of growing methods:

Aeroponics: Plants suspended in a closed or semi-closed environment; the exposed roots and lower stem are sprayed with a nutrient-rich water solution.

Aquaponics: Cultivation of plants in a recirculating water medium with aquatic animal wastewater from an adjacent tank of fish, crayfish, prawns or snails. The waste is broken down by bacteria into usable nutrients for the plants.

Hydroponic: Growing plants in a soil-less water or media matrix by bathing roots in a nutrient-rich solution, which can be paired with aquaponics.

The rise of commercially viable CEA. CEA can offer the food industry resiliency and dependability beyond what traditional agriculture can offer. CEA can produce a broad array of product consistently, year- round, and 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. 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:

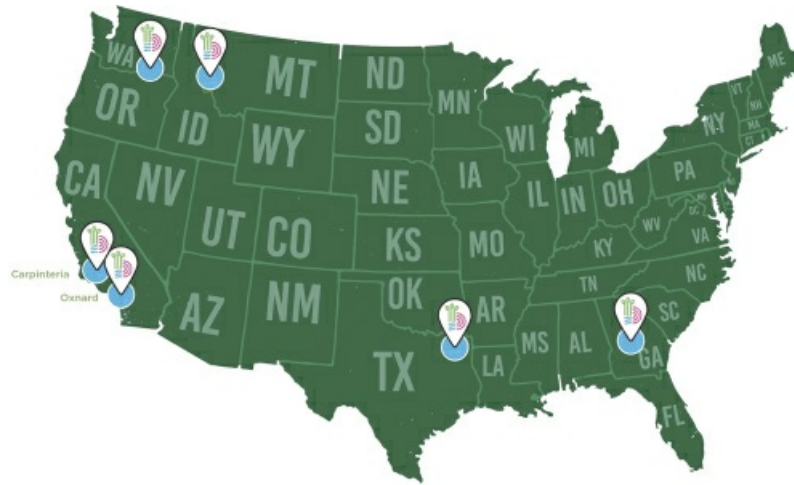
<u>U.N. Sustainable Development Goal</u>	<u>CEA Benefit</u>
2) Zero Hunger	The flexibility of Local Bounti's locations enables access to fresh, local food from many parts of the world
6) Clean Water and Sanitation	Drastic reduction in water usage in Local Bounti facilities conserves resources and does not produce polluted runoff like traditional, field-based agriculture
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 transient, 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 reduce 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 eliminates agricultural runoff and uses recycled plastics to reduce the pollution of aquatic habitats
15) Life on Land	Local Bounti utilizes 90% less land and has zero high nutrient runoff and thus reduces 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, the U.S. market for fruit and vegetables has an estimated total addressable market of \$75 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 Pete's Acquisition, we now have two existing operational facilities in California and a newly constructed facility in Georgia, 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, including as we expand outside of the Western region of the United States. 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



CEA is Disrupting Conventional Agriculture

Key Advantages to CEA

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

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 with our Farm of the Future™, which focuses on driving profitable unit economics and is based on our patent pending Stack & Flow Technology™.

local bounti

Stack & Flow™
TECHNOLOGY

Combining the best of
vertical and greenhouse
growing technologies

Proprietary Patent Enables a
Differentiated Platform

Vertical Farm

Stack
+
Flow

Greenhouse

Our approach combines the features that we found most attractive from vertical farming and traditional hydroponic 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. This vertical nursery produces a stock of young plants to fill growing space in our controlled environment hydroponic 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.

Environment Control Variables



We believe that we are well-positioned to redefine environmental, social and governance ("ESG") 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 hydroponic 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 expect to update facilities 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. 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 more than 10,000 retail locations across 35 U.S. states and Canadian provinces primarily through direct relationships with blue-chip retail customers, including Albertsons, Sam's Club, Kroger, Target, Walmart, Whole Foods, 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 2022, Local Bounti offered 25 SKUs across living and loose leaf lettuce, 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.

Local Bounti Product Offering



Montana Facility. Our Montana Facility was built in 2019 and reached commercial operations in the second half of 2020. The Montana Facility incorporates our patent pending 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 October 2021, we acquired 20 acres of land adjacent to the Montana Facility for a potential research and development facility.

Pete's Facilities. We acquired Pete's in April 2022. Pete's has three operating facilities: the Carpinteria Facility, the Oxnard Facility, and the Georgia Facility.

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 includes 3 acres under glass with 14 lines of channel growing systems. We will retrofit the Georgia Facility to incorporate our patent pending 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 up to 4x the size of the first phase that was recently completed and is currently undergoing expansion to 6 acres and the incorporation of our Stack & Flow Technology™.

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. We are currently building two new facilities. We expect to complete construction of our new facility in Mount Pleasant, Texas, in the fourth quarter of 2023 and our new facility in Pasco, Washington, in the first quarter of 2024. The Texas facility will be comprised of six acres of greenhouse and multiple stack zones. The Pasco facility will be comprised of three acres of greenhouse and multiple stack zones.

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 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.

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 designed and purpose-built our Farm of the Future™, which focuses on driving profitable unit economics and is based on our patent pending 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. Our Montana Facility currently supports a greenhouse crop cycle of 14 to 21 days depending on the SKU. 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 patent pending Farm of the Future™ 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, as compared to 21 to 24 months reported by our most direct competitor. For pre-existing facilities like those acquired with the Pete's Acquisition, we expect to update facilities using our Stack & Flow Technology™, which would then benefit from the same baseline platform.

Experienced management team. We have an experienced and passionate management team with deep industry knowledge and a diverse set of core competencies. Our leadership team has diverse operational and brand building experience at Pete's, Plenty, Bushel Boy Farms, Earthbound Farms, Jacks Links, and other established brands. Our Co-CEO, Craig M. Hurlbert, has a track record of building successful businesses through his former roles, including as CEO and Chairman of TAS Energy. Our other Co-CEO, Travis M. Joyner, has a long career in venture capital and management consulting. Our President, Brian Cook, has extensive CEA experience as the chief executive officer of Pete's, along with other senior management positions. Our CIO, B. David Vosburg Jr., has extensive

experience in agricultural technology through his previous roles as CFO of Crop One and CFO of Sensei Ag. Our CFO, Kathleen Valiasek, has extensive experience as a public company CFO, most recently at Amryis.

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. Through these enhancements, we believe we can shorten grow cycles to a maximum of seven to 21 days. We also believe we can continue to drive profitability with identified opportunities to reduce packaging 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 expect to update facilities 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.

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 and Pete's 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 2022, we offered 25 SKUs across living and loose-leaf lettuce, under both organic and conventional growing methods. In addition, we also added multiple value add product lines to our SKU assortment, including two chef-inspired grab-and-go salad kits, and a heat and eat Asian chicken lettuce wrap meal kit. We expect to continue to target new SKUs that incorporate spinach, kale, and arugula, which continue to grow in popularity in American households. We believe our differentiated branded offering will enable us to capture greater shelf space and in-store real estate at our retailers as we expand our product line, which will in turn expand our consumer visibility.

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 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. Additionally, we are developing our own, control center technology suite that enables remote, centralized control for data-driven environmental control and research and development. Currently this control center technology allows us to manage our Montana Facility efficiently with high data generation and capture. Over time, we plan to build substantial efficiency and research and development through this control center technology, including centralized control to optimize grower resources, data modeling and tracking, and development of crop growth algorithms that can be rapidly tested and rolled out across our fleet of facilities.

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).

ESG and Sustainability

Conventional agriculture has been feeding the world for hundreds of years, yet, given the negative impacts of climate change, it is now struggling to keep pace. Add to that the COVID-19 pandemic, the war in Ukraine, and its impact on not only food supply but also the cost of fertilizer and other inputs used in traditional agriculture, an already stressed food supply system is experiencing even more pressure. Sustainability has emerged as a global imperative, and, when it comes to agriculture, it is clear we must find ways to do better. 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 less developed communities and areas with available supporting resources such as adequate water and renewable energy, we believe Local Bounti has the potential to be among the most sustainable produce suppliers in the nation.

We have developed a sustainability program that we believe is aligned with ESG best practices in the CEA space. 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 CDP and the UN Global Compact.

More information on our key ESG 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 ESG 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. In December 2022, our Board approved a new 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 adopting a science-based target (SBT) in 2023 and being carbon neutral by 2050.

- Sustainable Packaging: We are committed to exceeding 30% post-consumer or bio-based content in our packaging by 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 our indoor facilities have zero high nutrient water runoff, which is common in traditional agriculture. We currently use recycled polyethylene terephthalate ("rPET") for some 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, it also allows our facilities to offer full time, indoor jobs to members of the community, offsetting the seasonal work offered by more traditional agriculture businesses. We are also committed to paying a living wage, hiring locally, and promoting internally by investing in internal and community training programs. All employees receive benefits on their first day of work. To keep up with the evolving market, we survey all employees quarterly regarding various aspects of their employment experience.

Social – Community: We prioritize under-served communities where our facilities are located and as a corporation are and will continue donating produce to our communities. These investments are more impactful and provide better economic and social results in these underserved areas. These investments are supported by large on-going local purchases and significant employment. We will continue to consider underserved communities in our future site selection process as well.

Governance: Local Bounti sees ESG 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 ESG 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 2022 the company launched 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. Four primary climate-related issues have been identified, as described below:

- Weather: We see the increase in more extreme weather patterns as primarily an opportunity for CEA businesses as field-based leafy production becomes less dependable. We have seen early indications from customers that there is an increasing demand for our products, as they provide consistent quantity and quality despite weather variations. We expect this opportunity to expand as extreme weather patterns increase in the medium term.
- Water: We see the water shortages experienced in the western United States as an issue that will have impacts starting in the short term. We employ production techniques that allow for a 90% reduction in water usage compared to field-based production. We are actively investigating additional water-saving measures while conducting ongoing water-use monitoring.
- Energy: We experience energy price fluctuations as we consume electricity and gas. We have a diversified energy portfolio and plan to continue developing redundancies at operational locations to help mitigate the impacts of price increases. We are actively investigating additional energy-conserving measures while conducting ongoing energy use monitoring.
- Supply Chain: We rely on suppliers for key elements of operations. Disruptions in the supply chain due to climate-related issues pose a risk. We strive to mitigate this risk by keeping adequate supply on hand. Additionally, we have multiple suppliers for key elements of operation to provide flexibility if there is a disruption.

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.

There are over 9,000 greenhouses in the United States according to the United States Census of Agriculture in 2017, an increase of 115% from seven years earlier. However, 90% of these farms are small—less than 8,000 square feet in area. 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 Flavour.

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

We believe that our 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"), the Federal Trade Commission ("FTC"), the Environmental Protection Agency ("EPA"), the Occupational Safety and Health Administration ("OSHA") and the 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.

Under various federal statutes and implementing regulations, these agencies, among other things, prescribe the requirements and establish the standards for quality and safety and regulate our products and the production, labeling, marketing, promotion and advertising thereof.

Among other things, the farms in which our products are grown and packed must comply with regulatory requirements including Standards for the Growing, Harvesting, Packing and Holding of Produce for Human Consumption (the "Produce Safety Rule"). 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 (the "Preventive Controls Rule"), as applicable. The farms also have to 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 FSMA regulations are still being developed and implemented, including recently adopted product traceability requirements, which would be directly applicable to our products. The FDA and the USDA have the authority to inspect our farms depending on the type of product and operations involved. The FDA and the USDA also 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 the 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 also subject to state and local food safety regulation, including registration and licensing requirements for our farms, enforcement of standards for our products and farms by state and local health agencies and regulation of our trade practices in connection with selling our products.

Local Bounti is also 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 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, "Local Bounti®," "Stack & Flow Technology™," and "Farm of the Future™." 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. A patent for our Stack & Flow Technology™ was submitted in August 2020. Additionally, as of December 2022, Local Bounti has 18 total patents submitted to the USPTO, representing seven non-provisional and eleven provisional patents. The Pete's Acquisition adds one approved design patent and numerous trademarks to the Local Bounti intellectual property portfolio. We believe the protection of our patents, trademarks, copyrights and domain names are important to our success. We aggressively protect our intellectual property rights by relying on both U.S. and international patent, trademark, and copyright laws.

Employees and Human Capital Resources

As of December 31, 2022, we had 289 full-time employees. This includes 182 non-exempt and 107 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, speeches, and events at which our executives talk about our product, service, and competitive strategies. Archives of these events are also available.
- Press releases on quarterly earnings, product and service announcements, legal developments, and international news.
- Corporate governance information including our governance guidelines, committee charters, and code of 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 Twitter). 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:

Name	Age	Position
Craig M. Hurlbert	60	Co-Chief Executive Officer and Director
Travis M. Joyner	40	Co-Chief Executive Officer and Director
Brian Cook	44	President
Kathleen Valiasek	59	Chief Financial Officer
B. David Vosburg Jr.	40	Chief Innovation Officer
Margaret McCandless	50	General Counsel and Corporate Secretary

Craig M. Hurlbert. Mr. Hurlbert has served as our Co-Chief Executive Officer and as Chairman and member of the Board since November 2021. Mr. Hurlbert co-founded our predecessor company in August 2018. Mr. Hurlbert also co-founded BrightMark Partners, LLC ("BrightMark") 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.

Travis M. Joyner. Mr. Joyner has served as our Co-Chief Executive Officer and as a member of the Board since November 2021. Mr. Joyner co-founded our predecessor company in August 2018. Mr. Joyner also co-founded BrightMark, 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. At BrightMark, Mr. Joyner was an active director for many portfolio companies, driving with growth plan execution, building core business infrastructure and leading many successful debt and equity transactions. His areas of expertise include quantitative analysis, corporate strategy, technology development, market analysis, organizational design structure, market strategy, branding and capital campaigns. Mr. Joyner earned a Ph.D. from the University of Kansas, where his graduate focus was market research and statistics, a Certificate of Finance from the Wharton School at the University of Pennsylvania, a J.D. from the University of Montana, and his B.A. from the University of North Carolina-Chapel Hill, graduating with distinction.

Brian Cook. Mr. Cook has served as our President since April 2022. Mr. Cook previously served as Chief Executive Officer of Pete's, a leading produce company specializing in hydroponic greenhouse-grown lettuce and cress, from November 2017 to April 2022, when Local Bounti acquired Pete's. Mr. Cook also served as Vice President of Sales of Hollandia Produce from February 2016 to November 2017. Prior to joining Hollandia Produce, Mr. Cook served in various sales roles at several produce and retail advertising companies. Mr. Cook currently serves as a Member of the Ventura College Agriculture Advisory Board.

Kathleen Valiasek. Ms. Valiasek has served as our Chief Financial Officer since November 2021 and served as Chief Financial Officer of our predecessor company from April 2021 to November 2021. Previously, Ms. Valiasek served as Chief Financial Officer from January 2017 to June 2019 and Chief Business Officer from June 2019 to March 2021 at Amyris (Nasdaq: AMRS), 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.

B. David Vosburg Jr. Mr. Vosburg has served as our Chief Innovation Officer since November 2021 and served in various roles for our predecessor company from January 2021 to November 2021, including Chief Financial Officer, Chief Operating Officer, and Chief Innovation Officer. Mr. Vosburg has two decades of international financial, business development, and technology experience. From May 2020 to October 2020, Mr. Vosburg served as Chief Financial Officer and Head of Emerging Technology at Sensei Ag, a market changing AgTech venture founded by Oracle co-founder Larry Ellison. From December 2014 to April 2020, Mr. Vosburg served as Chief Financial Officer and Head of Business Development of Crop One Holdings, a company that grows fresh, nutritious and delicious produce in indoor farms. He also co-founded Conception Nurseries, a technology licensee to expand Crop One into new verticals. In his early career, Mr. Vosburg founded and grew Ed-Tech and Fin-Tech companies in Zambia, working in C-suite roles. He also served a term as President of the American Chamber of Commerce in

Zambia. Mr. Vosburg earned a B.A. in Political Science from the University of Notre Dame and an M.B.A. from the Yale School of Management.

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., 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., 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. and Qwest Communications International Inc. 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.

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 may 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 available, financing terms may lead to significant dilution of our stockholders' equity.
- Local Bounti currently relies on a limited number of facilities for its operations.
- Local Bounti's first facility has been in operation at commercial capacity for less than three 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 current 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.
- The effects of COVID-19, including the impact of new variants, and other potential future public health crises, epidemics, pandemics or similar events on Local Bounti's business, operating results and cash flows are uncertain.

- 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.
- Local Bounti previously identified a material weakness in its internal control over financial reporting as of December 31, 2021 and 2020. Although the material weakness has been remediated, 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 net operating loss carryforwards ("NOLs") and certain other tax attributes may be limited.
- 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 trademark or other intellectual property 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.
- The liabilities, risks and costs associated with the Pete's Acquisition and the integration of Pete's operations with our own operations may detract from our core CEA operations.
- Local Bounti's plans and strategic initiatives for Pete's assume it will be able to successfully integrate Pete's business, implement its technologies into Pete's existing greenhouse facilities and utilize Pete's existing customer and distribution channels; however, various factors both outside and within Local Bounti's control may affect its ability to successfully do so, and, if Local Bounti is unsuccessful in integrating Pete's operations into its own, the Company may never realize the anticipated benefits of the Pete's Acquisition.
- 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, cilantro, basil and other greens and herbs is subject to seasonal fluctuations and may adversely impact Local Bounti's results of operations in certain quarters.
- Our failure to meet the continued listing requirements of the NYSE could result in a delisting of our securities, which could limit investors' ability to make transactions in our securities and subject us to additional trading restrictions.

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;
- completes the construction of other facilities for which building has commenced or is expected to commence in the near term;
- identifies and invests in future growth opportunities, including expansion into new markets, development of new 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 may 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 available, financing terms may lead to significant dilution of our stockholders' equity.

The CEA business is extremely capital-intensive and Local Bounti expects to expend significant resources to complete the build-out of its facilities, 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 and credit available under its loan agreements will be sufficient to fund its planned operating expenses, capital expenditure requirements and any debt service payments through at least the next 12 months. This estimate does not reflect the possibility that we may not be able to access a portion of our existing cash, cash equivalents and investments due to market conditions, notwithstanding the fact that we did not have

any direct exposure to the recent events described below. For example, on March 10, 2023, the Federal Deposit Insurance Corporation (the “FDIC”), took control and was appointed receiver of Silicon Valley Bank (“SVB”). Similarly, on March 12, 2023, Signature Bank and Silvergate Capital Corp. were each swept into receivership. If other banks and financial institutions enter receivership or become insolvent in the future in response to financial conditions affecting the banking system and financial markets, our ability to access our existing cash, cash equivalents and investments may be threatened and could have a material adverse effect on our business and financial condition. 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.

Local Bounti has four operating facilities (one in each of Montana and Georgia and two in California) and two additional facilities under construction in Washington and Texas. 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, such as COVID-19, 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's first facility has been in operation at commercial capacity for less than three 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 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 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 the COVID-19 pandemic or the current conflict between Russia and Ukraine, 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 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. COVID-19, including new variants such as "Delta" and "Omicron," continues to impact worldwide economic activity, and the governments of many countries, states, cities and other geographic regions have taken preventative or protective actions, which are creating disruption in global supply chains such as closures or other restrictions on the conduct of business operations of manufacturers, suppliers and vendors. The recovery from COVID-19 also may have risks in that increased economic activity globally or regionally may result in high demand for, and constrained access to, materials and services required for Local Bounti to construct and commission new facilities, which may 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, whether or not caused by the COVID-19 pandemic, 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 throughout the world exposes Local Bounti to risks including reduced control over product costs, product supply and delivery delays. Global 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.** Local Bounti has expanded from one to four operating facilities over the past year and is currently building two new facilities. These new and acquired 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. 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 building its facilities for a variety of reasons, including limited labor due to COVID-19 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 current 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 currently 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 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 in order 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.

We 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.

Any acquisition or business relationship 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 vertical 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 is not aware of any activities relating to union organizations at its current facilities, but it cannot predict which, if any, groups of employees 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. The ongoing COVID-19 pandemic and related economic impact creates additional uncertainty. 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.

The effects of COVID-19, including the impact of new variants, and other potential future public health crises, epidemics, pandemics or similar events on Local Bounti's business, operating results and cash flows are uncertain.

In connection with the COVID-19 pandemic, governments have implemented significant measures, including closures, quarantines, travel restrictions and other social distancing directives, intended to control the spread of the virus. Companies have also taken precautions, such as requiring employees to work remotely, imposing travel restrictions and temporarily closing businesses. To the extent that these restrictions remain in place, additional prevention and mitigation measures are implemented in the future, or there is uncertainty about the effectiveness of these or any other measures to contain or treat COVID-19, there is likely to 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.

While Local Bounti has been able to continuously operate through the COVID-19 pandemic, the fluid nature of the COVID-19 pandemic and uncertainties regarding the related economic impact are likely to result in sustained market turmoil, which could also negatively impact Local Bounti's business, financial condition and cash flows. Although Local Bounti's business is considered an "essential business," the COVID-19 pandemic could result in labor shortages, which could result in Local Bounti's inability to plant and harvest crops at full capacity and could result in spoilage or loss of unharvested crops. The impact of COVID-19 on any of Local Bounti's suppliers, distributors, transportation or logistics providers may negatively affect its costs of operation and supply chain. If the disruptions caused by COVID-19, including decreased availability of labor, continue for an extended period, Local Bounti's ability to meet the demands of distributors and customers may be materially impacted.

Further, COVID-19 may impact customer and consumer demand. Retail and grocery stores may be impacted if governments continue to implement regional business closures, quarantines, travel restrictions and other social distancing directives to slow the spread of the virus. There may also be significant reductions or volatility in consumer demand for Local Bounti products due to travel restrictions or social distancing directives, as well as the temporary inability of consumers to purchase these products due to illness, quarantine or financial hardship, shifts in demand away from one or more of Local Bounti products, decreased consumer confidence and spending or pantry-loading activity, any of which may negatively impact Local Bounti's results, including as a result of an increased difficulty in planning for operations and future growing seasons.

The recovery from COVID-19 also may have risks in that increased economic activity globally or regionally may result in high demand for, and constrained access to, materials and services required for Local Bounti to expand its business, such as those needed to construct and commission new farming facilities, which may lead to increased costs or delays that could materially and adversely affect Local Bounti's business.

The extent of COVID-19's effect on Local Bounti's operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, the emergence and spread of new variants of the virus, including the "Delta" and "Omicron" variants, the development and availability of effective treatments and vaccines, the speed at which vaccines are administered, the efficacy of vaccines against the virus and evolving strains or variants of the virus, all of which are uncertain and difficult to predict considering the rapidly evolving landscape. As a result, it is not currently possible to ascertain the overall impact of COVID-19 on Local Bounti's business. However, if the pandemic continues to persist as a severe worldwide health crisis, the disease could

negatively impact Local Bounti's business, financial condition results of operations and cash flows, and may also have the effect of heightening many of the other risks described in this "Risk Factors" section.

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 increases its number of employees and develops the infrastructure of a public company, 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 development of new commercial facilities and the expansion of its product lines and technological capabilities.

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

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; among other requirements.

Local Bounti depends on third party general contractors to 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 we do 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 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 existing 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 existing facilities, its business, financial condition and results of operations could be adversely affected.

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. 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.

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. 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 in order 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 in order 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.

Local Bounti previously identified a material weakness in its internal control over financial reporting as of December 31, 2021 and 2020. Although the material weakness has been remediated, 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.

In connection with Local Bounti's financial statement close process for the years ended December 31, 2021, and 2020, Local Bounti identified a material weakness in the design and operating effectiveness of its internal control over financial reporting. The material weakness resulted from a lack of sufficient number of qualified personnel, causing a lack of segregation of duties, within its accounting function who possessed an appropriate level of expertise to effectively perform certain accounting functions. During 2022, we undertook a series of activities to remediate the material weakness and completed our testing of the design and operating effectiveness of the internal controls over financial reporting. We have concluded that the material weakness has been remediated as of December 31, 2022.

If we identify material weaknesses in the future, they 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.

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. Crop losses because of these 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 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 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 effect 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 facilities with Cargill Financial are 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 effect 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 trademark or other intellectual property 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 trademarks are valuable assets that reinforce the distinctiveness of our brand to consumers, and our operations use intellectual property that is patented. 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 is pending 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 or plans to use computers, software and technology in substantially all aspects of its business operations. Local Bounti's employees also use or plan to use mobile devices, social networking and other online activities to connect with crew members, 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, with third-party phishing and social engineering attacks in particular increasing in connection with the COVID-19 pandemic and potentially with the war in Ukraine. Local Bounti's business involves sensitive information and intellectual property, including know-how, private information about crew members and financial and strategic information about the Company and its business partners. Additionally, the environmental controls systems (which control temperature, water, humidity and other systems) for our current facilities, and expected for future 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 the Pete's Acquisition

Risks Related to the Integration of the Business of Pete's following the Pete's Acquisition.

We have devoted significant capital resources into the Pete's Acquisition, and we may not realize the benefit of our investment due to difficulties we may experience in integrating Pete's operations with our own. These difficulties may result from, among other sources, the following: additional accounting and operational expenses; employee turnover; changing market conditions affecting demand for leafy greens; inaccuracies in the information obtained while making assumptions relating to the Pete's Acquisition; delays in the completion of ongoing projects, the build-out of Pete's facility in Georgia (the "Georgia Facility") and incorporating our Stack & Flow Technology™ or other Local Bounti technology into Pete's California facilities; and integration risks associated with the employees and management teams of both companies.

The liabilities, risks and costs associated with the Pete's Acquisition and the integration of Pete's operations with our own operations may detract from our core CEA operations.

Pete's operations differ from our current business operations. Their business entails facilities and infrastructure that were not designed with our technology and their greenhouse facilities have not yet incorporated our

Stack & Flow Technology™ or any other Local Bounti technology. Outfitting these greenhouse facilities with our technology may result in increased liabilities, risks and costs which could include, without limitation:

- the possibility that our projections about the success of the Pete's Acquisition could be inaccurate and any such inaccuracies could have a material adverse effect on our financial projections;
- the possibility that we could fail to attract new employees or retain and motivate existing employees, including key employees, in connection with the Pete's Acquisition;
- the possibility that we may be unable to integrate or migrate our technology into Pete's existing greenhouse facilities, which could create a risk of errors or performance problems and could affect our ability to meet customer service level obligations;
- the possibility that unanticipated capital expenditures may be required post-closing in connection with the integration of the business of Pete's into our existing business; and
- the possibility of litigation or other claims in connection with, or as a result of, the Pete's Acquisition, including claims from Pete's past employees, customers, or other third parties.

As provided below, the integration of Pete's operations with our own greenhouse operations will present operational risks and challenges. This integration will require significant time and resources focused on Pete's operations, including the time and effort of our management team and, if we fail to successfully integrate Pete's business with our own, we may not realize the benefits expected from the Pete's Acquisition, and our business may be harmed.

Pete's may not be fully integrated with our business successfully or such integration may be more difficult, time-consuming, or costly than expected. Operating costs, customer loss, and business disruption, including difficulties in maintaining relationships with employees, customers, suppliers, or vendors, may be greater than expected following the Pete's Acquisition. Revenues following the Pete's Acquisition may be lower than expected.

The Pete's Acquisition contemplates the acquisition of an existing business and its integration, which is complex, costly and time-consuming. It will divert significant management attention and resources to combining the acquired business with our existing operations. This process may disrupt both businesses. The failure to meet the challenges involved in combining the two businesses and to realize the anticipated benefits of the Pete's Acquisition could cause an interruption of, or a loss of momentum in, the activities of one or both businesses and could adversely affect their results of operations. The Pete's Acquisition and integration of Pete's may also result in material unanticipated problems, expenses, liabilities, competitive responses, and loss of customer and other business relationships. The difficulties of combining the operations of the companies include, among others:

- difficulties in integrating operations and systems, administrative and information technology infrastructure and financial reporting and internal control systems;
- challenges in conforming standards, controls, procedures and accounting and other policies, business cultures and compensation structures between the two companies;
- difficulties in integrating employees and attracting and retaining key personnel, including talent;
- challenges in retaining existing customers, suppliers and employees, and with obtaining new customers, suppliers and employees;
- difficulties in managing the expanded operations of a significantly larger and more complex consolidated company;
- potential unknown liabilities, adverse consequences, and unforeseen increased expenses associated with the Pete's Acquisition; and
- the ongoing effects of the global COVID-19 pandemic, including supply chain delays and similar other industry-related challenges.

Many of these factors are outside of our control. Any one of them could result in lower revenues, higher costs, and diversion of management time and energy, which could materially impact the business, financial condition, and results of operations of the consolidated companies. In addition, even if the operations of our businesses are integrated successfully, the full benefits of the Pete's Acquisition may not be realized. These unrealized benefits may include, without limitation, the synergies or growth opportunities that are expected. These benefits may not be achieved within the anticipated time frame or at all. Further, additional unanticipated costs may be incurred in the integration of our businesses. All of these factors could negatively impact the price of the consolidated companies' operations and/or the trading price of shares of the Company's common stock following the Pete's Acquisition. As a result, it cannot be assured that the combination of our businesses will result in the realization of the full benefits expected from the Pete's Acquisition within the anticipated time frames or at all. Accordingly, holders of the Company's common stock may experience a loss as a result of a decline in the trading price of such common stock. In addition, a decline in the market price of the Company's common stock following the consummation of the Pete's Acquisition could adversely affect the Company's ability to issue additional securities and to obtain additional financing in the future on reasonable terms or at all. This decline could also expose us to potential stockholder claims or regulatory review, and we could incur significant litigation expenses defending against actions, whether meritorious or not.

Our plans and strategic initiatives for Pete's assume we will be able to successfully integrate its business, implement our technologies into its existing greenhouse facilities and utilize its existing customer and distribution channels; however, various factors both outside and within our control may affect our ability to successfully do so, and, if we are unsuccessful in integrating Pete's operations into our own, we may never realize the anticipated benefits of the Pete's Acquisition.

Our plans and strategic initiatives regarding Pete's are dependent on our management team's ability to successfully integrate Pete's operations into our own. We anticipate our management team devoting a significant portion of their time and energy to this Acquisition, which may distract them from other aspects of our business; as a result, business and results from operations may suffer.

Further, though we have devoted significant resources to our diligence investigation of Pete's, we can give no assurances that we have identified all potential risks and liabilities associated with its operations, or that we will be able to adequately respond to those risks and liabilities we did identify. If these risks and liabilities occur—or if unanticipated risks and liabilities arise, and we are unable to adequately respond to them—we may experience significant delays in integrating Pete's operations into our own, if we are successful at all. If we are unable to integrate Pete's, we will not realize the anticipated benefits of the Pete's Acquisition, which may have a material and adverse effect on our business, results of operations, and financial condition, as well as on the trading price of shares of our common stock.

Pete's operations acquired in the Pete's Acquisition are subject to federal, state and local environmental laws, ordinances and regulations. While Local Bounti intends to comply with all such applicable regulations, there is no assurance that Local Bounti is, or will be, in compliance with all such regulations, and any failure to comply could result in monetary penalties, fines or clean-up costs.

The greenhouse facilities acquired in the Pete's Acquisition use fertilizers, pesticides, herbicides and other substances, some of which may potentially be considered hazardous or toxic substances. Various federal, state, and local environmental laws, ordinances and regulations regulate our facilities and operations, including the application, release, disposal and use of such potentially hazardous or toxic substances that could threaten public health or the environment. Environmental laws, ordinances and regulations can vary greatly according to a site's location, former or present uses and other environmental-related factors. The Company could be adversely impacted by a decision, judgment or order issued by a governmental or regulatory agency that significantly restricts the use of any fertilizers, pesticides, herbicides and other substances that have been traditionally used in the cultivation of one of our products. Under the federal Insecticide, Fungicide and Rodenticide Act, as amended, the Food, Drug and Cosmetic Act, as amended, and the Food Quality Protection Act of 1996, as amended, the U.S. Environmental Protection Agency is undertaking a series of regulatory actions relating to the evaluation and use of pesticides in the food industry. Such legislation, laws and regulatory current and future actions regarding the availability and use of such substances could adversely affect the Company's production, business and financial condition. The Company also faces potential environmental liabilities by virtue of its current and prior ownership or leasing of real property, including the greenhouse facilities acquired in the Pete's Acquisition, some of which have used herbicides, pesticides or fertilizers. Under such laws, ordinances and regulations, the Company may be deemed responsible for the removal, disposal, cleaning or remediation of hazardous or toxic substances in, under or upon real property on which our facilities and operations are located. These laws, ordinance and regulations could impose liabilities without regard to whether the Company knew or were aware of, or were responsible for, the presence of hazardous or toxic substances. The presence of hazardous or toxic substances, misuse of or failure to properly apply, release, use, clean or remediate such substances when present, could jeopardize our ability to use, sell or collateralize certain real property and could subject Local Bounti to criminal or civil enforcement actions, including significant monetary penalties, fines or clean-up costs.

Local Bounti's management monitors environmental legislation and requirements and makes every effort to remain in compliance with such laws, ordinances and regulations. The Company also purchases insurance for environmental liability when it is available; however, the Company's insurance may not be adequate to cover any such

damages, penalties, fines or costs, or its insurance may not continue to be available at a price or under terms that are satisfactory to the Company. In any of these cases, if the Company is required to pay any such damages, penalties, fines or costs, it is possible that its business, financial condition and results of operations could be adversely affected. Future environmental laws, ordinances and regulations could also impact the Company's business and operations, but it cannot predict the extent to which the Company would be impacted.

The use of herbicides, pesticides and other potentially hazardous substances in Pete's operations acquired in the Pete's Acquisition may lead to environmental damage and result in increased costs to us.

Certain of the greenhouse facilities acquired in the Pete's Acquisition use herbicides, pesticides and other potentially hazardous substances in the operation of its business, and the Company will need to continue the operations at such facilities for some period of time until fully integrated and retrofitted with the Company's technologies. The Company may have to pay for the costs or damages associated with the improper application, accidental release or use or misuse of such substances. The Company's insurance may not be adequate to cover such costs or damages or may not continue to be available at a price or under terms that are satisfactory to the Company. In such cases, payment of such costs or damages could have a material adverse effect on the Company's business, results of operations and financial condition.

Pete's existing facilities may not be adaptable to new technologies.

We intend to implement our Stack & Flow Technology™ and other technologies into Pete's existing facilities. To the extent we are unable to implement our technologies into Pete's existing facilities as anticipated, our business and operations will be negatively impacted. This would ultimately impact the combined company's customers' experience, which may have a negative impact on operating cash flows, liquidity and financial condition.

The lack of sufficient water would severely impact our ability to produce crops or develop any of our facilities or real property.

California continues to experience abnormally dry or drought conditions throughout the vast majority of the state, including the areas where our California facilities are located. The average rainfall in certain areas of California could potentially fall substantially below amounts required to grow crops, and therefore we are dependent on our rights to pump water from underground aquifers. Extended periods of drought in Montana, California or Georgia may put additional pressure on the use and availability of water for agricultural uses, and in some cases, governmental authorities could divert, or already have diverted, water to other uses, and such pressure is particularly acute in California. When such states grow in population, there are increasing and multiple pressures on the use and distribution of water, which could be deemed a finite resource. Lack of available potable water can also limit facility and real property development.

Our water resources include water rights, usage rights and pumping rights to the water in aquifers under, and canals that run through, the land we own. Water for our farming operations is sourced from the existing water resources associated with our land, which includes rights to water in certain basins and aquifers. We may use federal project water, as well as ground water and water from certain local water districts and counties.

Costs may increase as we pump more water than our historical averages, and federal, state and local water delivery infrastructure costs may potentially increase to access these limited water supplies. We will continue to monitor developments and governmental actions that could adversely impact our access and ability to obtain water to our facilities. We believe we will have access to adequate supplies of water for our agricultural operations. However, if future drought conditions are worse than prior drought conditions or if governmental or regulatory responses to such conditions limit our access or ability to obtain or pump water, our business could be negatively impacted by these conditions and responses in terms of access to and cost of water.

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 first commercialized crops are leafy greens and fresh herbs, including variations of loose leaf and living lettuce, basil and cilantro. There is no guarantee that leafy greens and herbs

will continue to be demanded by consumers, or that consumers will prefer the leafy greens and herbs grown 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 or increased price sensitivity, which may be exacerbated by the effects of the COVID-19 pandemic, rising inflation and the war in Ukraine.
- **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 ESG 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, cilantro, basil and other greens and herbs 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. Sales to Local Bounti's top retail customers represent a majority of Local Bounti's revenue in 2022. 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

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.

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, the FDA, the Federal Trade Commission, the Occupational Health and Safety Administration, and the U.S. Environmental Protection Agency, as well as various state and local agencies. Local Bounti is also regulated outside the United States by various international regulatory bodies. 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 farming 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 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, travel restrictions, customs duties, income tax regulations and the federal tax code, public company reporting requirements, environmental regulations, antitrust enforcement and regulation related to the COVID-19 pandemic. 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.

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 Food and Drug Administration 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. Food and Drug Administration 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, or will be, 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 is, or will be, in compliance with all such regulations.

Local Bounti's operations are, or will be, subject to extensive regulation by the USDA, the FDA and other federal, state and local authorities. Specifically, Local Bounti is or will be 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 is, or will 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.

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 the common stock and public warrants will be volatile and could be 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 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 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 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 will be 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.

For example, several tax proposals have been set forth that would, if enacted, make significant changes to U.S. tax laws. Such proposals include an increase in the U.S. income tax rate applicable to corporations (such as Local Bounti) from 21% to 28%. Congress may consider, and could include, some or all of these proposals in connection with tax reform that may be undertaken. It is unclear whether these or similar changes will be enacted and, if enacted, how soon any such changes could take effect. The passage of any legislation as a result of these proposals and other similar changes in U.S. federal income tax laws could adversely affect Local Bounti's 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.

In the event that Local Bounti's business expands domestically or 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: (a) changes in tax laws or the regulatory environment, (b) changes in accounting and tax standards or practices, (c) changes in the composition of operating income by tax jurisdiction and (d) 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 U.S. 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 (a) the availability of tax deductions, credits, exemptions, refunds and other benefits to reduce tax liabilities, (b) changes in the valuation of deferred tax assets and liabilities, if any, (c) the expected timing and amount of the release of any tax valuation allowances, (d) the tax treatment of stock-based compensation, (e) changes in the relative amount of earnings subject to tax in the various jurisdictions, (f) the potential business expansion into, or otherwise becoming subject to tax in, additional jurisdictions, (g) changes to existing intercompany structure (and any costs related thereto) and business operations, (h) the extent of intercompany transactions and the extent to which taxing authorities in relevant jurisdictions respect those intercompany transactions, and (i) 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 net operating loss carryforwards to offset future taxable income may be subject to certain limitations.

As of December 31, 2022, we had approximately \$212.6 million of U.S. federal and state net operating loss carryforwards available to reduce future taxable income. These net operating loss carryforwards can be indefinitely carried forward by the Company, but the deductibility of such net operating losses 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 net operating loss carryforwards (NOLs) to offset future taxable income. During the year ended December 31, 2021, we may 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 net operating losses 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, 2022, even if we attain profitability, which could adversely affect our cash flows and results of operations.

Local Bounti's sole material asset 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 has no material assets other than 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 public warrants will be in the money at the time they become exercisable, and they may expire worthless.

The exercise price for our public warrants is \$11.50 per share of common stock. There is no guarantee that the public 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 public warrants in a manner that may be adverse to holders of public warrants with the approval by the holders of at least 50% of the then-outstanding public warrants. As a result, the exercise price of the public 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 public 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 public 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 public warrants to make any change that adversely affects the interests of the registered holders of public warrants. Accordingly, we may amend the terms of the public warrants in a manner adverse to a holder if holders of at least 50% of the then-outstanding public warrants approve of such amendment. Although our ability to amend the terms of the public warrants with the consent of at least 50% of the then-outstanding Public Warrants is unlimited, examples of such amendments could be amendments to, among other things, increase the exercise price of the public warrants, convert the public 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 \$18.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) 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 (a) to exercise your warrants and pay the exercise price therefor at a time when it may be disadvantageous for you to do so, (b) to sell your warrants at the then-current market price when you might otherwise wish to hold your warrants or (c) 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 net operating loss carry forwards, 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 and/or the public warrants.

The issuance of additional shares of common stock upon exercise of our outstanding warrants issued in connection with credit agreements would increase the number of shares eligible for future resale in the public market and result in dilution to our stockholders.

On March 28, 2023, we issued warrants to purchase 69,600,000 shares of our common stock in connection with the Sixth Amendment (as defined below). The exercise price of these warrants is \$1.00 per share, which may not be exercised for Company common stock in excess of 4.99% (or up to 9.9% or 19.9% upon election by the holder, with 61 days' notice of such increase) of the Company's outstanding common stock at any given time. The Company also agreed to file a registration statement with the Securities and Exchange Commission with respect to the shares underlying the warrants. To the extent such warrants are exercised, additional shares of common stock will be issued, which will result in dilution to holders of our common stock and increase the number of shares eligible for resale in the public market. Sales of substantial numbers of such shares in the public market or the fact that such warrants may be exercised could adversely affect the market price of our common stock.

Our failure to meet the continued listing requirements of the NYSE could result in a delisting of our securities, which could limit investors' ability to make transactions in our securities and subject us to additional trading restrictions.

If we fail to satisfy the continued listing requirements of the NYSE, the NYSE may take steps to delist our securities. On February 28, 2023, Local Bounty received written notice from the NYSE that we are not in compliance with Section 802.01C of the NYSE Listed Company Manual because the average closing price of our common stock was less than \$1.00 over a consecutive 30 trading-day period. Pursuant to NYSE rules, we have six months following receipt of the notification to regain compliance with the minimum share price requirement. In order to regain compliance, on the last trading day in any calendar month during the cure period, the common stock must have a closing price of at least \$1.00 per share and an average closing price of at least \$1.00 per share over the 30-trading day period ending on the last trading day of such month. We intend to monitor the closing price of the common stock and to consider available alternatives, including, but not limited to, a reverse stock split, subject to stockholder approval, no later than at the Company's next annual meeting of stockholders, if necessary to cure the stock price non-compliance. However, there can be no assurance that we will be able to regain compliance with the NYSE's continued listing requirements. If the NYSE delists our securities from trading on its exchange and we are not able to list such securities

on another national securities exchange, we expect our securities could be quoted on an over-the-counter market. If this were to occur, we could face significant material adverse consequences, including:

- a limited availability of market quotations for our securities;
- reduced liquidity for our securities;
- a determination that the common stock is a "penny stock" which will require brokers trading in the common stock to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our securities;
- a limited amount of news and analyst coverage; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

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, except for shares held by our directors, executive officers and other affiliates, which are subject to restrictions 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.

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 (a) the exemption from the auditor attestation requirements with respect to internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act, (b) the exemptions from say-on-pay, say-on-frequency and say-on-golden parachute voting requirements and (c) 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 2. Properties

Our principal executive offices are located in Hamilton, Montana. In addition, we have a research and development facility in Hamilton, Montana, and CEA facilities in Montana, Washington, California, Georgia, and Texas. The table below sets forth certain information regarding these properties as of December 31, 2022:

Facility Type/Use	Location	Owned/Leased	Size (sq. ft.)	Notes
Hamilton Production Facility - Phase 1 & 2*	Hamilton, MT	Leased	93,544	
Vacant Land for Future Production Facility*	Hamilton, MT	Owned	874,685	
Carpinteria Production Facility*	Carpinteria, CA	Owned	558,000	
Oxnard Production Facility*	Oxnard, CA	Owned	663,000	
Georgia Production Facility - Phase 1A*	Byron, GA	Owned	179,073	
Georgia Production Facility - 6M Tower*	Byron, GA	Owned	1,400	
Georgia Production Facility - Phase 1B*	Byron, GA	Owned	127,596	Expected Completion Date Q2 2023
Georgia Production Facility - Phase 1C*	Byron, GA	Owned	39,000	Expected Completion Date Q4 2023
Texas Production Facility*	Mount Pleasant, TX	Owned	455,515	Expected Completion Date Q4 2023
Pasco Production Facility - Phase 1*	Pasco, WA	Owned	244,101	Expected Completion Date Q1 2024
Corporate Offices	Hamilton, MT	Leased	4,454	
R&D Facility	Corvallis, MT	Leased	4,260	
Corporate Housing	Hamilton, MT	Leased	6,000	

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

On March 28, 2023, Local Bounti entered into a Purchase and Sale Agreement for a \$35 million multi-site sale and leaseback transaction relating to the Carpinteria Facility and the Oxnard Facility (the "Sale and Leaseback Transaction"). We expect to close the transactions contemplated by the Purchase and Sale Agreement in the second quarter of 2023.

We believe our facilities are adequate and suitable for our current needs and that, should it be needed, 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 and warrants are listed on the NYSE under the trading symbols of "LOCL" and "LOCL.WS," respectively.

Holders of Common Stock and Public Warrants

As of December 31, 2022, there were 45 holders of record of our common stock and two holders of record of the public warrants. 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. Our ability to pay dividends is restricted by the terms of our credit agreements with Cargill Financial as described in Note 7, *Debt*, of the Consolidated Financial Statements. 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. Our board of directors currently intends to retain any future earnings to support operations and to finance the growth and development of our business and does not intend to pay cash dividends on our common stock for the foreseeable future.

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.

Overview

Our Mission and Vision

Our mission is to bring our farm to your kitchen. Our vision is to deliver the freshest, locally grown produce over the fewest food miles. 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 things.

Company Overview

Local Bounti is a controlled environment agriculture ("CEA") company that produces sustainably grown produce, focused today on living and loose leaf lettuce. Founded in 2018, and headquartered in Hamilton, Montana, Local Bounti utilizes its patent pending Stack & Flow Technology™ to grow healthy food sustainably and affordably. Our proprietary process is a hybrid, 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, consistent, and delicious 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 CEA facility in Hamilton, Montana (the "Montana Facility") commenced construction in 2019 and reached full commercial operation by the second half of 2020. In 2021, we successfully completed the expansion of our Montana Facility, more than doubling our production capacity. Immediately after expansion, this facility was dedicated equally to commercial production and research and development that focused on new products, technology and system design. Today, the majority of the Montana Facility is dedicated to commercial production, but we continue to utilize dedicated space for research and development to improve our existing and future facilities.

On April 4, 2022, Local Bounti acquired California-based complementary greenhouse farming company Hollandia Produce Group, Inc. and its subsidiaries (the "Pete's Acquisition"), which operate under the name Pete's ("Pete's"). Through the Pete's acquisition, we significantly increased our growing footprint, now operating three additional greenhouse growing facilities, including two in California and one in Georgia, the latter of which became operational in July 2022. We now have distribution to over 10,000 retail locations across 35 U.S. states and Canadian provinces, primarily through direct relationships with blue-chip retail customers, including Albertsons, Sam's Club, Kroger, Target, Walmart, Whole Foods, and AmazonFresh. Today, 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 salad and cress.

Local Bounti's founders are Craig M. Hurlbert and Travis M. Joyner, business partners with a track record of building and managing capital-intensive, commodity-based businesses in energy, water, and industrial technology. After initially setting out to invest in a CEA business, Craig and Travis could not find a suitable existing business or technology in which to invest. Instead, they took a clean sheet approach and began to build a business with long-term CEA leadership in mind and a focus on unit economics and sustainability. With this background, we created our high-yield and low-cost Stack & Flow Technology™. Local Bounti plans to install its patent pending Stack & Flow Technology™ at its California facilities, combining the best aspects of vertical farming and greenhouse growing technologies to deliver higher yields of diverse leafy greens with superior unit economics.

We derive the majority of our revenue from the sale of produce. We grow and package fresh greens that are sold into existing markets and channels such as food retailers and food service distributors from our Montana facility and two California facilities, and beginning in the third quarter of 2022, from our new Georgia facility. Sales are recognized at a point in time when control of the goods is transferred to the customer.

We offer sales incentives to our customers, including temporary price reductions. We anticipate that these promotional activities could impact sales and that changes in such activities could impact period-over-period results. Sales may also vary from period to period depending on the purchase orders we receive, the volume and mix of

products sold and the channels through which our products are sold. In response to realized cost inflation, we have implemented contractually allowable price increases which we anticipate to benefit from in 2023 and beyond.

We intend to increase our production capacity and expand our reach to new markets, new geographies, and new customers through either the building of new facilities or through the acquisition of existing greenhouse facilities which we will 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 expect to expand our product offering 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.

In October 2022, we signed a five-year offtake agreement with Sam's Club for our leafy greens production starting at our greenhouse facility in Georgia. We continue to advance our expansion of the Georgia facility, which will double the existing footprint and further enhance capacity with the addition of our Stack & Flow Technology™ to meet pent up demand for Local Bounty packaged salads to current customers and open the opportunity to earn new business in that region.

Commercial Facility Expansion Update

Georgia Facility - Phase 1-A, 1-B and 1-C Progress

We completed our first "Stack" vertical zone in the fourth quarter, as part of our Stack & Flow Technology™ implementation, and are producing product in Phase 1-A. Construction of Phase 1-B is progressing and we now expect completion of this phase early in the second quarter of 2023. Following Phase 1-B completion, the site's greenhouse footprint will be established and ready to integrate the complementary Stack zones that comprise Phase 1-C.

Georgia Facility - Construction Commences on "Stack" Integration

Georgia facility Phase 1-C construction has commenced, which reflects the integration of the vertical "Stack" component of the facility architecture. We now expect this work to be completed and operational early in the fourth quarter of 2023. Our Stack & Flow Technology™ is expected to add approximately 40% of incremental revenue generating capacity to the finished Georgia facility, which will be comprised of six acres of greenhouses and multiple climate, water, and spectral controlled Stack zones.

Texas Facility

In early January 2023, we started construction of the six-acre facility, which will leverage our proprietary Stack & Flow Technology™ to grow and sell our indoor grown line of packaged leafy greens. Varieties will include spring mix, butter lettuce, romaine crisp, green leaf, and additional blends. The addition of the new facility in northeast Texas is expected to fortify our distribution in markets across Texas, Oklahoma, Louisiana, Mississippi, Arkansas, Kansas, and Missouri. Further, the facility is designed to provide additional capacity to meet existing demand from our direct relationships with blue-chip retailers and distributors throughout the region. The facility is expected to commence operations in the fourth quarter of 2023.

Washington Facility

The Pasco, Washington facility continues to progress with anticipated completion in the first quarter 2024, which reflects our decision to stagger construction to accommodate the commissioning of our Texas facility in the fourth quarter of 2023. The Washington facility will be comprised of multiple Stack zones and three acres of greenhouse.

Recent Developments

On March 28, 2023, Local Bounty entered into an amendment to the Credit Agreements with Cargill Financial to expand the term loan credit facility from \$170 million to up to \$280 million per the terms and conditions of the agreement, including capital to fund construction at the Local Bounty's facilities in Georgia, Texas, and Washington, subject to certain conditions. In consideration for the improved flexibility and the expanded size of the facility, Local Bounty issued Cargill Financial 5-year warrants to purchase up to 69.6 million shares of common stock with a per share exercise price of \$1 per share, representing more than a 100% premium to Local Bounty's current stock price. See Item 9B, *Other Information*.

Factors Affecting Our Financial Condition and Results of Operations

We expect to expend substantial resources as we:

- identify and invest in future growth opportunities, including new product lines;

- complete construction and commissioning of new facilities in Pasco, Washington, and Mount Pleasant, Texas;
- integrate Pete's operations into our business;
- 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, including increased finance, legal and accounting expenses associated with being a public company, and growing operations.

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 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 difficult 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:

Stock-Based Compensation

We recognize in our Consolidated Statements of Operations the grant-date fair value of restricted stock units (RSUs) and restricted stock awards (RSAs) issued to both employees and non-employees. Our RSUs and RSAs are subject to service-based vesting conditions. Stock-based compensation expense is recognized on a tranche-by-tranche basis using the accelerated attribution method over the requisite service period of the award, which generally corresponds to the underlying vesting term. Forfeitures of awards are accounted for in the period in which they occur. Stock-based compensation cost of RSUs and RSAs is calculated by multiplying the grant date fair value by the number of shares granted. The fair value of each share of common stock underlying RSUs and RSAs is based on the closing price of our common stock as reported by NYSE on the date of the grant.

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. If we determine that it is more likely than not that the fair value of a reporting unit is less than its carrying value, we then perform a quantitative assessment. Depending upon the results of that assessment, the recorded goodwill may be written down, and impairment expense is recorded in the Consolidated Statements of Operations when the carrying amount of the reporting unit exceeds the fair value of the reporting unit.

For the year ended December 31, 2022, as part of our annual assessment, a qualitative goodwill assessment was performed and we determined it was not more likely than not that the fair value of our reporting unit was less than its carrying value.

Results of Operations

Year Ended December 31, 2022 compared to Year Ended December 31, 2021

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

	Year Ended December 31,		\$ Change
	2022	2021	
	(in thousands)		
Sales	\$ 19,474	\$ 638	18,836
Cost of goods sold	17,259	432	16,827
Gross profit	2,215	206	2,009
Operating expenses:			
Research and development	14,059	3,425	10,634
Selling, general and administrative	82,682	41,498	41,184
Total operating expenses	96,741	44,923	51,818
Loss from operations	(94,526)	(44,717)	(49,809)
Other income (expense):			
Convertible Notes fair value adjustment	—	(5,067)	5,067
Interest expense, net	(16,734)	(6,618)	(10,116)
Other income	189	309	(120)
Net loss	\$ (111,071)	\$ (56,093)	(54,978)

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 the majority of our revenue from the sale of produce. In response to realized cost inflation, we have implemented contractually allowable price increases which we anticipate to benefit from in 2023 and beyond.

Sales increased by \$18.8 million to \$19.5 million for the year ended December 31, 2022, compared to the year ended December 31, 2021. The increase was due primarily to the acquisition of Pete's at the beginning of April 2022, which added more than 10,000 retail locations nationwide.

Cost of Goods Sold

Cost of goods sold consists primarily of costs related to growing produce at our greenhouse facilities, including labor costs, which include wages, salaries, benefits, and stock-based compensation, seeds, soil, nutrients and other input supplies, packaging materials, depreciation, utilities and other manufacturing overhead. We expect that, over time, cost of goods sold will decrease as a percentage of sales, as a result of scaling our business.

Cost of goods sold increased by \$16.8 million for the year ended December 31, 2022, compared to the year ended December 31, 2021, due to increased sales during 2022 driven by the acquisition of Pete's. Cost of goods sold also increased for the year ended December 31, 2022 due to the fair value step-up to expected selling price of acquired inventory from the April 2022 Pete's Acquisition. This acquired inventory was subsequently sold during the second quarter at a zero margin stepped-up value, which negatively impacted our gross margin for the year ended December 31, 2022 by \$1.0 million or 5.4%. Additionally, cost of goods sold was negatively impacted for the year ended December 31, 2022 due to temporary supply chain challenges with suppliers at our California facilities during the second quarter, which resulted in higher costs to fill orders. These temporary supply chain challenges have since been resolved.

Research and Development

Research and development expenses consist primarily of compensation to employees engaged in research and development activities, which include salaries, benefits, and stock-based compensation, overhead (including depreciation, utilities and other related allocated expenses), and supplies and services related to the development of our growing processes. Our research and development efforts are focused on the development of our processes utilizing our CEA facilities, increasing production yields, developing new leafy green SKUs and value-added products such as grab-and-go salads, and exploring new crops, including berries. We focus our research and development efforts on areas that we believe will generate future revenue and grow our intellectual property portfolio across process improvements, genetics, computer, vision, artificial intelligence, and process controls. We expect that, over the long term, research and development will decrease as a percentage of sales, as a result of the establishment of our growing process.

Research and development costs increased by \$10.6 million for the year ended December 31, 2022, compared to the year ended December 31, 2021. The increase was due to increased investment in personnel, materials, supplies, and facility capacity as we continue to expand our product offering and refine our growing process. We incurred costs for research and development of our production, harvesting, and post-harvest packaging techniques and processes, as well as production surplus costs related to the development and testing of our production processes.

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, Pete's acquisition related costs, insurance, marketing, advertising, computer hardware and software, and amortization of intangible assets, among others.

Selling, general, and administrative expenses increased by \$41.2 million for the year ended December 31, 2022, compared to the year ended December 31, 2021, primarily due to a \$20.2 million increase in stock-based compensation expense driven by the vesting of stock awards, a \$6.2 million increase in employee salaries, wages, benefits, and payroll taxes and fees due to increased headcount from Company growth and the Pete's Acquisition and to support operations as a public company, a \$5.0 million increase in amortization of intangibles acquired as part of the Pete's Acquisition, a \$3.1 million increase in insurance costs, and a \$2.3 million increase in professional legal, accounting, and consulting fees.

Convertible Notes Fair Value Adjustment

During 2021, we entered into a series of identical convertible long-term notes with various parties with a face value of \$26.1 million that bore interest at 8% with a maturity date of February 8, 2023 (the "Convertible Notes"). All Convertible Notes were converted into shares of common stock in connection with the business combination of Local Bounti and Leo Holdings III Corp on November 19, 2021.

Prior to the conversion of the Convertible Notes into shares of common stock, we measured Convertible Notes at fair value based on significant inputs not observable in the market, resulting in these Convertible Notes being classified as Level 3 measurements within the fair value hierarchy. Changes in the fair value of Convertible Notes related to updated assumptions and estimates were recognized as a Convertible Notes fair value adjustment within the results of operations.

There was no Convertible Notes fair value adjustment for the year ended December 31, 2022 as all the Convertible Notes were converted into shares of common stock in connection with the business combination of Local Bounti and Leo Holdings III Corp on November 19, 2021.

Interest Expense, net

Interest expense consists primarily of interest expense related to the loans with Cargill Financial and interest recognized per the terms of our financing obligation related to the Montana facility.

Interest expense, net increased by \$10.1 million for the year ended December 31, 2022, compared to the year ended December 31, 2021. The increase is primarily due to a \$26.2 million increase in the principal amount outstanding on the Subordinated Facility and a \$98.4 million increase in the principal amount outstanding on the Senior Facility as well as a variable rate increase as compared to the prior year period, which resulted in an additional interest expense, net of interest capitalized, of \$10.0 million as compared to the prior year period. Additional interest expense of \$2.8 million was incurred from amortization of loan origination fees for the loans with Cargill Financial as compared to the prior year period, and \$0.7 million of unamortized debt issuance costs that were written off in 2022 in connection with the First Amendment as described in Note 7, *Debt*. This increase was offset by a decrease in interest expense of \$1.2 million related to a \$10.0 million term loan with Cargill Financial that was paid off in September 2021 and a decrease of \$1.4 million related to our Convertible Notes which were converted into shares of common stock in connection with the business combination of Local Bounti and Leo Holdings III Corp on November 19, 2021.

We capitalize interest costs on borrowings during the construction period of major construction projects as part of the cost of the constructed assets. During the year ended December 31, 2022, \$1.2 million of interest expense has been capitalized. No interest was capitalized during the year ended December 31, 2021.

Liquidity and Capital Resources

We have incurred losses and generated negative cash flows from operations since our inception. At December 31, 2022, we had an accumulated deficit of \$179.3 million and cash of \$24.9 million comprised of \$13.7 million of cash and cash equivalents and \$11.3 million of restricted cash and cash equivalents used to service our debt with Cargill Financial.

As of December 31, 2022, the principal amount due under our credit facilities with Cargill Financial totaled \$140.9 million, none of which is classified as current. These debt agreements contain various financial and non-financial covenants and certain restrictions on our business, which include restrictions on additional indebtedness 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 are cash on hand, cash flows generated from the sale of our products, and a credit facility with Cargill Financial. Cash expenditures over the next 12 months are expected to include interest payments on debt obligations, 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.

We believe that our current cash position, cash flow from operations, the proceeds expected from the sale leaseback transaction (see Note 17 *Subsequent Events*, in Notes to the Consolidated Financial Statements, in Part II, Item 8 of this Form 10-K) and the borrowing capacity under our credit facility with Cargill Financial are sufficient to fund our basic cash requirements for 12 months from the date of issuance of the Consolidated Financial Statements. Also, while we believe the amendment to the Cargill Financial credit facility provides adequate resources and flexibility to fund our planned construction projects, our future capital requirements and the adequacy of available funds will depend on many factors, including those set forth in Item 1A, *Risk Factors*. In the event that our plans change, or our cash requirements are greater than we anticipate, we may need to curtail operations.

Cargill Loans

In September 2021, the Company and Cargill Financial entered into the Senior Facility and the Subordinated Facility whereby Cargill Financial agreed to make advances to the Company of up to \$150.0 million and \$50.0 million, respectively. Subsequent to the First Amendment as described in Note 7, *Debt*, the aggregate amount of outstanding loans and undrawn commitments under the Senior Facility and the Subordinated Facility was reduced to \$127.5 million and \$42.5 million, respectively, and the interest rate on the Subordinated Facility increased by 2% to 12.5% per annum and the interest rate on the Senior Facility increased by 2% to SOFR plus a margin (which varies between 7.5% to 8.5% depending on the Senior Facility net leverage ratio). Accrued interest is paid quarterly in arrears on the first business day of each calendar quarter, through the maturity date of September 3, 2028. As of December 31, 2022, a total of \$42.5 million and \$98.4 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" on the Consolidated Balance Sheet. We are required to maintain cash on hand to cover upcoming interest payments under the Credit Facilities. This amount totals \$11.3 million and is reflected in the Consolidated Balance Sheet as restricted cash and cash equivalents at December 31, 2022.

At December 31, 2022, our payment obligations for the Subordinated Facility and the Senior Facility are as follows⁽¹⁾:

(in thousands)		
2023	\$	22,376
2024		29,760
2025		32,221
2026		32,221
2027		32,221
Thereafter		152,542
Total	\$	301,341

⁽¹⁾Interest is calculated based on a 12.5% interest rate for the Subordinated Facility and a 13.1% interest rate for the Senior Facility effective as of January 1, 2023. The calculation also includes an unused commitment fee of 1.25%.

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)	
	2022	2021
Net cash used in operating activities	\$ (48,808)	\$ (20,108)
Net cash used in investing activities	(172,385)	(29,666)
Net cash provided by financing activities	145,054	150,806
Cash and cash equivalents and restricted cash at beginning of year	101,077	45
Cash and cash equivalents and restricted cash at end of year	\$ 24,938	\$ 101,077

Net Cash Used In Operating Activities

Net cash used in operating activities was \$48.8 million for the year ended December 31, 2022 due to a net loss of \$111.1 million, partially offset by non-cash activities of \$39.2 million in stock-based compensation expense, \$5.4 million in depreciation expense, \$5.0 million in amortization expense, \$3.0 million in amortization of debt issuance costs, \$2.6 million in loss on disposal of property and equipment, and \$5.4 million net increase of cash from changes in assets and liabilities.

Net cash used in operating activities was \$20.1 million for the year ended December 31, 2021 due to a net loss of \$56.1 million, partially offset by non-cash activities of \$17.9 million in stock-based compensation expense, \$5.1 million in fair value adjustments to the Convertible Notes, \$1.4 million of interest expense on the Convertible Notes, \$0.9 million in debt extinguishment expense, \$0.8 million in amortization of debt issuance costs, \$0.7 million in depreciation expense, and \$9.5 million net increase of cash from changes in assets and liabilities primarily driven by increase in accrued construction expenses related to the Pasco CEA facility.

Net Cash Used In Investing Activities

Net cash used in investing activities was \$172.4 million for the year ended December 31, 2022, due primarily to the acquisitions described in Note 3, *Acquisitions*, including the Pete's Acquisition for net cash outlay of \$90.6 million and the Property Acquisition for net cash outlay of \$25.8 million. Additional cash used in investing activities related to \$56.0 million of purchases of equipment and other items for the Pasco, Georgia, and Texas CEA facilities.

Net cash used in investing activities was \$29.7 million for the year ended December 31, 2021, which was made up of purchases of equipment and other items related to the expansion of the Montana Facility and construction equipment for the Pasco CEA facility.

Net Cash Provided By Financing Activities

Net cash provided by financing activities was \$145.1 million for the year ended December 31, 2022, representing \$124.6 million in proceeds from the issuance of debt and \$23.3 million in proceeds from Private Placement financing (refer to Note 11, *Stockholders' Equity (Deficit)*, of the Consolidated Financial Statements for more information about the Private Placement), which was partially offset by \$2.3 million payment of debt issuance costs.

Net cash provided by financing activities was \$150.8 million for the year ended December 31, 2021, representing \$137.5 million in proceeds from the completion of the Business Combination, \$26.3 million cash received from the issuance of the Cargill Loans, \$26.0 million cash received from the issuance of Convertible Notes, and \$3.9 million net proceeds from financing obligations. The increase is offset by \$27.3 million cash distribution to Legacy Local Bounti shareholders in connection with the closing of the Business Combination, \$10.7 million cash repayment of debt, and the payment of \$5.4 million in debt issuance costs.

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

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	<u>Page</u>
Report of Independent Registered Public Accounting Firm - WithumSmith+Brown, PC (PCAOB ID No. 100)	61
Consolidated Balance Sheets at December 31, 2022 and 2021	62
Consolidated Statements of Operations for the years ended December 31, 2022 and 2021	63
Consolidated Statements of Stockholders' Equity (Deficit) for the years ended December 31, 2022 and 2021	64
Consolidated Statements of Cash Flows for the years ended December 31, 2022 and 2021	65
Notes to Consolidated Financial Statements	67

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders
Local Bounti Corporation

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Local Bounti Corporation and subsidiaries (the "Company") as of December 31, 2022 and 2021, the related consolidated statements of operations, changes in stockholders' equity (deficit), and cash flows for the years then ended, 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, 2022 and 2021, and the results of its operations and its cash flows for the years then ended, 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 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 audit 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, audits 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, 2023

PCAOB ID Number 100

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

	December 31,	
	2022	2021
Assets		
Current assets		
Cash and cash equivalents	\$ 13,666	\$ 96,661
Restricted cash and cash equivalents	11,272	4,416
Accounts receivable, net	2,691	110
Inventory, net	3,594	922
Prepaid expenses and other current assets	2,881	3,399
Total current assets	34,104	105,508
Property and equipment, net	157,844	37,350
Operating lease right-of-use assets	137	55
Goodwill	38,481	—
Intangible assets, net	47,273	—
Other assets	901	1,017
Total assets	\$ 278,740	\$ 143,930
Liabilities and stockholders' equity (deficit)		
Current liabilities		
Accounts payable	\$ 13,757	\$ 1,920
Accrued liabilities	9,426	16,020
Operating lease liabilities	84	28
Total current liabilities	23,267	17,968
Long-term debt, net of debt issuance costs	119,814	11,199
Financing obligation	14,139	13,070
Operating lease liabilities, noncurrent	187	10
Total liabilities	157,407	42,247
Commitments and contingencies (Note 15)		
Stockholders' equity (deficit)		
Common stock, \$0.0001 par value, 400,000,000 shares authorized, 103,700,630 and 86,344,881 issued and outstanding as of December 31, 2022 and December 31, 2021, respectively	10	9
Additional paid-in capital	300,636	169,916
Accumulated deficit	(179,313)	(68,242)
Total stockholders' equity	121,333	101,683
Total liabilities and stockholders' equity	\$ 278,740	\$ 143,930

See accompanying Notes to Consolidated Financial Statements

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

	Year Ended December 31,	
	2022	2021
Sales	\$ 19,474	\$ 638
Cost of goods sold ⁽¹⁾⁽²⁾⁽³⁾	17,259	432
Gross profit	2,215	206
Operating expenses:		
Research and development ⁽²⁾⁽³⁾	14,059	3,425
Selling, general and administrative ⁽²⁾⁽³⁾	82,682	41,498
Total operating expenses	96,741	44,923
Loss from operations	(94,526)	(44,717)
Other income (expense):		
Convertible Notes fair value adjustment	—	(5,067)
Interest expense, net	(16,734)	(6,618)
Other income	189	309
Net loss	\$ (111,071)	\$ (56,093)
Net loss applicable to common stockholders per basic common share:		
Basic and diluted	\$ (1.27)	\$ (1.06)
Weighted average common shares outstanding:		
Basic and diluted	87,114,635	52,888,268

⁽¹⁾ Amounts include the impact for non-cash increase in cost of goods sold attributable to the fair value basis adjustment to inventory in connection with acquisition of Pete's as follows:

	Year Ended December 31,	
	2022	2021
Cost of goods sold	\$ 1,042	\$ —
Total business combination fair value basis adjustment to inventory	\$ 1,042	\$ —

⁽²⁾ Amounts include stock-based compensation as follows:

	Year Ended December 31,	
	2022	2021
Cost of goods sold	\$ 104	\$ —
Research and development	2,057	—
Selling, general and administrative	37,005	17,895
Total stock-based compensation expense	\$ 39,166	\$ 17,895

⁽³⁾ Amounts include depreciation and amortization as follows:

	Year Ended December 31,	
	2022	2021
Cost of goods sold	\$ 2,957	\$ 66
Research and development	1,304	528
Selling, general and administrative	6,166	90
Total depreciation and amortization	\$ 10,427	\$ 684

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, 2020	58,076,019	\$ 1	\$ 9,577	\$ (12,149)	\$ (2,571)
Issuance of restricted common stock, net	1,182,129	—	—	—	—
Merger recapitalization, net of issuance costs \$30,422	23,817,279	8	137,523	—	137,531
Vesting of restricted stock units, net	45,386	—	—	—	—
Cash distribution to Legacy Local Bounti shareholders	—	—	(27,320)	—	(27,320)
Conversion of Convertible Notes to common stock	3,224,068	—	32,241	—	32,241
Stock-based compensation	—	—	17,895	—	17,895
Net loss	—	—	—	(56,093)	(56,093)
Balance, December 31, 2021	86,344,881	\$ 9	\$ 169,916	\$ (68,242)	\$ 101,683
Issuance of common stock for business combination	5,654,600	—	50,948	—	50,948
Issuance of common stock for debt modification	1,932,931	—	17,416	—	17,416
Issuance of common stock for PIPE Financing, net of issuance costs \$553,287	9,320,000	1	22,746	—	22,747
Issuance of common stock upon exercise of warrants	10	—	—	—	—
Vesting of restricted stock units, net	448,208	—	—	—	—
Stock-based compensation	—	—	39,610	—	39,610
Net loss	—	—	—	(111,071)	(111,071)
Balance, December 31, 2022	103,700,630	\$ 10	\$ 300,636	\$ (179,313)	\$ 121,333

See accompanying Notes to Consolidated Financial Statements

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

	Year Ended December 31,	
	2022	2021
Operating Activities:		
Net loss	\$ (111,071)	\$ (56,093)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	5,400	684
Amortization of intangible assets	5,027	—
Stock-based compensation expense	39,166	17,895
Bad debt allowance	114	19
Inventory valuation allowance	596	(26)
Loss on disposal of property and equipment	2,568	—
Change in fair value - Convertible Notes	—	5,067
Change in fair value - Warrant	—	10
Gain on Convertible Notes	—	(240)
Loss on debt extinguishment	735	939
Amortization of debt issuance costs	2,988	782
Interest on Convertible Notes	—	1,364
Interest on financing obligation	231	—
Changes in operating assets and liabilities:		
Accounts receivable	(643)	193
Inventory	(88)	(652)
Prepaid expenses and other current assets	1,397	(3,384)
Other assets	2,328	(966)
Accounts payable	2,116	1,737
Operating lease liabilities	151	10
Warrant liabilities	—	(1,425)
Accrued liabilities	177	13,978
Net cash used in operating activities	(48,808)	(20,108)
Investing Activities:		
Purchases of property and equipment	(56,020)	(29,666)
Asset acquisition	(25,813)	—
Business combination, net of cash acquired	(90,552)	—
Net cash used in investing activities	(172,385)	(29,666)
Financing Activities:		
Proceeds from recapitalization, net of issuance costs \$30,422	—	137,532
Proceeds from issuance of Convertible Notes, net	—	26,000
Proceeds from financing obligations	—	3,854
Proceeds from Private Placement financing	23,300	—
Transaction costs paid in connection with financing activities	(553)	—
Proceeds from issuance of debt	124,649	26,793
Cash distribution to Legacy Local Bounti shareholders	—	(27,320)
Payment of debt issuance costs	(2,342)	(5,399)
Repayment of debt	—	(10,654)
Net cash provided by financing activities	145,054	150,806
Net (decrease) increase in cash and cash equivalents and restricted cash	(76,139)	101,032
Cash and cash equivalents and restricted cash and cash equivalents at beginning of year	101,077	45
Cash and cash equivalents and restricted cash and cash equivalents at end of year	\$ 24,938	\$ 101,077

Reconciliation of cash, cash equivalents, and restricted cash from the Consolidated Balance Sheets to the Consolidated Statements of Cash Flows:

Cash and cash equivalents	\$	13,666	\$	96,661
Restricted cash and cash equivalents		11,272		4,416
Total cash and cash equivalents and restricted cash and cash equivalents as shown in the Consolidated Statements of Cash Flows	\$	24,938	\$	101,077

Supplemental disclosures of cash flow information:

Cash paid for interest, net of interest capitalized	\$	10,743	\$	2,981
---	----	--------	----	-------

Non-cash investing and financing activities:

Right-of-use asset obtained in exchange for operating lease liability	\$	388	\$	—
Reduction of right of use asset and associated lease liability due to lease cancellation	\$	203	\$	—
Purchases of property and equipment included in accounts payable and accrued liabilities	\$	825	\$	12,441
Stock-based compensation capitalized to property and equipment, net	\$	444	\$	—
Property and equipment obtained in exchange for financing obligation	\$	840	\$	—
Issuance of common stock related to modification of line of credit	\$	17,416	\$	—
Issuance of common stock for business combination	\$	50,948	\$	—
Non-cash proceeds from issuance of Convertible Notes for services provided	\$	—	\$	50

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 is a producer of sustainably grown living lettuce, herbs, and loose leaf lettuce. The Company is a controlled environment agriculture ("CEA") company that utilizes patent pending 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. Our primary products include living butter lettuce as well as packaged salad and cress.

On April 4, 2022, the Company acquired California-based complementary indoor farming company Hollandia Produce Group, Inc. and its subsidiaries (the "Pete's Acquisition"), which operate under the name Pete's ("Pete's"). Pete's is a California-based indoor farming company with three greenhouse growing facilities, including two in California and one in Georgia, the latter of which became operational in July 2022. See Note 3, *Acquisitions*, for additional discussion of the Pete's Acquisition.

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 ("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 generally accepted accounting principles 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 our 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 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 at December 31, 2022 as well as the proceeds expected from the sale leaseback transaction and the amendment to the credit facility with Cargill Financial, which are disclosed in Note 17, *Subsequent Events*, is sufficient to fund the Company's operations for a period of at least twelve 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 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, inventory valuation reserve, valuation of acquired intangibles and goodwill in business combinations, 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 those risks common in the consumer products and agriculture industries and those risks common to early stage development companies, including, but 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 and Cash Equivalents

Restricted cash and cash equivalents are restricted through legal contracts or regulations. The Company has entered into Credit Agreements with Cargill Financial, under which the Company has \$170.0 million of outstanding loans and undrawn commitments. For further detail, see Note 7, *Debt*.

As part of the Facilities under the Credit Agreements, the Company is required to establish a "Debt Service Reserve Account," which is a deposit account, that contains minimum funds in an amount equal to or greater than the Minimum P&I Amount (as set forth in the Senior Credit Agreement) and the Minimum Interest Amount (as set forth in the Subordinated Credit Agreement). The Company has drawn a total of \$98.4 million on the Senior Facility and \$42.5 million on the Subordinated Facility as of December 31, 2022. Out of the total outstanding balance, \$11.3 million was to fund the Debt Service Reserve Account and is included in "Restricted cash and cash equivalents" on the Consolidated Balance Sheet. The long-term portion of each of the Senior Facility and the Subordinated Facility is included in "Long-term debt" on the Consolidated Balance Sheets.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable includes billed receivables and is presented net of an allowance for doubtful accounts. 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 doubtful accounts was \$0.1 million at December 31, 2022. The allowance for doubtful accounts was not material at December 31, 2021.

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 need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Business Combinations

The purchase consideration of acquisitions is allocated to the tangible and intangible assets acquired and liabilities assumed based on their estimated respective fair values. The excess of the fair value of purchase

consideration over the fair values of these identifiable assets and liabilities is recorded as goodwill. Goodwill is adjusted for any changes to acquisition date fair value amounts made within the measurement period. Acquisition-related transaction costs are recognized separately from the business combination and expensed as incurred.

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 Condensed Consolidated Balance Sheets as a direct deduction from the carrying amount of that debt liability.

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 recoverability of inventories and the amounts of any write-downs are based on currently available information and assumptions about future demand and market conditions. Demand for produce may fluctuate significantly over time, and actual demand and market conditions may be more or less favorable than the Company's projections. If actual demand is lower than originally projected, additional inventory write-downs may be required.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Expenditures for additions or renewals 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.

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	10 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 year ended December 31, 2022, \$1.2 million of interest expense has been capitalized. No interest was capitalized during the year ended December 31, 2021.

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. The Company did not recognize any impairment of goodwill during the periods presented.

Impairment Assessment

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.

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. 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 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 the production and sale of sustainably grown fresh greens through CEA facilities. Revenue is recognized at a point in time when the product control is transferred or passed to the customer in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods. In general, control transfers to the customer when the product is shipped to the customer based upon applicable shipping terms. Customer contracts generally do not include more than one performance obligation. Product prices are based on agreed upon rates with customers and do not include financing components or noncash consideration.

In 2021, the Company generated revenue from the sale of intellectual property that the Company developed. For each licensing agreement for intellectual property, the promise to deliver a license that grants the customer the right to use the intellectual property is considered to be a distinct performance obligation. Revenue from intellectual property is recognized at a point in time upon delivery of documentation of the Company's intellectual property to the licensee. Intellectual property sold in 2021 consisted of intellectual property for salad kits, including the licensed know-how for recipes, packaging support, and branding kit development.

Revenue by major product or service type is as follows:

	Year Ended December 31,	
	2022	2021
	(in thousands)	
Revenue from sale of produce	\$ 19,474	\$ 551
Revenue from sale of intellectual property	—	87
Total revenue	<u>\$ 19,474</u>	<u>\$ 638</u>

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

The Company does not capitalize contract inception costs, as contracts (which are 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 any sales and similar taxes from the transaction price.

Research and Development

Research and development expenses consist primarily of compensation to employees engaged in research and development activities, including salaries and related benefits, stock-based compensation, supplies, consumables and services used in and related to the research and development of our growing techniques and processes, and growing facility overhead (including depreciation, utilities and other related allocated expenses). Research and development efforts are focused on the development and testing of existing and new processes to maximize the utilization of Company's CEA facilities and increase production yields, developing new leafy green SKUs and value-added products such as grab-and-go salads, and exploring new crops. Research and development costs are expensed as incurred.

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 \$0.9 million and \$0.7 million for the years ended December 31, 2022 and 2021, 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 which 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 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 primarily from customers located 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, 2022, there were two significant customers that accounted for approximately 28% of the Company's accounts receivable. For the year ended December 31, 2022, two individual customers represented more than 10% of total revenue. In aggregate, these two customers represented approximately 27% of the Company's revenue.

At December 31, 2021, there were four significant customers that accounted for approximately 81% of the Company's accounts receivable. For the year ended December 31, 2021, four individual customers represented more

than 10% of total revenue. In aggregate, these four customers represented approximately 82% 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 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 Co-Chief Executive Officers, who review 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 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 adoption of new or revised accounting standards until those standards apply to private companies. The effective dates shown below reflect the election to use the extended transition period.

Accounting Pronouncements Recently Adopted

In May 2021, the Financial Accounting Standards Board ("FASB") issued ASU 2021-04, *Earnings Per Share (Topic 260), Debt—Modifications and Extinguishments (Subtopic 470-50), Compensation—Stock Compensation (Topic 718), and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Issuer's Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options*, which clarifies the accounting for modifications or exchanges of freestanding equity-classified written call options (e.g., warrants) that remain equity classified after modification or exchange. The Company adopted ASU 2021-04 on January 1, 2022 and applied the applicable amendments on a prospective basis. The adoption did not have a material impact on the Company's Consolidated Financial Statements.

In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*, which is intended to simplify various aspects related to accounting for income taxes. ASU 2019-12 removes certain exceptions to the general principles in ASC 740 and also clarifies and amends existing guidance to improve consistent application. The Company adopted ASU 2019-12 on January 1, 2022 and applied the applicable amendments on a prospective basis. The adoption did not have a material impact on the Company's Consolidated Financial Statements.

Accounting Pronouncements Not Yet Adopted

In August 2020, the FASB issued 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 characteristics of liability and equity, 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 that are required for equity contracts to qualify for the derivative scope exception, and requires the if-converted method for calculation of diluted earnings per share for all convertible instruments. The standard is effective for the Company for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2023. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020. The Company is currently evaluating the impact of this standard on its Consolidated Financial Statements.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326)*, which amends the guidance on reporting credit losses for assets held at amortized cost and available for sale debt securities. For assets held at amortized cost, the amendment eliminates the probable initial recognition threshold in current U.S. GAAP and, instead, requires an entity to reflect its current estimate of all expected credit losses. The allowance for credit losses is a valuation account that is deducted from the amortized cost of the financial assets to present the net amount expected to be collected. ASU 2016-13 is effective for the Company as of January 1, 2023 and early adoption is permitted. The Company does not expect the implementation of this standard to have a material impact on its Consolidated Financial Statements.

3. Acquisitions

Pete's Business Combination

On April 4, 2022, the Company acquired 100% of the shares of Pete's. The purchase price consideration for the acquisition was \$92.5 million in cash (subject to customary adjustments) and 5,654,600 shares of Local Bounti common stock, which had an original consideration, at the time of signing, of \$0.0 million and a fair value of \$50.9 million as of the closing date of the Pete's Acquisition. The acquisition has been accounted for as a business combination. The Company acquired Pete's in order to leverage Pete's operational scale and retail distribution footprint to create a leading, scaled CEA operator with a national distribution footprint.

Acquisition related costs of \$4.4 million were included in selling, general and administrative expense in the Consolidated Statements of Operations for the year ended December 31, 2022.

The purchase consideration was preliminary allocated to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values as of the acquisition date, with the excess recorded to goodwill as shown below. Goodwill is primarily attributable to the assembled workforce and expanded market opportunities and was allocated to the Company's single reporting unit. The goodwill is deductible for tax purposes over 15 years and a 338(h)(10) election was filed to step up the tax basis of the assets acquired to fair value.

The preliminary allocation is as follows (in thousands):

Intangible assets	\$	52,300
Goodwill		38,481
Assets acquired		56,449
Liabilities assumed		(3,776)
Total fair value of net assets acquired:	\$	143,454

The measurement period for the valuation of assets acquired and liabilities assumed ends as soon as information on the facts and circumstances that existed as of the acquisition date becomes available, but it does not exceed twelve months. The purchase price allocation is subject to future adjustments related to income taxes or other contingencies.

The useful life of the customer relationships, trade name, and non-compete agreements are approximately 16 years, seven years, and 18 months, respectively. Amortization expense of intangible assets was \$5.0 million for the year ended December 31, 2022.

Intangible assets, net, consisted of the following as of December 31, 2022 (in thousands):

	Gross Carrying Amount	Accumulated Amortization	Net Value	Remaining Useful Life (Years)
Customer relationships	\$ 40,200	\$ (1,884)	\$ 38,316	15.25
Trade name	7,400	(793)	6,607	6.25
Non-compete agreements	4,700	(2,350)	2,350	0.75
Total:	\$ 52,300	\$ (5,027)	\$ 47,273	

As of December 31, 2022, future amortization expense is expected to be as follows (in thousands):

2023	\$	5,920
2024		3,570
2025		3,570
2026		3,570
2027		3,570
Thereafter		27,073
Total	\$	47,273

Pro forma financial information

The following unaudited pro forma results of operations have been prepared as though the business combination of Local Bounti and Pete's was completed on January 1, 2021. Pro forma amounts are based on the preliminary purchase price allocation of the acquisition and are not necessarily indicative of results that may be reported in the future. Non-recurring pro forma adjustments including acquisition-related costs directly attributable to the acquisition are included within the reported pro forma revenue and net loss.

	Year Ended December 31,	
	2022	2021
	(in thousands)	
Sales	\$ 25,405	\$ 23,359
Net loss	\$ (112,364)	\$ (79,876)

Asset Acquisition

On April 4, 2022, in connection with consummating the Pete's Acquisition, Pete's acquired the properties previously being leased by Pete's from an internally managed net-lease real estate investment trust ("REIT") pursuant to certain sale-leaseback agreements between Pete's and the REIT for an aggregate cash purchase price of \$25.8 million (the "Property Acquisition").

The Company accounted for the properties as an asset acquisition as substantially all of the fair value of the acquisition is concentrated in a single asset or group of similar identifiable assets.

The following table sets forth the fair value of the identifiable assets acquired as of the date of the acquisition (in thousands):

Land	\$ 13,800
Construction-in-progress	12,013
Total:	\$ 25,813

Leo Holdings III Corp Business Combination and Recapitalization

On November 19, 2021, the Company consummated the Business Combination pursuant to that certain Agreement and Plan of Merger, dated June 17, 2021, by and among Leo, and Legacy Local Bounti. In connection with the consummation of the Business Combination (the "Closing"), the registrant changed its name from Leo Holdings III Corp to Local Bounti Corporation.

The Business Combination was accounted for as a reverse recapitalization in accordance with GAAP as Legacy Local Bounti has been determined to be the accounting acquirer, based on the following predominant factors:

- Legacy Local Bounti stockholders have the largest portion of voting rights in the Company;
- the Board and Management are primarily composed of individuals associated with Legacy Local Bounti; and
- Legacy Local Bounti was the larger entity based on historical operating activity and Legacy Local Bounti had the larger employee base at the time of the Business Combination.

Under this method of accounting, while Leo was the legal acquirer, it has been treated as the "acquired" company for financial reporting purposes. Accordingly, the Business Combination was treated as the equivalent of Local Bounti issuing stock for the net assets of Leo, accompanied by a recapitalization. The net assets of Leo were stated at historical cost, with no goodwill or other intangible assets recorded. Operations prior to the Business Combination are those of Legacy Local Bounti. Reported shares and earnings per share available to holders of the Company's common stock, prior to the business combination, have been retroactively restated as shares reflecting the exchange ratio established in the Business Combination (approximately 4.969669 Local Bounti shares to every share of Leo).

In connection with the Business Combination, Leo entered into subscription agreements with certain investors (the "PIPE Investors"), whereby it issued 5,000,000 shares of common stock at \$10.00 per share (the "PIPE Shares") for an aggregate purchase price of \$50.0 million (the "PIPE Financing"), which closed simultaneously with the consummation of the Business Combination. Upon the closing of the Business Combination, the PIPE Investors were issued shares of the Company's common stock.

The aggregate consideration for the Business Combination and proceeds from the PIPE Financing was approximately \$150.0 million, consisting of shares of common stock valued at \$10.00 per share. Including the PIPE financing, the aggregate common stock consideration consists of 83,514,977 shares of Legacy Local Bounti common stock, including shares issuable in respect of vested equity awards of the Legacy Local Bounti.

In connection with the Business Combination, the Company incurred direct and incremental costs of \$34.8 million related to the equity issuance, consisting of \$30.4 million of investment banking, legal, accounting and other professional fees, which were recorded to additional paid-in capital and treated as a reduction of proceeds, and expenses of \$4.4 million primarily related to advisory, legal, and accounting fees in conjunction with the Business Combination were recorded within Selling, general and administrative expenses on the Consolidated Statement of Operations for the year ended December 31, 2021.

4. Inventory

Inventories consisted of the following:

	December 31,	
	2022	2021
	(in thousands)	
Raw materials	\$ 2,018	\$ 612
Work-in-process	413	173
Finished goods	1,854	69
Consignment	—	163
Inventory valuation allowance	(691)	(95)
Total inventory, net	<u>\$ 3,594</u>	<u>\$ 922</u>

5. Property and Equipment

Property and equipment consisted of the following:

	December 31,	
	2022	2021
	(in thousands)	
Machinery, equipment, and vehicles	\$ 32,774	\$ 3,683
Land	19,296	4,122
Buildings and leasehold improvements	55,392	14,141
Construction-in-progress	56,753	16,375
Less: Accumulated depreciation	(6,371)	(971)
Property and equipment, net	<u>\$ 157,844</u>	<u>\$ 37,350</u>

Depreciation expense related to property and equipment was \$5.4 million and \$0.7 million for the years ended December 31, 2022 and 2021, respectively.

6. Accrued Liabilities

Accrued liabilities consisted of the following:

	December 31,	
	2022	2021
	(in thousands)	
Interest	\$ 4,372	\$ —
Construction	825	11,192
Insurance	21	2,582
Payroll	1,470	792
Production	1,438	461
Professional services	894	273
Other	406	720
Total accrued liabilities	<u>\$ 9,426</u>	<u>\$ 16,020</u>

7. Debt

Debt consisted of the following:

	December 31,	
	2022	2021
	(in thousands)	
Senior Facility	\$ 98,442	\$ —
Subordinated Facility	42,500	16,293
Unamortized deferred financing costs, Cargill Credit Agreements	(21,128)	(5,094)
Total debt	<u>\$ 119,814</u>	<u>\$ 11,199</u>

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 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 "Credit Agreements") with Cargill Financial for an up to \$50.0 million multiple-advance term loan (the "Subordinated Facility" and, together with the Senior Facility, the "Facilities").

First Amendment of the Credit Agreements

On March 14, 2022, Local Bounti Operating Company LLC and certain subsidiaries entered into a First Amendment to the Credit Agreements (the "First Amendment") with Cargill Financial to amend the 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 Condensed 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 \$7.4 million was recorded as additional debt discount and is amortized to interest expense over the remaining term of the Credit Agreements on a straight-line basis.

Second Amendment of the Credit Agreements

On August 11, 2022, Local Bounti Operating Company LLC, the Company and certain subsidiaries entered into a Second Amendment to the 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 of the Credit Agreements

On December 30, 2022, Local Bounti Operating Company LLC, the Company and certain subsidiaries entered into a Third Amendment to the 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.

Subsequent to all the amendments set forth above, the interest rate on the Subordinated Facility is 12.5% per annum, with accrued interest on the agreement paid quarterly in arrears on the first business day of the subsequent quarter through the maturity date of September 3, 2028.

Subsequent to all the amendments, 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 on the agreement paid quarterly in arrears on the first business day of the subsequent quarter through the maturity date of September 3, 2028.

Principal payments under the Senior Facility are due quarterly, beginning April 1, 2024, pursuant to a 10 year straight line amortization schedule, and on the maturity date of the Senior Facility and the Subordinated Facility on September 3, 2028.

In accordance with the Credit Agreements, the Company is required to have a debt service reserve account which is shown as restricted cash and cash equivalents on the Company's Consolidated Balance Sheets. The balance of the Company's debt service reserve account was \$11.3 million at December 31, 2022 as compared to \$4.4 million at December 31, 2021.

The Credit Agreements also contain certain financial covenants that become measurable and effective beginning in the third quarter of 2025, including debt coverage, net leverage, and interest coverage ratios. 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 credit facility is secured with a first-priority lien against substantially all of the assets of the Company and its subsidiaries, including their intellectual property. The Company was in compliance with all applicable covenants as of December 31, 2022.

The Facilities have an unused commitment fee in an amount of 125 basis points per annum of the unused portion of the Facilities.

8. 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 15 years. The Company also has an option to extend the term of the facility lease for three consecutive terms of five years each, of which the Company currently reasonably expects to extend the first 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 autorenewals 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 Sheet 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 Company utilized a rate of 11.60% to calculate 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 following tables summarizes the financing obligation and the presentation in our Consolidated Statements of Operations for the period presented:

	Year Ended December 31,	
	2022	2021
	(in thousands)	
Amortization of financing obligation assets	\$ 599	\$ 433
Interest on financing liabilities	1,693	1,076

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

	Finance Obligation	
	(in thousands)	
2023	\$	1,537
2024		1,591
2025		1,623
2026		1,655
2027		1,688
Thereafter		24,908
Total financing obligation payments		33,002
Amount representing interest		(30,718)
Net financing obligation and asset at end of term		11,855
Total financing obligation	\$	14,139

9. Leases

The Company has operating leases primarily for administrative offices, vehicles, and other facilities. 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,	
	2022	2021
	(in thousands)	
Operating lease cost	\$ 137	\$ 7
Short-term lease cost	447	322
Variable lease cost	4	3
Total lease expense	\$ 588	\$ 332

As of December 31, 2022, the weighted average remaining lease term and weighted average discount rate for all operating leases was 3.6 years and 9.6%, respectively.

As of December 31, 2022, the maturities of lease liabilities under non-cancelable operating leases were as follows:

	Operating Leases	
	(in thousands)	
2023	\$	94
2024		84
2025		64
2026		35
2027		26
Total minimum lease payments		303
Less: imputed interest		(32)
Total	\$	271

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, 2022		
	Level 1	Level 2	Level 3
	(in thousands)		
Recurring fair value measurements			
Assets:			
Money market funds	\$ 13,997	\$ —	\$ —
Total	\$ 13,997	\$ —	\$ —
	December 31, 2021		
	Level 1	Level 2	Level 3
	(in thousands)		
Recurring fair value measurements			
Assets:			
Money market funds	\$ 96,661	\$ —	\$ —
Total	\$ 96,661	\$ —	\$ —

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

As of December 31, 2022 and 2021, 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. Therefore, no unrealized gains or losses were recorded during the periods presented. 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 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.

Public and Private Warrants

Prior to the Business Combination of Local Bounti and Leo on November 19, 2021, Leo issued 10,833,333 public and private 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 \$11.50 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

public 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 Investors III LP (the "Sponsor") 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 Warrants. The Company may redeem the outstanding warrants in whole and not in part at a price of \$0.01 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 \$18.00 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, 2022, outstanding public and private warrants, excluding warrants issued to Cargill Financial, were 10,833,296.

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 Financials also received a total of 705,883 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 \$8.50 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.

Private Placement

On October 21, 2022 (the "Agreement Date"), the Company entered into a securities purchase agreement (the "Securities Purchase Agreement") with certain purchasers (the "Purchasers"), pursuant to which the Company agreed to issue and sell to the Purchasers, in a private placement, shares of the Company's common stock, par value \$0.0001 per share (the "Common Stock") at a purchase price of \$2.50 per share (the "Private Placement"). The closing price of the Common Stock on the New York Stock Exchange on October 20, 2022 (the last trading day before the Agreement Date), was \$2.50 per share.

Pursuant to the Securities Purchase Agreement, the Company agreed to sell and the Purchasers agreed to purchase 9,320,000 shares (the "Common Shares") of Common Stock resulting in gross proceeds to the Company of approximately \$23.3 million before deducting estimated offering expenses. Affiliates of certain members of our Board of Directors and certain executive officers purchased an aggregate of 280,000 shares of Common Stock in the Private Placement. The Company expects to use the net proceeds for general corporate purposes.

Registration Rights Agreement

In connection with the Private Placement, the Company entered into a registration rights agreement (the "Registration Rights Agreement") with the Purchasers, pursuant to which the Company agrees to register for resale the Common Shares (the "Registrable Securities"). Under the Registration Rights Agreement, the Company agreed to file a registration statement covering the resale by the Purchasers of the Registrable Securities within 10 business days of the closing of the Securities Purchase Agreement. The registration statement was filed on October 24, 2022 and became effective on November 1, 2022. The Company has agreed to use commercially reasonable efforts to cause such registration statement to become effective and to keep such registration statement effective until such time as there are no longer Registrable Securities held by the Purchasers. The Company has agreed to be responsible for all fees and expenses incurred in connection with the registration of the Registrable Securities.

The Company has granted the Purchasers customary indemnification rights in connection with the registration statement, including for liabilities arising under the Securities Act of 1933, as amended. The Purchasers have also granted the Company customary indemnification rights in connection with the registration statement.

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 Statement of Operations.

A summary of the RSA activity for 2022 and 2021 is as follows:

	Number of Shares of Restricted Common Stock Awards	Average Grant-Date Fair Value
Unvested at December 31, 2020	8,944,464	\$ 1.27
Granted	2,086,827	\$ 2.66
Forfeited	(904,698)	\$ 1.27
Vested	(4,647,142)	\$ 1.27
Unvested at December 31, 2021	5,479,451	\$ 1.80
Vested, settled	(1,996,363)	\$ 1.80
Vested, unsettled	271,408	\$ 2.43
Unvested and outstanding at December 31, 2022	<u>3,754,496</u>	\$ 1.85

The total expense of restricted common stock for the years ended December 31, 2022 and 2021 was \$4.5 million and \$9.6 million, respectively. As of December 31, 2022, the total compensation cost related to unvested restricted common stock not yet recognized is \$2.3 million. Unvested restricted common stock not yet recognized is expected to be recognized over a weighted average period of 1.66 years.

Restricted Stock Units

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

A summary of the RSU activity for 2022 and 2021 is as follows:

	Number of RSUs	Average Grant-Date Fair Value
Unvested at December 31, 2020	—	\$ —
Granted and vested	503,821	\$ 9.60
Retroactive conversion of shares due to the Business Combination	2,000,003	\$ 9.60
Forfeited	(2,485)	\$ 9.97
Vested ¹	(105,550)	\$ 6.75
Unvested and outstanding at December 31, 2021	2,395,789	\$ 9.73
Granted	9,297,080	\$ 5.72
Forfeited	(1,757,157)	\$ 7.25
Vested	(1,674,424)	\$ 7.14
Vested, deferred settlement	1,195,225	\$ 6.28
Unvested and outstanding at December 31, 2022	9,456,513	\$ 6.27

¹ These shares were net settled for 45,396 shares to cover the required withholding tax upon vesting.

The total expense value of RSUs for the years ended December 31, 2022 and 2021 was \$34.7 million and \$3.4 million respectively. As of December 31, 2022, the total compensation cost related to unvested RSUs not yet recognized is \$25.7 million. Unvested RSUs not yet recognized are expected to be recognized over a weighted average period of 2.39 years.

Stock Restriction Agreements

On June 27, 2019, the Company entered into stock restriction agreements with two stockholders of the Company, whereby certain vesting restrictions were imposed on the stockholders' shares as a condition to a third-party investor's requirement to invest in the Company at a cash purchase price of approximately \$19.67 per share. Under the stock restriction agreements, the Company has the exclusive option to repurchase all or any portion of the restricted shares held by the stockholders which have not vested upon termination of their services. The restricted shares are released from the Company's option to repurchase in twelve quarterly installments. In April 2020, the Company entered into a settlement agreement for the repurchase of shares from one of the stockholders, as discussed in Note 11 *Stockholders' Equity (Deficit)*. The grant date fair value of the restricted shares was deemed to be the price per share as determined in the contemporaneous issuance of common stock.

In March 2021, the Company terminated the stock restriction agreement with the remaining stockholders and recognized all remaining unvested compensation expense during the first quarter of 2021. Compensation expense recorded was \$4.9 million for the year ended December 31, 2021.

13. Income Taxes

For the years ended December 31, 2022 and 2021, the Company incurred net losses and, accordingly, no provision for income taxes has been recorded. In addition, no benefit for income taxes has been recorded due to the uncertainty of the realization of any tax assets. On December 31, 2022, the Company had approximately \$212.6 million of U.S. federal and state net operating losses. On December 31, 2021, the Company had approximately \$41.8 million of federal and state net operating losses. The federal net operating loss carryforwards can be carried forward by the Company indefinitely while the state net operating losses begin to expire in 2029.

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

	Year Ended December 31,	
	(in thousands)	
	2022	2021
Currently reportable expense		
Federal	\$ —	\$ —
State	—	—
Deferred benefit:		
Federal	14,434	6,129
State	5,948	2,163
	20,382	8,292
Less valuation allowance	(20,382)	(8,292)
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,	
	2022	2021
Federal statutory income tax rate	21.0%	21.0%
State tax	4.2%	3.3%
Stock-based compensation	(5.3)%	(6.2)%
Non-deductible expenses	(1.6)%	—%
Research and development credit	0.1%	—%
Change in valuation allowance	(18.4)%	(16.3)%
Warrant revaluation	—%	(1.8)%
Effective tax rate	— %	— %

The difference between the provision for income taxes at the federal statutory rate of 21% and the income tax provision recorded was predominantly comprised of the impact of stock-based compensation and the change in valuation allowance. The change year over year is primarily the result of increased stock-based compensation activity during the year ended December 31, 2022, adjustments to deferrals, and the expansion of the Company's state profile as a result of the Pete's Acquisition.

	December 31, (in thousands)	
	2022	2021
Gross deferred tax assets arising from		
Net operating loss carryforwards	\$ 27,953	\$ 11,619
ASC 842 lease liability	3,317	3,661
Acquired intangibles	1,082	—
Accruals and reserves	1,418	—
Capitalized research expenditures	2,210	—
Capitalized SPAC transaction costs	—	1,207
Gross deferred tax assets	35,980	16,487
Deferred tax liabilities arising from:		
Deferred franchise tax	—	(598)
ASC 842 right-of-use asset	(2,749)	(3,071)
Depreciation	(1,744)	(1,714)
Gross deferred tax liabilities	(4,493)	(5,383)
Net deferred tax assets before valuation allowance	31,487	11,104
Less valuation allowance	(31,487)	(11,104)
Net deferred tax assets	\$ —	\$ —

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, 2022 and 2021. During the years ended December 31, 2022 and 2021, the change in the valuation allowance of \$20.4 million and \$8.3 million, respectively, was primarily due to the generation of additional net operating losses.

As of December 31, 2022, the Company had \$0.1 million of federal research and development credits 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.

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 tax liabilities of the Company 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 all periods presented because the effects of potentially dilutive items were anti-dilutive given the Company's net loss. Diluted net loss per common share adjusts basic net loss per share attributable to ordinary stockholders to give effect to all potential ordinary shares that were dilutive and outstanding during the period. For the years ended December 31, 2022 and 2021, no instrument was determined to have a dilutive effect.

Net loss per share calculations for all periods prior to the Business Combination have been retrospectively restated to the equivalent number of shares reflecting the exchange ratio established in the reverse capitalization. Subsequent to the Business Combination, net loss per share was calculated based on weighted average number of shares of common stock then outstanding.

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

	Year Ended December 31,	
	(in thousands, except share and per share data)	
	2022	2021
Net loss	\$ (111,071)	\$ (56,093)
Weighted average common stock outstanding, basic and diluted	87,114,635	52,888,268
Net loss per common share, basic and diluted	<u>\$ (1.27)</u>	<u>\$ (1.06)</u>

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,	
	2022	2021
CIC Restricted Stock	5,046,735	9,876,930
Warrants	11,539,272	1,556,628

15. 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, 2022, the Company had non-cancelable purchase commitments of \$2.4 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 a 401(k) defined contribution plan covering all eligible U.S. employees. Contributions to the 401(k) plan are discretionary. The Company's contributions to the 401(k) plan for the year ended December 31, 2022 and 2021 totaled \$0.4 million and \$0.2 million, respectively.

16. Related Party Transactions

BrightMark Partners, LLC (BrightMark™) Management Services Agreement

In August 2018, the Company entered into a management services agreement with BrightMark for certain management services, including management, chief financial officer, business, operational, strategic, and advisory services. The two managing partners of BrightMark, Craig M. Hurlbert and Travis M. Joyner, are the Company's co-founders and co-Chief Executive Officers. Under the agreement, the management services would be provided for an initial term of three years that would automatically renew for an additional one-year term. As consideration for management services, BrightMark billed the Company on a monthly basis for services rendered pursuant to the management services agreement, plus and expenses. In March 2021, the parties terminated the management services agreement.

The Company incurred management fee of \$0.1 million for the year ended December 31, 2021. No management fees were incurred for the year ended December 31, 2022. Craig M. Hurlbert and Travis M. Joyner each own the interest of half amount in the transactions based on the 50% ownership of BrightMark from each of them.

BrightMark previously held shares of Local Bounti's predecessor company, but distributed the shares to Wheat Wind Farms, LLC and McLeod Management Co. LLC, which are controlled by Craig M. Hurlbert and Travis M. Joyner, respectively.

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 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-Chief Executive Officer, 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. In addition, the Company and Grow Bitterroot entered into a property maintenance and management services agreement under which the Company provides 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, which renews automatically unless terminated by either party with 30 days' notice.

For 2022, the Company paid Grow Bitterroot \$1.5 million under the lease agreement and \$0.1 million under the property maintenance and management services agreement. For 2021, we paid Grow Bitterroot \$0.8 million under the lease agreement and \$0.1 million under the property maintenance and management services agreement.

17. Subsequent Events

On January 6, 2023, the Company, along with certain subsidiaries of the Company, entered into a fourth amendment to the Credit Agreements (the "Fourth Amendment") with Cargill Financial. The Fourth Amendment reduces the minimum liquidity covenant in each of the Credit Agreements from \$20.0 million to \$11.0 million (or \$10.0 million following a qualified offtake arrangement).

On March 13, 2023, the Company, along with certain subsidiaries of the Company, entered into a fifth amendment to the Credit Agreements (the "Fifth Amendment") with Cargill Financial. The Fifth Amendment (i) reduces the amount of cash required to be held in the debt service reserve account for the Credit Agreements by approximately \$11.0 million until April 2, 2024, 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 Credit Agreements for two calendar quarters, (ii) allows for the payment in kind of the quarterly interest payment due and payable for the quarter ending March 31, 2023, (iii) allows for the payment in kind of the unused commitment fee payable for the quarter ending March 31, 2023; and (iv) reduces the minimum liquidity covenant in each of the Credit Agreements from \$11.0 million to \$1.0 million. The aggregate amount of outstanding loans and undrawn commitments under the Credit Agreements remains at \$170.0 million (plus interest paid in kind).

On March 28, 2023, the Company, along with certain subsidiaries of the Company, entered into a sixth amendment to the Credit Agreements (the "Sixth Amendment") with Cargill Financial. The Sixth Amendment expands the Facilities from \$170.0 million to up to \$280.0 million, including capital to fund construction at the Company's facilities in Georgia, Texas, and Washington, subject to certain conditions. In consideration for the improved flexibility and the expanded size of the facility, Local Bounti issued Cargill 69.6 million 5-year warrants with a per share exercise price of \$1 per share.

On March 28, 2023, the Company also entered into an agreement for the sale-leaseback of its two facilities located in Carpinteria and Oxnard, California for approximately \$35.0 million. The closing of the transaction is subject to customary closing conditions and is expected in the second quarter of 2023.

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 Officers and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2022. 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 and principal financial officers, 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 Officers and Chief Financial Officer concluded that, as of December 31, 2022, 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 Officers 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 because of 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 GAAP, and that receipts and expenditures are being made only in accordance with authorizations of management and the directors; and
- Provide reasonable assurance regarding 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 Officers and Chief Financial Officer, evaluated the effectiveness of our internal control over financial reporting as of December 31, 2022, 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, 2022.

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.

Remediation of Previously Identified Material Weakness

As previously disclosed in Part II, "Item 9A— Controls and Procedures" of our Annual Report on Form 10-K for the year ended December 31, 2021, we identified a material weakness in the design and operating effectiveness of our internal control over financial reporting. The material weakness we identified resulted from a lack of sufficient number of qualified personnel, causing a lack of segregation of duties, within its accounting function who possessed an appropriate level of expertise to effectively perform the following functions:

- Design and maintain formal accounting policies, procedures and controls over significant accounts and disclosures to appropriately analyze, record and disclose complex technical accounting matters, including, among other matters, equity transactions and stock-based compensation, commensurate with its accounting and reporting requirements;
- Identify, select, and apply GAAP sufficiently to provide reasonable assurance that transactions were being appropriately recorded; and
- Assess risk and design appropriate control activities over information technology systems and financial and reporting processes necessary to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements.

During the year ended December 31, 2022, we undertook a series of activities to remediate the material weakness with the following actions designed to strengthen the financial reporting control environment:

- Hired additional accounting and finance personnel with technical public company accounting and financial reporting experience.
- Implemented a more robust review, supervision, and monitoring of the financial reporting process.

We completed our testing of both the design and operating effectiveness of the internal controls over financial reporting, and we have concluded that the material weakness has been remediated as of December 31, 2022.

Changes in Internal Control over Financial Reporting

Other than the changes in connection with our implementation of the remediation actions discussed above, there have been no changes in our internal control over financial reporting during the quarter ended December 31, 2022 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

Sixth Amendment to Credit Agreements

On March 28, 2023, Local Bounti Operating Company LLC, the Company and certain subsidiaries of the Company entered into a Sixth Amendment to Credit Agreements (the “Sixth Amendment”) with Cargill Financial. The Sixth Amendment, among other matters, (i) provides for additional financing of up to an additional \$110 million, subject to the satisfaction of certain conditions precedent and at Cargill Financial’s sole and absolute discretion, (ii) allows for the payment in kind of the quarterly interest payment due and payable for the quarter ending June 30, 2023, (iii) extends the interest only period through the quarter ending March 31, 2025; and (iv) implements a minimum production covenant relating to production of the Company’s produce at each of its farm locations.

In connection with the Sixth Amendment and as a condition precedent in connection therewith, the Company agreed to issue to Cargill Financial warrants to purchase up to 69,600,000 shares of the Company’s common stock (the “Warrant”), with an exercise price of \$1.00 per share, which may not be exercised for Company common stock in excess of 4.99% (or up to 9.9% or 19.9% if elected by Cargill Financial, with 61 days’ notice of such increase) of the Company’s outstanding common stock at any given time.

The foregoing description of the Sixth Amendment and Warrant and the transactions contemplated thereby does not purport to be complete and is qualified in its entirety by reference to the full text of the Sixth Amendment and Warrant, copies of which are attached to this Annual Report on Form 10-K as Exhibits 10.20 and 4.6, respectively, and are incorporated herein by reference.

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 2023 annual meeting of stockholders to be filed with the SEC within 120 days after the end of our fiscal year ended December 31, 2022, and is incorporated herein by reference.

Our Board has adopted a Code of Business Conduct and Ethics that applies to all of 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 that are 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 2023 annual meeting of stockholders to be filed with the SEC within 120 days after the end of our fiscal year ended December 31, 2022, 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 2023 annual meeting of stockholders to be filed with the SEC within 120 days after the end of our fiscal year ended December 31, 2022, 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 2023 annual meeting of stockholders to be filed with the SEC within 120 days after the end of our fiscal year ended December 31, 2022, 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 2023 annual meeting of stockholders to be filed with the SEC within 120 days after the end of our fiscal year ended December 31, 2022, 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, LP, 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>Bylaws of Local Bounti Corporation (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K, filed with the SEC on November 22, 2021).</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.</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 between Cargill Financial Services International, Inc. and Local Bounti Operating Company LLC along with certain subsidiaries (incorporated by reference to Exhibit 10.13 to the Company's Registration Statement on Form S-4, filed with the SEC on September 3, 2021).</u>
10.6	<u>Subordinated Credit Agreement dated as of September 3, 2021 between Cargill Financial Services International, Inc. and Local Bounti Operating Company LLC along with certain subsidiaries (incorporated by reference to Exhibit 10.14 to the Company's Registration Statement on Form S-4, filed with the SEC on September 3, 2021).</u>
10.7†	<u>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).</u>
10.8†	<u>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).</u>
10.9†	<u>Form of Employment Agreement with Chief Executive Officers 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).</u>
10.10†	<u>Form of Employment with Executive Officers (other than Chief Executive Officers) 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).</u>
10.11†	<u>Local Bounti Corporation Director Compensation Policy, adopted March 17, 2023</u>
10.12	<u>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).</u>

10.13*	First Amendment to Credit Agreements and Subordination Agreement, dated as of March 14, 2022, by and among Local Bounti Operating Company LLC, Local Bounti Corporation and certain subsidiaries, and Cargill Financial Services International, Inc. (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on March 14, 2022)
10.14	Second Amendment to Credit Agreements and Subordination Agreement, dated as of August 11, 2022, by and among Local Bounti Operating Company LLC, Local Bounti Corporation and certain subsidiaries, and Cargill Financial Services International, Inc. (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q, filed with the SEC on November 14, 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*	Third Amendment to Credit Agreements, dated as of December 30, 2022, by and among Local Bounti Operating Company LLC, Local Bounti Corporation and certain subsidiaries, and Cargill Financial Services International, Inc. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on January 6, 2023)
10.18*	Fourth Amendment to Credit Agreements, dated as of January 6, 2023, by and among Local Bounti Operating Company LLC, Local Bounti Corporation and certain subsidiaries, and Cargill Financial Services International, Inc. (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on January 6, 2023).*
10.19*	Fifth Amendment to Credit Agreements, dated as of March 13, 2023, by and among Local Bounti Operating Company LLC, Local Bounti Corporation and certain subsidiaries, and Cargill Financial Services International, Inc. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on March 17, 2023).
10.20*	Sixth Amendment to Credit Agreements, dated as of March 28, 2023, by and among Local Bounti Operating Company LLC, Local Bounti Corporation and certain subsidiaries, and Cargill Financial Services International, Inc.
10.21	Form of Support Agreement, dated as of March 28, 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)
101	The following financial statements from Local Bounti's Annual Report on Form 10-K for the year ended December 31, 2022, 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, 2022, 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: Co-Chief Executive Officer and Director

Date: March 31, 2023

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	Co-Chief Executive Officer and Director <i>(Principal Executive Officer)</i>	March 31, 2023
<u>/s/ Kathleen Valiasek</u> Kathleen Valiasek	Chief Financial Officer <i>(Principal Financial and Accounting Officer)</i>	March 31, 2023
<u>/s/ Travis M. Joyner</u> Travis M. Joyner	Co-Chief Executive Officer and Director	March 31, 2023
<u>/s/ Pamela Brewster</u> Pamela Brewster	Director	March 31, 2023
<u>/s/ Matthew Nordby</u> Matthew Nordby	Director	March 31, 2023
<u>/s/ Mark J. Nelson</u> Mark J. Nelson	Director	March 31, 2023
<u>/s/ Edward C. Forst</u> Edward C. Forst	Director	March 31, 2023

THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH TRANSFER MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933.

COMMON STOCK PURCHASE WARRANT

LOCAL BOUNTI CORPORATION

Warrant Shares: 69,600,000

Issue Date: March 28, 2023

Initial Exercise Date: March 28, 2023

THIS COMMON STOCK PURCHASE WARRANT (the “Warrant”) certifies that, for value received, **Cargill Financial Services International, Inc.** or its assigns (the “Holder”) is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after March 28, 2023 (the “Initial Exercise Date”) and on or prior to 5:00 p.m. (New York City time) on March 28, 2028 (the “Termination Date”) but not thereafter, to subscribe for and purchase from Local Bounti Corporation, a Delaware corporation (the “Company”), up to the number of Warrant Shares set forth above (as subject to adjustment hereunder, the “Warrant Shares”) of Common Stock. The purchase price of one share of Common Stock under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b).

Section 1. Definitions. In addition to the terms defined elsewhere in this Warrant, the following terms have the meanings indicated in this Section 1:

“Affiliate” means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

“Bid Price” means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the bid price of a share of Common Stock for the time in question (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCOB or OTCOX is not a Trading Market, the volume weighted average per share price of the Common Stock for such date (or the nearest preceding date) on OTCOB or OTCOX as applicable, (c) if the Common Stock is not then listed or quoted for trading on OTCOB or OTCOX and if prices for the Common Stock are then reported on The Pink Open Market (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported, or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Holders of a majority in interest of the Warrants then outstanding and reasonably acceptable to the Company, the reasonable fees and expenses of which shall be paid by the Company.

“Board of Directors” means the board of directors of the Company.

“Business Day” means any day other than Saturday, Sunday or other day on which commercial banks in The City of New York are authorized or required by law to remain closed; provided, however, for clarification, commercial banks shall not be deemed to be authorized or required by law to remain closed due to “stay at home,” “shelter-in-place,” “non-essential employee” or any other similar orders or restrictions or the closure of any physical branch locations at the direction of any governmental authority so long as the electronic funds transfer systems (including for wire transfers) of commercial banks in The City of New York generally are open for use by customers on such day.

“Commission” means the United States Securities and Exchange Commission.

“Common Stock” means the common stock of the Company, par value \$0.0001 per share, and any other class of securities into which such securities may hereafter be reclassified or changed.

“Common Stock Equivalents” means any securities of the Company or the Subsidiaries which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“Person” means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

“Registration Statement” means an effective registration statement on Form S-1 or Form S-3 filed with Commission, including all information, documents and exhibits filed with or incorporated by reference into such registration statement, as amended from time to time, which registers the resale of the Warrant Shares, and includes any Rule 462(b) Registration Statement.

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“Subsidiaries” means any direct or indirect subsidiary of the Company.

“Trading Day” means a day on which the Common Stock is traded on a Trading Market.

“Trading Market” means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market or the New York Stock Exchange (or any successors to any of the foregoing).

“Transfer Agent” means Continental Stock Transfer and Trust Company, the current transfer agent of the Company, and any successor transfer agent of the Company.

“VWAP” means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the daily volume weighted average price per share of the Common Stock for such date (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price per share of the Common Stock for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Stock is not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Stock are then reported on The Pink Open Market (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported, or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Holders of a majority in interest of the Warrants then outstanding and reasonably acceptable to the Company, the reasonable fees and expenses of which shall be paid by the Company.

“Warrants” means this Warrant and other Common Stock purchase warrants issued by the Company pursuant in the event this Warrant is subdivided.

Section 2. Exercise.

a) Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Initial Exercise Date and on or before the Termination Date by delivery to the Company of a duly executed PDF copy submitted by e-mail (or e-mail attachment) of the Notice of Exercise in the form attached hereto as Annex A (the “Notice of Exercise”). Within the earlier of (i) two Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined in Section 2(d)(i)

herein) following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the Warrant Shares specified in the applicable Notice of Exercise by wire transfer or cashier's check drawn on a United States bank, in either case in immediately available funds, unless the cashless exercise procedure specified in Section 2(c) below is specified in the applicable Notice of Exercise. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise be required. The Company shall have no obligation to inquire with respect to or otherwise confirm the authenticity of the signature(s) contained on any Notice of Exercise nor the authority of the person so executing such Notice of Exercise. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three Trading Days of the date on which the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within one Trading Day of receipt of such notice. **The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

b) Exercise Price. The exercise price per share of Common Stock under this Warrant shall be **\$1.00**, subject to adjustment hereunder (the "Exercise Price").

c) Cashless Exercise. If at the time of exercise hereof there is no effective registration statement registering, or the prospectus contained therein is not available for the issuance of the Warrant Shares by the Holder, or if otherwise elected by the Holder at any time, then this Warrant may also be exercised, in whole or in part, at such time by means of a "cashless exercise" in which the Holder shall be entitled to receive a number of Warrant Shares equal to the quotient obtained by dividing [(A-B) (X)] by (A), where:

(A) = as applicable: (i) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise if such Notice of Exercise is (1) both executed and delivered pursuant to Section 2(a) hereof on a day that is not a Trading Day or (2) both executed and delivered pursuant to Section 2(a) hereof on a Trading Day prior to the opening of "regular trading hours" (as defined in Rule 600(b) of Regulation NMS promulgated under the Exchange Act) on such Trading Day, (ii) at the option of the Holder, either (y) the VWAP on the Trading Day immediately preceding the date of the applicable Notice of Exercise or (z) the Bid Price of the Common Stock on the principal Trading Market as reported by Bloomberg L.P. ("Bloomberg") as of the time of the Holder's execution of the applicable Notice of Exercise if such Notice of Exercise is executed during "regular trading hours" on a Trading Day and is delivered within two hours thereafter (including until two hours after the close of "regular trading hours" on a Trading Day) pursuant to Section 2(a) hereof or (iii) the VWAP on the date of the applicable Notice of Exercise if the date of such Notice of Exercise is a Trading Day and such Notice of Exercise is both executed and delivered pursuant to Section 2(a) hereof after the close of "regular trading hours" on such Trading Day;

(B) = the Exercise Price of this Warrant, as adjusted hereunder; and

(X) = the number of Warrant Shares that would be issuable upon exercise of this Warrant in accordance with the terms of this Warrant if such exercise were by means of a cash exercise rather than a cashless exercise.

If Warrant Shares are issued in such a cashless exercise, the parties acknowledge and agree that in accordance with Section 3(a)(9) of the Securities Act, the Warrant Shares shall take

on the registered characteristics of the Warrants being exercised. The Company agrees not to take any position contrary to this Section 2(c).

d) Mechanics of Exercise.

i. Delivery of Warrant Shares Upon Exercise. The Company shall cause the Warrant Shares purchased hereunder to be transmitted by the Transfer Agent to the Holder by crediting the account of the Holder's or its designee's balance account with The Depository Trust Company through its Deposit or Withdrawal at Custodian system ("DWAC") if the Company's transfer agent is then a participant in such system and either (A) there is an effective registration statement permitting the issuance of the Warrant Shares to or resale of the Warrant Shares by the Holder or (B) this Warrant is being exercised via cashless exercise, and otherwise by physical delivery of a certificate, registered in the Company's share register in the name of the Holder or its designee, for the number of Warrant Shares to which the Holder is entitled pursuant to such exercise to the address specified by the Holder in the Notice of Exercise by the date that is the earliest of (i) two Trading Days after the delivery to the Company of the Notice of Exercise, (ii) one Trading Day after delivery of the aggregate Exercise Price to the Company and (iii) the number of Trading Days comprising the Standard Settlement Period after the delivery to the Company of the Notice of Exercise (such date, the "Warrant Share Delivery Date"). Upon delivery of the Notice of Exercise, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the Warrant Shares, provided that the Company shall have received payment of the aggregate Exercise Price (other than in the case of a cashless exercise) within the earlier of (i) two Trading Days and (ii) the number of Trading Days comprising the Standard Settlement Period following delivery of the Notice of Exercise. If the Company fails for any reason to deliver to the Holder the Warrant Shares subject to a Notice of Exercise by the Warrant Share Delivery Date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each \$1,000 of Warrant Shares subject to such exercise (based on the VWAP of the Common Stock on the date of the applicable Notice of Exercise), \$10 per Trading Day (increasing to \$20 per Trading Day on the fifth Trading Day after the Warrant Share Delivery Date) for each Trading Day after such Warrant Share Delivery Date until such Warrant Shares are delivered or Holder rescinds such exercise. The Company agrees to maintain a transfer agent that is a participant in the FAST program so long as this Warrant remains outstanding and exercisable. As used herein, "Standard Settlement Period" means the standard settlement period, expressed in a number of Trading Days, on the Company's primary Trading Market with respect to the Common Stock as in effect on the date of the delivery of the Notice of Exercise.

ii. Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares remaining available under this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

iii. Rescission Rights. If the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares pursuant to Section 2(d)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise; provided, however, that the Holder shall be required to return any Warrant Shares subject to any such rescinded exercise notice concurrently with the return to Holder of the aggregate Exercise Price paid to the Company for such Warrant Shares and the restoration of Holder's right to acquire such Warrant

Shares pursuant to this Warrant (including, issuance of a replacement warrant certificate evidencing such restored right).

iv. Compensation for Buy-In on Failure to Timely Deliver Warrant Shares Upon Exercise. In addition to any other rights available to the Holder, if the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares in accordance with the provisions of Section 2(d)(i) above pursuant to an exercise on or before the Warrant Share Delivery Date, and if after such date the Holder is required by its broker to purchase (in an open market transaction or otherwise) or the Holder's brokerage firm otherwise purchases, shares of Common Stock to deliver in satisfaction of a sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a "Buy-In"), then the Company shall (A) pay in cash to the Holder the amount, if any, by which (x) the Holder's total purchase price (including reasonable and customary brokerage commissions, if any) for the shares of Common Stock so purchased exceeds (y) the amount obtained by multiplying (1) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the exercise at issue times (2) the price at which the sell order giving rise to such purchase obligation was executed, and (B) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored (in which case such exercise shall be deemed rescinded) or deliver to the Holder the number of shares of Common Stock that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. For example, if the Holder purchases Common Stock having a total purchase price of \$11,000 to cover a Buy-In with respect to an attempted exercise of shares of Common Stock with an aggregate sale price giving rise to such purchase obligation of \$10,000, under clause (A) of the immediately preceding sentence the Company shall be required to pay the Holder \$1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver shares of Common Stock upon exercise of the Warrant as required pursuant to the terms hereof.

v. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

vi. Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event that Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the assignment form attached hereto as Annex B (the "Assignment Form") duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares.

vii. Closing of Books. The Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

e) Beneficial Ownership Limitations. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 2 or otherwise, to the extent that after giving effect to such issuance after exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other Persons acting as a group together with the Holder or any of the Holder's Affiliates (such Persons, "Attribution Parties")), would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the Holder and its Affiliates and Attribution Parties shall include the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (i) exercise of the remaining, nonexercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates or Attribution Parties and (ii) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company (including, without limitation, any other Common Stock Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates or Attribution Parties. Except as set forth in the preceding sentence, for purposes of this Section 2(e), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith and the calculations required under this Section 2(e). To the extent that the limitation contained in this Section 2(e) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 2(e), in determining the number of outstanding shares of Common Stock, a Holder may rely on the number of outstanding shares of Common Stock as reflected in (A) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or the Transfer Agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of a Holder, the Company shall within one Trading Day confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its Affiliates or Attribution Parties since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 4.99% (or, upon election by a Holder prior to the issuance of any Warrants, 9.99% or 19.99%) of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon exercise of this Warrant. The Holder, upon notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 2(e), provided that the Beneficial Ownership Limitation in no event exceeds 19.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock upon exercise of this Warrant held by the Holder and the provisions of this Section 2(e) shall continue to apply. Any increase in the Beneficial Ownership Limitation will not be effective until the 61st day after such notice is delivered to the Company. The provisions of this Section 2(e) shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 2(e) to correct this Section 2(e) (or any portion hereof) which may

be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this Section 2(e) shall apply to a successor holder of this Warrant. This provision shall not restrict the number of shares of Common Stock which the holder of this Warrant may receive or beneficially own in order to determine the amount of securities or other consideration that such Holder may receive in the event of a Fundamental Transaction. This restriction may not be waived without stockholder approval.

Section 3. Certain Adjustments.

a) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Warrant), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (iv) issues by reclassification of shares of the Common Stock any shares of capital stock of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or reclassification.

b) Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 3(a) above, if at any time while this Warrant is outstanding the Company grants, issues or sells any Common Stock Equivalents or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of shares of Common Stock (the "Purchase Rights"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, that, to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such shares of Common Stock as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation); provided, that such Purchase Right shall terminate on, and shall not be held in abeyance for any period subsequent to the Termination Date.

c) Pro Rata Distributions. During such time as this Warrant is outstanding, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of shares of Common Stock, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a "Distribution"), at any time after the issuance of this Warrant, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be

determined for the participation in such Distribution (provided, however, that to the extent that the Holder's right to participate in any such Distribution would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Distribution to such extent (or in the beneficial ownership of any shares of Common Stock as a result of such Distribution to such extent) and the portion of such Distribution shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation); provided, that such Purchase Right shall terminate on, and shall not be held in abeyance for any period subsequent to the Termination Date.

d) **Fundamental Transaction.** If, at any time while this Warrant is outstanding, (i) the Company (and all of its Subsidiaries, taken as a whole), directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person (other than for the purpose of changing the Company's name and/or the jurisdiction of incorporation of the Company or a holding company for the Company), (ii) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Stock or 50% or more of the voting power of the common equity of the Company, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off, merger or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires 50% or more of the outstanding shares of Common Stock or 50% or more of the voting power of the common equity of the Company (each a "**Fundamental Transaction**"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder (without regard to any limitation in Section 2(e) on the exercise of this Warrant), the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "**Alternate Consideration**") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitation in Section 2(e) on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. Notwithstanding anything to the contrary, in the event of a Fundamental Transaction (other than (x) any stock split or reverse stock split, (y) any transaction effected solely for the purpose of changing the jurisdiction of incorporation of the Company, or (z) any holding company reorganization or parent-subsidary merger not requiring stockholder approval pursuant to Sections 251(g) or 253 of the Delaware General Corporation Law (or any successor provisions thereof), and for the avoidance of doubt, the Fundamental Transaction is approved by the Company's Board of Directors and within the control of the Company), the Company or any Successor Entity (as defined below) shall, at the Holder's option, exercisable at any time concurrently with, or within 30 days after, the consummation of the Fundamental Transaction (or, if later, the date of the public announcement of the applicable Fundamental Transaction), purchase this Warrant from the Holder by paying to the Holder an amount of cash equal to the Black Scholes Value (as defined below) of the remaining unexercised portion of this Warrant on

the date of the consummation of such Fundamental Transaction; provided, however, if the Fundamental Transaction is not within the Company's control, including not approved by the Company's Board of Directors, Holder shall only be entitled to receive from the Company or any Successor Entity, as of the date of consummation of such Fundamental Transaction, the same type or form of consideration (and in the same proportion), at the Black Scholes Value of the unexercised portion of this Warrant, that is being offered and paid to the holders of Common Stock of the Company in connection with the Fundamental Transaction, whether that consideration be in the form of cash, stock or any combination thereof, or whether the holders of Common Stock are given the choice to receive from among alternative forms of consideration in connection with the Fundamental Transaction; provided, further, that if holders of Common Stock of the Company are not offered or paid any consideration in such Fundamental Transaction, such holders of Common Stock will be deemed to have received common stock of the Successor Entity (which Successor Entity may be the Company following such Fundamental Transaction) in such Fundamental Transaction. "Black Scholes Value" means the value of this Warrant based on the Black Scholes Option Pricing Model obtained from the "OV" function on Bloomberg determined as of the day of consummation of the applicable Fundamental Transaction for pricing purposes and reflecting (A) a risk-free interest rate corresponding to the U.S. Treasury rate for a period equal to the time between the date of the public announcement of the applicable Fundamental Transaction and the Termination Date, (B) an expected volatility equal to the 100 day volatility obtained from the HVT function on Bloomberg (determined utilizing a 365-day annualization factor) as of the Trading Day immediately following the public announcement of the applicable Fundamental Transaction, (C) the underlying price per share used in such calculation shall be the highest VWAP during the period beginning on the Trading Day immediately preceding the public announcement of the applicable contemplated Fundamental Transaction (or the consummation of the applicable Fundamental Transaction, if earlier) and ending on the Trading Day of the Holder's request pursuant to this Section 3(d) and (D) a remaining option time equal to the time between the date of the public announcement of the applicable Fundamental Transaction and the Termination Date. The payment of the Black Scholes Value will be made by wire transfer of immediately available funds within five Trading Days of the Holder's election (or, if later, on the effective date of the Fundamental Transaction). The Company shall require any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Warrant and the other Transaction Documents in accordance with the provisions of this Section 3(d) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Common Stock acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant and the other Transaction Documents referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein.

e) Calculations. All calculations under this Section 3 shall be made by the Company to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

f) Notice to Holder.

i. Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly deliver to the Holder by email a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

ii. Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company (and all of its Subsidiaries, taken as a whole) is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be delivered by email to the Holder at its last email or other address as it shall appear upon the Warrant Register of the Company, at least 20 calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided in this Warrant constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 4. Transfer of Warrant.

a) Restricted Securities. The Holder understands that neither this Warrant nor the Warrant Shares have not been registered under the Securities Act, by reason of a specific exemption from the registration provisions of the Securities Act. The Holder understands that the Warrant and the Warrant Shares are “restricted securities” under applicable U.S. federal and state securities laws and that, pursuant to these laws, the Holder must hold the Warrant nor the Warrant Shares indefinitely unless they are registered with the Commission and qualified by state authorities, or an exemption from such registration and qualification requirements is available. The Holder understands that this Warrant and the Warrant Shares and any securities issued in respect of or exchange for such securities, may bear one or all of the following legends (in substantially the form set forth below):

“THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES

ACT”), AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH TRANSFER MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT.”

and, any legend required by the securities laws of any state to the extent such laws are applicable to the Securities represented by the certificate so legended.

b) Transferability. Subject to the restrictions of Section 4(a), this Warrant and all rights hereunder (including, without limitation, any registration rights) are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company unless the Holder has assigned this Warrant in full, in which case, the Holder shall surrender this Warrant to the Company within three Trading Days of the date on which the Holder delivers a duly executed Assignment Form to the Company assigning this Warrant in full. The Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

c) New Warrants. This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the initial issuance date of this Warrant and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

d) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the “Warrant Register”), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

Section 5. Registration Rights.

a) Registration. The Company shall:

i) file a Registration Statement with the Commission no later than 30 days after the Initial Exercise Date registering for resale under the Securities Act of the maximum number shares of Common Stock issuable upon exercise of the Warrants (collectively, the “Registrable Shares”) on Form S-1 or Form S-3 under the Securities Act (providing for shelf registration of such Registrable Shares under Commission Rule 415 to the extent possible) (each such registration statement, including any preliminary prospectus, final prospectus, exhibit or amendment included in or relating to such registration statement being the “Resale Registration Statement”);

ii) use reasonable best efforts to cause such Resale Registration Statement to be declared effective as soon as practicable and in any event within 60 days of the filing thereof (assuming a “no review” by the Commission; or 90 days if the Resale Registration Statement is reviewed by the Commission);

iii) not less than two calendar days prior to the filing of each such Resale Registration Statement or any related prospectus or any amendment or supplement thereto, furnish via email to the Holder copies of all such documents proposed to be filed (other than any document that is incorporated or deemed to be incorporated by reference therein);

iv) promptly prepare and file with the Commission such amendments and supplements to each such Resale Registration Statement and the prospectus used in connection therewith as may be necessary to keep such Resale Registration Statement continuously effective and free from any material misstatement or omission to state a material fact therein until termination of such obligation as provided below, subject to the Company's right to suspend as set forth below;

v) furnish to the Holder such number of copies of prospectuses in conformity with the requirements of the Securities Act and such other documents as the Holder may reasonably request, in order to facilitate the public sale or other disposition of all or any of the Registrable Shares by the Holder;

vi) file such documents as may be required of the Company for normal securities law clearance for the resale of the Registrable Shares in such states of the United States as may be reasonably requested by the Holder and use its commercially reasonable efforts to maintain such blue sky qualifications during the period the Company is required to maintain effectiveness of each such Resale Registration Statement; provided, however, that the Company shall not be required in connection with this Section to qualify as a foreign corporation or execute a general consent to service of process in any jurisdiction in which it is not now so qualified or has not so consented;

vii) upon notification by the Commission that a Resale Registration Statement will not be reviewed or is not subject to further review by the Commission, the Company shall within two trading days following the date of such notification request acceleration of such Resale Registration Statement (with the requested effectiveness date to be not more than two Trading Days later);

viii) upon notification by the Commission that a Resale Registration Statement has been declared effective by the Commission, the Company shall file the final prospectus under Rule 424 of the Securities Act ("Rule 424") within the applicable time period prescribed by Rule 424 if required;

ix) advise the Holder promptly (and in any event within two trading days thereof):

A) of the effectiveness of a Resale Registration Statement or any post-effective amendments thereto;

B) of any request by the Commission for amendments to a Resale Registration Statement or amendments to the prospectus or for additional information relating thereto;

C) of the issuance by the Commission of any stop order suspending the effectiveness of a Resale Registration Statement under the Securities Act or of the suspension by any state securities commission of the qualification of the Registrable Shares for offering or sale in any jurisdiction, or the initiation of any proceeding for any of the preceding purposes; and

D) of the existence of any fact and the happening of any event that makes any statement of a material fact made in a Resale Registration Statement, the prospectus and amendment or supplement thereto, or any document incorporated by reference therein, untrue, or that requires the making of any additions to or changes in a Resale Registration Statement or the prospectus in order to make the statements therein not misleading;

x) cause all Registrable Shares to be listed on each Trading Market, if any, on which equity securities by the Company are then listed;

xi) bear all expenses in connection with the procedures in this Section 5 and the registration of the Registrable Shares on each such Resale Registration Statement and the satisfaction of the blue sky laws of such states; and

xii) to the extent this Warrant becomes exercisable for additional shares of Common Stock that are not covered by the Resale Registration Statement, the Company shall file an additional Registration Statement with the Commission no later than 15 days after the date of such occurrence registering for resale under the Securities Act all of the additional Shares and/or the additional shares of Common Stock issuable upon exercise of the Warrants issuable as of such date (collectively, the “Additional Registrable Shares”) on Form S-1 or Form S-3 under the Securities Act (providing for shelf registration of such Registrable Shares under Securities Act Rule 415 to the extent possible) and all of the provisions of the Section 5 shall apply *mutatis mutandis* to such Additional Registrable Shares.

b) Registration Rights Indemnification.

i) The Company agrees to indemnify and hold harmless the Holder and its respective affiliates, partners, members, officers, directors, agents and representatives, and each person, if any, who controls the Holder within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (each, a “Purchaser Party” and collectively the “Purchaser Parties”), to the fullest extent permitted by applicable law, from and against any losses, claims, damages or liabilities (collectively, “Losses”) to which they may become subject (under the Securities Act or otherwise) insofar as such Losses (or actions or proceedings in respect thereof) arise out of, or are based upon, any untrue statement or alleged untrue statement of a material fact contained in a Resale Registration Statement or any omission or alleged omission to state therein 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 or arise out of any failure by the Company to fulfill any undertaking included in a Resale Registration Statement and the Company will, as incurred, reimburse the Purchaser Parties for any legal or other expenses reasonably incurred in investigating, defending or preparing to defend any such action, proceeding or claim; provided, however, that the Company shall not be liable in any such case to the extent that such Loss arises out of, or is based upon an untrue statement or omission or alleged untrue statement or omission made in a Resale Registration Statement in reliance upon and in conformity with written information furnished to the Company by or on behalf of the Holder specifically for use in preparation of a Resale Registration Statement; provided further, however, that the Company shall not be liable to any Purchaser Party (or any partner, member, officer, director or controlling person of the Holder) to the extent that any such Loss is caused by an untrue statement or omission or alleged untrue statement or omission made in any preliminary prospectus if either (i) (A) the Holder failed to send or deliver a copy of the final prospectus with or prior to, or the Holder failed to confirm that a final prospectus was deemed to be delivered prior to (in accordance with Rule 172 of the Securities Act), the delivery of written confirmation of the sale by the Holder to the person asserting the claim from which such Loss resulted and (B) the final prospectus corrected such untrue statement or omission, or (ii) (X) such untrue statement or omission is corrected in an amendment or supplement to the prospectus and (Y) having previously been furnished by or on behalf of the Company with copies of the prospectus as so amended or supplemented or notified by the Company that such amended or supplemented prospectus has been filed with the SEC, in accordance with Rule 172 of the Securities Act, the Holder thereafter fails to deliver such prospectus as so amended or supplemented, with or prior to or the Holder fails to confirm that the prospectus as so amended or supplemented was deemed to be delivered prior to (in accordance with Rule 172 of the Securities Act), the delivery of written confirmation of the sale by the Holder to the person asserting the claim from which such Loss resulted.

ii) The Holder (severally and not jointly) agrees to indemnify and hold harmless the Company and its officers, directors, affiliates, agents and representatives and each person, if any, who controls the Company within the meaning of Section 15 of

the Securities Act or Section 20 of the Exchange Act (each a “Company Party” and collectively the “Company Parties”), to the fullest extent permitted by applicable law, from and against any Losses to which the Company Parties may become subject (under the Securities Act or otherwise), insofar as such Losses (or actions or proceedings in respect thereof) arise out of, or are based upon, any untrue statement or alleged untrue statement of a material fact contained in a Resale Registration Statement (or any omission or alleged omission to state therein 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 in each case, on the effective date thereof), if, and only to the extent, such untrue statement or omission or alleged untrue statement or omission was made in reliance upon and in conformity with written information furnished by or on behalf of the Holder specifically for use in preparation of a Resale Registration Statement, and the Holder will, as incurred, reimburse each Company Party for any legal or other expenses reasonably incurred in investigating, defending or preparing to defend any such action, proceeding or claim; provided, however, that in no event shall any indemnity under this Section 5(b) be greater in amount than the dollar amount of the net proceeds received by the Holder upon its sale of the Registrable Shares included in the Resale Registration Statement giving rise to such indemnification obligation.

iii) Promptly after receipt by any indemnified person of a notice of a claim or the beginning of any action in respect of which indemnity is to be sought against an indemnifying person pursuant to this Section 5(b), such indemnified person shall notify the indemnifying person in writing of such claim or of the commencement of such action, and, subject to the provisions hereinafter stated, in case any such action shall be brought against an indemnified person and such indemnifying person shall have been notified thereof, such indemnifying person shall be entitled to participate therein, and, to the extent that it shall wish, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified person. After notice from the indemnifying person to such indemnified person of its election to assume the defense thereof, such indemnifying person shall not be liable to such indemnified person for any legal expenses subsequently incurred by such indemnified person in connection with the defense thereof; provided, however, that if there exists or shall exist a conflict of interest that would make it inappropriate in the reasonable judgment of the indemnified person for the same counsel to represent both the indemnified person and such indemnifying person or any affiliate or associate thereof, the indemnified person shall be entitled to retain its own counsel at the expense of such indemnifying person; provided, further, that no indemnifying person shall be responsible for the fees and expense of more than one separate counsel for all indemnified parties. The indemnifying party shall not settle an action without the consent of the indemnified party, which consent shall not be unreasonably withheld.

iv) If the indemnification provided for in this Section 5(b) is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any losses, claims, damages or liabilities referred to herein, the indemnifying party, in lieu of indemnifying such indemnified party thereunder, shall to the extent permitted by applicable law contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other, as well as any other relevant equitable considerations; provided, that in no event shall any contribution by an indemnifying party hereunder be greater in amount than the dollar amount of the proceeds received by such indemnifying party upon the sale of such Registrable Shares.

c) Suspensions. The Holder acknowledges that there may be times when the Company must suspend the use of the prospectus forming a part of a Resale Registration Statement until such time as an amendment to such Resale Registration Statement has been filed by the Company and declared effective by the Commission, or until such time as the Company has filed an appropriate report with the Commission pursuant to the Exchange Act. The Holder hereby covenants that it will not sell any Registrable Shares pursuant to said prospectus during the period commencing at the time at which the Company gives the Holder notice of the suspension of the use of said prospectus and ending at the time the Company gives the Holder

notice that the Holder may thereafter effect sales pursuant to said prospectus; provided, that such suspension periods (“Allowable Grace Periods”) shall in no event exceed 60 days in any 12 month period and that, in the good faith judgment of the Company’s board of directors, the Company would, in the absence of such delay or suspension hereunder, be required under state or federal securities laws to disclose any corporate development, a potentially significant transaction or event involving the Company, or any negotiations, discussions, or proposals directly relating thereto, in either case the disclosure of which would reasonably be expected to have a material adverse effect on the Company or its business.

d) Termination of Registration Rights. The obligations of the Company pursuant to Section 5 shall cease and terminate (and the Company shall not be required to maintain the effectiveness of any, or file another, Registration Statement hereunder with respect thereto) as to the Holder for so long as (i) a Registration Statement with respect to the sale of such Registrable Shares is declared effective by the Commission under the Securities Act and such Registrable Shares have been disposed of by the Holder in accordance with such effective Registration Statement, (ii) such Registrable Shares have been previously sold in accordance with Rule 144 promulgated under the Securities Act (or any successor to such rule), or (iii) such Registrable Shares become eligible for resale without volume or manner-of-sale restrictions and without current public information pursuant to Rule 144 as set forth in a written opinion letter to such effect, addressed, delivered and acceptable to the Transfer Agent (assuming that such securities and any securities issuable upon exercise, conversion or exchange of which, or as a dividend upon which, such securities were issued or are issuable, were at no time held by any affiliate of the Company).

e) Selling Securityholder Questionnaire. The Holder agrees to furnish to the Company a completed questionnaire in the form provided by the Company. The Company shall not be required to include the Registrable Shares of the Holder in a Registration Statement and shall not be required to pay any damages hereunder to the Holder if the Holder fails to furnish to the Company a fully completed Selling Holder Questionnaire at least three Business Days prior to the filing of the Registration Statement.

f) Facilitation of Sales Pursuant to Rule 144. For as long as any Holder holds Registrable Shares, to the extent it shall be required to do so under the Exchange Act, the Company shall use reasonable efforts to timely file the reports required to be filed by it under the Exchange Act or the Securities Act (including the reports under Sections 13 and 15(d) of the Exchange Act referred to in subparagraph (c)(1) of Rule 144) and submit all required Interactive Data Files (as defined in Rule 11 of Regulation S-T of the Commission), and shall use reasonable efforts to take such further necessary action as any holder of Registrable Shares may reasonably request in connection with the removal of any restrictive legend on the Registrable Shares being sold, all to the extent required from time to time to enable such holder to sell the Registrable Shares without registration under the Securities Act within the limitations of the exemption provided by Rule 144.

Section 6. Requirement to Hold Stockholder Meetings. If required by the NYSE, the Company shall use commercially reasonable efforts to hold an annual or special meeting of stockholders (“Stockholder Meeting”) as promptly as practicable for the purpose of obtaining approval to permit the issuance of all of the Warrant Shares 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)), with the recommendation of the Board of Directors that such proposal is approved, and the Company shall solicit proxies from its stockholders in connection therewith in the same manner as all other management proposals in such proxy statement. Notwithstanding the foregoing, if required by the NYSE and if the Company stockholders do not approve the foregoing proposals at such Stockholder Meeting, the Company will continue to use reasonable best efforts to hold a subsequent special meeting of the stockholders as promptly as practicable thereafter to obtain the requisite stockholder approval for such proposals (and the Company will continue to use reasonable best efforts to hold such special meetings no less frequently than every 45 days until such requisite approval is so obtained).

Section 7. Miscellaneous.

a) No Rights as Stockholder Until Exercise; No Settlement in Cash. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the

Company prior to the exercise hereof as set forth in Section 2(d)(i), except as expressly set forth in Section 3. Without limiting any rights of a Holder to receive Warrant Shares on a “cashless exercise” pursuant to Section 2(c) or to receive cash payments pursuant to Section 2(d)(i) and Section 2(d)(iv) herein, including if the Company is for any reason unable to issue and deliver Warrant Shares upon exercise of this Warrant as required pursuant to the terms hereof, in no event shall the Company be required to net cash settle an exercise of this Warrant or cash settle in any other form.

b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any stock certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate.

c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Trading Day, then such action may be taken or such right may be exercised on the next succeeding Trading Day.

d) Authorized Shares.

The Company covenants that during the period the Warrant is outstanding, it will reserve from its authorized and unissued Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of issuing the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Common Stock may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant.

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto,

as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

e) Jurisdiction. All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. The Company and, by accepting this Warrant, the Holder each agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Warrant (whether brought against the Company or the Holder or their respective affiliates, directors, officers, stockholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of New York. The Company and, by accepting this Warrant, the Holder each hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper or is an inconvenient venue for such proceeding. The Company and, by accepting this Warrant, the Holder each hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to it at the address in effect for notices to it under this Warrant and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. If the Company or the Holder shall commence an action, suit or proceeding to enforce any provisions of this Warrant, the prevailing party in such action, suit or proceeding shall be reimbursed by the other party for their reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such action or proceeding.

f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered, and the Holder does not utilize cashless exercise, will have restrictions upon resale imposed by state and federal securities laws.

g) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies. Without limiting any other provision of this Warrant, if the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

h) Notices. Any and all notices or other communications or deliveries to be provided by the Holder hereunder including, without limitation, any Notice of Exercise, shall be in writing and delivered personally, by email or sent by a nationally recognized overnight courier service, addressed to the Company, at 400 W. Main St., Hamilton, MT 59840, Attention: General Counsel, email address: mmccandless@localbounti.com, or such other email address or address as the Company may specify for such purposes by notice to the Holder with a copy (which shall not constitute notice) to Orrick, Herrington & Sutcliffe LLP, 222 Berkeley Street, Suite 2000, Boston, MA 02116, Attention: Albert Vanderlaan, email address: AVanderlaan@Orrick.com. Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered personally, by email, or sent by a nationally recognized overnight courier service addressed to the Holder at the email address or address of the Holder appearing on the books of the Company with a copy (which shall not constitute notice) to Faegre Drinker Biddle & Reath LLP, 2200 Wells Fargo Center, 90 S. 7th Street, Minneapolis, MN 55402-3901, Attention: Jonathan Zimmerman, email address: Jon.Zimmerman@FaegreDrinker.com. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the time of transmission, if such notice or communication is delivered via email at the email address set forth in this Section

prior to 5:30 p.m. (New York City time) on any date, (ii) the next Trading Day after the time of transmission, if such notice or communication is delivered via email at the email address set forth in this Section on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (iii) the second Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given. To the extent that any notice provided by the Company hereunder constitutes, or contains, material, non-public information regarding the Company or any subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K.

i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

j) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by such Holder.

l) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the holders of at least a majority of the Common Stock issuable upon the exercise of the then outstanding Warrants (determined without giving effect to Section 2(e) of the Warrants); provided such modification, amendment or waiver applies to all of the then outstanding Warrants.

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

n) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

o) Electronic Signatures. Electronically scanned and transmitted signatures, including by email attachment, shall be deemed originals for all purposes of this Warrant.

(Remainder of page left blank | Signature page follows)

NOTICE OF EXERCISE

TO: LOCAL BOUNTI CORPORATION

(1) The undersigned hereby elects to purchase _____ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box):

in lawful money of the United States; or
if permitted the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection 2(c).

(3) Please issue said Warrant Shares in the name of the undersigned or in such other name as is specified below:

The Warrant Shares shall be delivered to the following DWAC Account Number:

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____

Signature of Authorized Signatory of Investing Entity: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Date: _____

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to exercise the Warrant to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant to purchase shares of Local Bounti Corporation, a Delaware corporation, and all rights evidenced thereby are hereby assigned to

Name:

(Please Print)

Address:

(Please Print)

Phone Number:

Email Address:

Dated: _____, _____

Holder's Signature:

Holder's Address:

LOCAL BOUNTI CORPORATION
DIRECTOR COMPENSATION POLICY
AMENDED AND RESTATED: MARCH 17, 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:**
 - a. Member of the Audit Committee: \$10,000.
 - b. Member of the Compensation Committee: \$7,500.
 - c. Member of the Nominating and Corporate Governance Committee: \$5,000.
3. **Annual Committee Chair Service Retainer** (in lieu of Annual Committee Member 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 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 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.

SIXTH AMENDMENT TO CREDIT AGREEMENTS

This Sixth Amendment to Credit Agreements (this "Amendment") is entered into as of March 28, 2023 by and among Local Bounti Operating Company LLC, a Delaware limited liability company and successor by merger to Local Bounti Corporation, a Delaware corporation (the "Company"), Local Bounti Corporation, a Delaware corporation formerly known as Leo Holdings III Corp ("Holdings"), and the other Guarantors signatory hereto (including, without limitation, Hollandia Real Estate, LLC, a Delaware limited liability company ("Hollandia Real Estate")), the Subsidiary Borrowers signatory hereto, Cargill Financial Services International, Inc., a Delaware corporation ("CFSI"), in its capacity as the Senior Lender (as defined below), and CFSI, in its capacity as the Subordinated Lender (as defined below).

The Company and CFSI are parties to (i) a Credit Agreement dated as of September 3, 2021 (as amended by a First Amendment to Credit Agreements and Subordination Agreement dated as of March 14, 2022 (the "First Amendment"), a Second Amendment to Credit Agreements dated as of August 11, 2022 (and effective as of June 30, 2022) (the "Second Amendment"), a Third Amendment to Credit Agreements dated as of December 30, 2022 (the "Third Amendment"), a Fourth Amendment to Credit Agreements dated as of January 6, 2023 (the "Fourth Amendment") and a Fifth Amendment to Credit Agreements dated as of March 13, 2023 (the "Fifth Amendment"), and as further amended, restated, supplemented or otherwise modified from time to time, the "Senior Credit Agreement"), among the Company, certain Subsidiaries of the Company from time to time party thereto, as borrowers (the "Subsidiary Borrowers" and, together with the Company, the "Borrowers"), and CFSI, as lender (in such capacity, the "Senior Lender"), and (ii) a Subordinated Credit Agreement dated as of September 3, 2021 (as amended by the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment and the Fifth Amendment, and as further amended, restated, supplemented or otherwise modified from time to time, the "Subordinated Credit Agreement" and, together with the Senior Credit Agreement, the "Credit Agreements"), among the Company, the Subsidiary Borrowers from time to time party thereto, and CFSI, as lender (in such capacity, the "Subordinated Lender").

Hollandia Real Estate is party to a Purchase and Sale Agreement of even date herewith (the "STORE Purchase Agreement") between STORE Capital Acquisitions, LLC, a Delaware limited liability company (the "STORE Purchaser"), as purchaser, and Hollandia Real Estate, as seller, pursuant to which Hollandia Real Estate agreed to sell, and the STORE Purchaser agreed to purchase, (x) the Paragon Properties located at Carpinteria, Santa Barbara County, California and Oxnard, Ventura County, California and (y) the other "Properties" (as defined in the STORE Purchase Agreement) on the terms and conditions set forth therein.

In connection with the STORE Purchase Agreement, the Borrowers have requested that the Senior Lender and the Subordinated Lender make certain amendments to the Credit Agreements, and the Senior Lender and the Subordinated Lender is each willing to grant such request on the terms and subject to the conditions set forth herein.

ACCORDINGLY, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Definitions. As used herein, capitalized terms defined in the Credit Agreements and not otherwise defined herein shall have the meanings given them in the Credit Agreements.
2. Amendments to Senior Credit Agreement.
 - (a) The Senior Credit Agreement is hereby amended to delete all stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add all

underlined text (indicated textually in the same manner as the following example: underlined text) as set forth in the redline of the Senior Credit Agreement attached hereto as Annex A-1. Annex A-2 attached hereto sets forth a clean copy of the Senior Credit Agreement after giving effect to this Amendment.

(b) Exhibits C, D and G to the Senior Credit Agreement are amended and restated in their entirety in the forms of Exhibits C, D and G attached hereto.

3. Amendments to Subordinated Credit Agreement. The Subordinated Credit Agreement is hereby amended as follows:

(a) The Subordinated Credit Agreement is hereby amended to delete all stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add all underlined text (indicated textually in the same manner as the following example: underlined text) as set forth in the redline of the Subordinated Credit Agreement attached hereto as Annex B-1. Annex B-2 attached hereto sets forth a clean copy of the Subordinated Credit Agreement after giving effect to this Amendment.

(b) Exhibits C and G to the Subordinated Credit Agreement are amended and restated in their entirety in the forms of Exhibits C and G attached hereto.

4. Limited Waiver. The Company has informed the Senior Lender and the Subordinated Lender that it intends to amend and restate its operating agreement on the date of this Amendment (a copy of which amended and restated operating agreement will be delivered and certified to the Senior Lender and the Subordinated Lender pursuant to Section 8(c) below). At the Company's request, the Senior Lender and the Subordinated Lender hereby waive any Default or Event of Default arising from the Company not providing at least fifteen (15) Business Day's prior written notice of the foregoing amendment to the Senior Lender and the Subordinated Lender (it being understood and agreed that the waiver set forth in this Section 4 is limited to its express terms and shall be effective only in the specific instance for which it is given and shall not entitle the Company or any other Loan Party to any other or further waiver in the same, similar or other circumstances).

5. References. All references in each Credit Agreement to "this Agreement" shall be deemed to refer to such Credit Agreement as amended hereby and any and all references in any other Loan Documents to the Credit Agreements shall be deemed to refer to the Credit Agreements as amended hereby.

6. No Other Changes. Except as expressly set forth herein, all terms of each Credit Agreement and each of the other Loan Documents remain in full force and effect.

7. Representations and Warranties. Each Loan Party represents and warrants to the Senior Lender and the Subordinated Lender as follows:

(a) Such 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. Each Loan Party (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 and deliver this Amendment and perform its obligations under this Amendment, the Credit Agreements as amended hereby and each agreement, instrument or document entered into pursuant to any of the foregoing (collectively, the "Amendment Documents"), 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, investment and financial activities, in the case of a company, is conducted.

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.

(b) The execution and delivery by such Loan Party of this Amendment, and the performance by such Loan Party of the Amendment Documents, have been duly authorized by all necessary corporate or other organizational action, and do not and will not (i) contravene the terms of its Organizational Documents, (ii) 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, (A) any Contractual Obligation (including, without limitation, any Material Agreement or any Contractual Obligation relating to borrowed money) to which such Loan Party is a party or affecting any such Loan Party or the properties of such Loan Party or (B) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Loan Party or its property is subject, or (iii) violate any Law other than any violation, in the case of this clause (iii), that could not reasonably be expected to result in a Material Adverse Effect.

(c) This Amendment has been duly executed and delivered by such Loan Party. Each Amendment Document constitutes a legal, valid and binding obligation of each Loan Party that is a party thereto, enforceable against such Loan Party 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. Subject to any filings or other actions required or contemplated under the Collateral Documents, the security interests and Liens granted to the Senior Lender and the Subordinated Lender pursuant to the Loan Documents are valid, remain in full force and effect in accordance with the Loan Documents, and continue to secure the Obligations.

(d) All of the representations and warranties contained in the Loan Documents, including without limitation in Article III of each Credit Agreement, are 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 hereof.

(e) No Default or Event of Default has occurred and is continuing, or would result from, (i) the execution and delivery of this Amendment or the STORE Purchase Agreement or (ii) the consummation of the transactions contemplated under this Amendment, the Credit Agreements as amended hereby or the STORE Purchase Agreement.

8. Effectiveness. This Amendment shall be effective as of the date hereof only if the Senior Lender and the Subordinated Lender has each received, on or before the date of this Amendment, each of the following, each in form and substance acceptable to the Senior Lender and the Subordinated Lender in their sole discretion:

(a) a copy of this Amendment, duly executed by the Loan Parties, the Senior Lender and the Subordinated Lender;

(b) a Term Loan Note, amending and restating (without novating) the Term Loan Note under the Senior Credit Agreement in effect immediately prior to the effectiveness of this Amendment, duly executed by the Borrowers;

(c) 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 execution, delivery and performance of the STORE Documents to which such Loan Party is a party. this Amendment. each Credit Agreement as

amended hereby and each other agreement, instrument or document entered into in connection with any of the foregoing, 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 Amendment and the other Loan Documents to which it is a party; provided, that (A) in the case of the foregoing clause (i), in lieu of attaching Organizational Documents, such Loan Party may certify that the Organizational Documents of such Loan Party which were certified to the Senior Lender and the Subordinated Lender pursuant to the most recent certificate of a Responsible Officer delivered by such Loan Party to the Senior Lender and the Subordinated Lender (such certificate, the "Prior Certificate") continue in full force and effect and have not been amended or otherwise modified except as set forth in the certificate to be delivered as of the date hereof, and (B) in the case of the foregoing clause (iii), in lieu of attaching an incumbency certificate, such Loan Party may certify that the officers and other Persons who were certified to the Senior Lender and the Subordinated Lender pursuant to the Prior Certificate as being authorized to sign and to act on behalf of such Loan Party continue to be so authorized and continue to hold the offices set forth in the Prior Certificate;

(d) a certificate of status, compliance or like certificate for each Loan 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 date hereof;

(e) opinions of counsel to the Loan Parties, in form and substance satisfactory to the Senior Lender and the Subordinated Lender, with respect to the authorization, execution and delivery by the Loan Parties of the Amendment Documents;

(f) a true, correct and complete copy of the STORE Purchase Agreement, duly executed by the parties thereto;

(g) a Notice to Borrower Not In Special Flood Hazard Area with respect to the properties subject to a Mortgage in favor of the Senior Lender or the Subordinated Lender, duly executed by the applicable Loan Party;

(h) a Common Stock Purchase Warrant dated as of the date of this Amendment and issued to Cargill Financial Services International, Inc., as holder, with respect to shares of common stock, par value \$0.0001 per share, of Holdings, duly executed by Holdings; and

(i) payment of all fees, costs and expenses then due and payable pursuant to Section 8.3 of each Credit Agreement, to the extent invoiced on or prior to the date hereof.

9. No Waiver or Extension. Except to the extent expressly set forth in Section 4 above, neither the execution of this Amendment or of any other agreement, instrument or document contemplated hereunder, nor any oral or written communication between the Senior Lender, the Subordinated Lender and any Loan Party, nor the making of any financial accommodation, nor any acceptance of any payment of the Obligations, shall be deemed to be a waiver of any Default or Event of Default or any other breach, default or event of default under any Loan Document or other document held by the Senior Lender or the Subordinated Lender, whether or not known to the Senior Lender or the Subordinated Lender and whether or not existing on the date hereof.

10. Release of Lenders. By its signature below, each Loan Party, for itself and on behalf of its respective present and former shareholders, members, directors and officers thereof and such Loan Party's successors (including, without limitation, any trustees or receivers acting on behalf of such Loan Party and any debtor-in-possession with respect to such Loan Party) assigns, subsidiaries and Affiliates

party and any other in possession with respect to such Loan Party), assigns, substitutes and affirms

(collectively, the “Releasers”), hereby absolutely and unconditionally releases and forever discharges each of the Senior Lender and the Subordinated Lender, and any and all of the Senior Lender’s and the Subordinated Lender’s respective participants, parent companies, subsidiaries, Affiliates, insurers, indemnitors, successors and assigns, together with all of the present and former directors, officers, agents and employees of any of the foregoing (collectively, the “Released Parties”), from any and all claims, demands or causes of action of any kind, nature or description, whether arising in Law or equity or upon contract or tort or under any state or federal Law or otherwise, which any Releaser has had, now has or has made claim to have against any Released Party for or by reason of any act, omission, matter, cause or thing whatsoever occurring or arising prior to the date of this Amendment, whether such claims, demands and causes of action are matured or unmatured, known or unknown, liquidated or unliquidated, matured or unmatured, or fixed or contingent.

11. Acknowledgment and Agreement of Guarantors. By its signature below, each Guarantor (i) consents to the terms and execution of this Amendment; (ii) acknowledges that (x) all indebtedness arising under the Senior Credit Agreement, as amended hereby, constitutes indebtedness guaranteed under each Guaranty (as defined in the Senior Credit Agreement) and secured by the Security Agreement (as defined in the Senior Credit Agreement), and (y) all indebtedness arising under the Subordinated Credit Agreement, as amended hereby, constitutes indebtedness guaranteed under each Guaranty (as defined in the Subordinated Credit Agreement) and secured by the Security Agreement (as defined in the Subordinated Credit Agreement); (iii) reaffirms (x) all of its obligations to the Senior Lender pursuant to the terms of its Guaranty (as defined in the Senior Credit Agreement), the Security Agreement (as defined in the Senior Credit Agreement) and the other Loan Documents (as defined in the Senior Credit Agreement) to which it is a party, and (y) all of its obligations to the Subordinated Lender pursuant to the terms of its Guaranty (as defined in the Subordinated Credit Agreement), the Security Agreement (as defined in the Subordinated Credit Agreement) and the other Loan Documents (as defined in the Subordinated Credit Agreement) to which it is a party; and (iv) acknowledges that (x) the Senior Lender may amend, restate, extend, renew or otherwise modify the Senior Credit Agreement and any indebtedness or agreement of the Borrowers thereunder, or enter into any agreement or extend additional or other credit accommodations in connection therewith, without notifying or obtaining the consent of such Guarantor and without impairing the liability of such Guarantor under any Guaranty (as defined in the Senior Credit Agreement), the Security Agreement (as defined in the Senior Credit Agreement) or any other Loan Document (as defined in the Senior Credit Agreement) to which it is a party, and (y) the Subordinated Lender may amend, restate, extend, renew or otherwise modify the Subordinated Credit Agreement and any indebtedness or agreement of the Borrowers thereunder, or enter into any agreement or extend additional or other credit accommodations in connection therewith, without notifying or obtaining the consent of such Guarantor and without impairing the liability of such Guarantor under any Guaranty (as defined in the Subordinated Credit Agreement), the Security Agreement (as defined in the Subordinated Credit Agreement) or any other Loan Document (as defined in the Subordinated Credit Agreement) to which it is a party.

12. Costs and Expenses. Each Borrower hereby reaffirms its obligation under Section 8.3(a) of each Credit Agreement to pay or reimburse the Senior Lender or the Subordinated Lender, as applicable, for all reasonable and documented out-of-pocket expenses incurred by the Senior Lender or the Subordinated Lender, as applicable, and their respective Affiliates (including the reasonable and documented fees, charges and disbursements of outside counsel for the Senior Lender and the Subordinated Lender) to the extent required pursuant to Section 8.3(a) of each Credit Agreement, in connection with the preparation, negotiation, execution, delivery and administration of this Amendment and the other documents, agreements and certificates contemplated hereunder.

13. Acknowledgment. The Senior Lender and the Subordinated Lender acknowledge that the Loan Parties may from time to time provide the Senior Lender and the Subordinated Lender with

information regarding potential sale-leaseback transactions and potential indebtedness that the Loan Parties may be considering, it being understood and agreed by the Loan Parties, however, that the foregoing does not in any way limit or otherwise modify any other provision, term or condition of this Amendment, the Credit Agreements as amended hereby or any other Loan Document.

14. **Interpretation.** Each Loan Party acknowledges that it: (i) has been represented, or had the opportunity to be represented, by its own legal counsel, accountants and advisors in connection with this Amendment and the Credit Agreements as amended hereby, including, without limitation, with respect to the releases set forth herein; (ii) that it has exercised independent judgment with respect to this Amendment and the Credit Agreements as amended hereby; and (iii) that it has not relied on the Senior Lender, the Subordinated Lender or their respective directors, officers, employees, agents or counsel for any advice with respect to this Amendment and the Credit Agreements as amended hereby. No rule of contract construction or interpretation shall be employed to construe this Amendment or the Credit Agreements as amended hereby more strictly against one party or the other.

15. **Miscellaneous.** This Amendment 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 Amendment and all documentation hereunder). This Amendment, together with the Credit Agreements as amended hereby and the other Loan Documents, comprises the final and complete integration of all prior expressions by the parties hereto with respect to the subject matter hereof and shall constitute the entire agreement among the parties hereto with respect to such subject matter, superseding all prior oral or written understandings. Any provision of this Amendment which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment by facsimile or by e-mail transmission of a PDF or similar copy shall be equally as effective as delivery of an original executed counterpart of this Amendment. Any party delivering an executed counterpart signature page by facsimile or by e-mail transmission shall also deliver an original executed counterpart, but the failure to deliver an original executed counterpart shall not affect the validity, enforceability or binding effect of this Amendment.

Signature pages follow.



IN WITNESS WHEREOF, the undersigned have executed this Amendment 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: /s/ Kathleen Valiasek
Name: Kathleen Valiasek
Title: Chief Financial Officer

Signature Page to Sixth Amendment to Credit Agreements

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 Sixth Amendment to Credit Agreements

2139 E. 8TH STREET GREELEY, LLC, as
Guarantor

By: /s/ Kathleen Valiasek
Name: Kathleen Valiasek
Title: President

HOLLANDIA PRODUCE GROUP, INC., as
Guarantor

By: /s/ Kathleen Valiasek
Name: Kathleen Valiasek
Title: President

HOLLANDIA PRODUCE GA, LLC, as Guarantor

By: /s/ Kathleen Valiasek
Name: Kathleen Valiasek
Title: President

ADVANCED SUSTAIN ABILITY, LLC, as
Guarantor

By: /s/ Kathleen Valiasek
Name: Kathleen Valiasek
Title: President

HOLLANDIA REAL ESTATE, LLC, as Guarantor

By: /s/ Kathleen Valiasek
Name: Kathleen Valiasek
Title: President

GREEN GROWTH CONSULTING, LLC, as
Guarantor

By: /s/ Kathleen Valiasek
Name: Kathleen Valiasek
Title: President

Signature Page to Sixth Amendment to Credit Agreements

HOLLANDIA FLOWERS, LLC, as Guarantor

By: /s/ Kathleen Valiasek
Name: Kathleen Valiasek
Title: President

HOLLANDIA PRODUCE, LLC, as Guarantor

By: /s/ Kathleen Valiasek
Name: Kathleen Valiasek
Title: President

Signature Page to Sixth Amendment to Credit Agreements

CARGILL FINANCIAL SERVICES
INTERNATIONAL, INC., as Senior Lender

By: /s/ Erik Haugen
Name: Erik Haugen
Title: TM Settlement Manager

CARGILL FINANCIAL SERVICES
INTERNATIONAL, INC., as Subordinated Lender

By: /s/ Erik Haugen
Name: Erik Haugen
Title: TM Settlement Manager

Signature Page to Sixth Amendment to Credit Agreements

ANNEX A-1

AMENDED SENIOR CREDIT AGREEMENT

See attached.

Annex A-1

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

ARTICLE I DEFINITIONS		11
Section 1.1	<u>Defined Terms</u>	11
Section 1.2	<u>Terms Generally</u>	32
Section 1.3	<u>Accounting Terms; Changes in GAAP</u>	32
Section 1.4	<u>Time</u>	33
Section 1.5	<u>Divisions</u>	33
Section 1.6	<u>Interest Rates</u>	33
 ARTICLE II TERMS OF THE TERM LOAN FACILITY		 33
Section 2.1	<u>Term Loan Facility</u>	33
Section 2.2	<u>Interest on the Term Loans</u>	34
Section 2.3	<u>Payment of Principal and Interest</u>	34
Section 2.4	<u>Voluntary Prepayments</u>	35
Section 2.5	<u>Lender Discretionary Prepayment</u>	35
Section 2.6	<u>Fees</u>	37
Section 2.7	<u>Evidence of Debt</u>	37
Section 2.8	<u>Payments Generally</u>	37
Section 2.9	<u>Increased Costs</u>	39
Section 2.10	<u>Specified Fees</u>	39
Section 2.11	<u>Benchmark Replacement Setting</u>	40
 ARTICLE III REPRESENTATIONS AND WARRANTIES		 41
Section 3.1	<u>Existence, Qualification and Power; Subsidiaries</u>	41
Section 3.2	<u>Authorization; No Contravention</u>	41
Section 3.3	<u>Governmental Authorization; Other Consents</u>	42
Section 3.4	<u>Execution and Delivery; Binding Effect</u>	42
Section 3.5	<u>Financial Statements; No Material Adverse Effect</u>	42
Section 3.6	<u>Outstanding Indebtedness</u>	42
Section 3.7	<u>Litigation</u>	42
Section 3.8	<u>No Material Adverse Effect; No Default</u>	42
Section 3.9	<u>Property; Licenses; Margin Regulations</u>	43
Section 3.10	<u>Taxes</u>	43
Section 3.11	<u>Disclosure</u>	44
Section 3.12	<u>Compliance with Laws</u>	44
Section 3.13	<u>ERISA Compliance</u>	44
Section 3.14	<u>Environmental Matters; Hazardous Materials</u>	44
Section 3.15	<u>Investment Company Act</u>	45
Section 3.16	<u>Insurance</u>	45
Section 3.17	<u>Sanctions and Anti-Terrorism; Anti-Corruption</u>	45
Section 3.18	<u>Solvency</u>	45
Section 3.19	<u>Material Agreements</u>	45
Section 3.20	<u>Employee and Labor Matters</u>	46
Section 3.21	<u>Compliance with Food Security Act and Agricultural Lien Statutes; <u>.....</u></u>	
	<u>Agricultural Lien Notices</u>	46
Section 3.22	<u>Agricultural Licenses</u>	47
Section 3.23	<u>The Farm Projects</u>	47
Section 3.24	Warrant Agreement	47

| US.351813599.02356348762.11

ARTICLE IV	CONDITIONS	50
Section 4.1	<u>Conditions Precedent to Effectiveness</u>	50
Section 4.2	<u>Additional Conditions to Initial Credit Extension</u>	52
Section 4.3	<u>Additional Conditions to each Term Loan</u>	52
Section 4.4	<u>Conditions to First Amendment Term Loan</u>	58
ARTICLE V	AFFIRMATIVE COVENANTS	61
Section 5.1	<u>Financial Statements</u>	61
Section 5.2	<u>Certificates; Other Information</u>	62
Section 5.3	<u>Notices</u>	64
Section 5.4	<u>Preservation of Existence, Etc.</u>	65
Section 5.5	<u>Maintenance of Properties</u>	65
Section 5.6	<u>Maintenance of Insurance</u>	65
Section 5.7	<u>Payment of Obligations</u>	66
Section 5.8	<u>Compliance with Laws</u>	66
Section 5.9	<u>Environmental Matters</u>	66
Section 5.10	<u>Books and Records</u>	66
Section 5.11	<u>Inspection Rights</u>	67
Section 5.12	<u>Use of Proceeds</u>	67
Section 5.13	<u>Sanctions and Anti-Terrorism Laws; Anti-Corruption Laws</u>	67
Section 5.14	<u>Additional Subsidiaries; Holdings as Guarantor</u>	67
Section 5.15	<u>Real Property</u>	68
Section 5.16	<u>Further Assurances</u>	69
Section 5.17	<u>Debt Service Reserve Account</u>	70
Section 5.18	<u>Farm Project Construction</u>	70
Section 5.19	<u>Post-Closing Requirements</u>	71
ARTICLE VI	NEGATIVE COVENANTS	73
Section 6.1	<u>Indebtedness</u>	73
Section 6.2	<u>Liens</u>	74
Section 6.3	<u>Fundamental Changes</u>	75
Section 6.4	<u>Dispositions</u>	76
Section 6.5	<u>Restricted Payments; Payments of Subordinated Indebtedness</u>	76
Section 6.6	<u>Investments</u>	76
Section 6.7	<u>Transactions with Affiliates; Management Fees</u>	77
Section 6.8	<u>Financial Covenants</u>	77
Section 6.9	<u>Certain Restrictive Agreements</u>	78
Section 6.10	<u>Changes in Fiscal Periods; Accounting Methods</u>	79
Section 6.11	<u>Changes in Nature of Business</u>	79
Section 6.12	<u>Organizational Documents</u>	79
Section 6.13	<u>Material Agreements; Change Orders</u>	79
Section 6.14	<u>Subsidiaries, Joint Ventures</u>	80
Section 6.15	<u>Sanctions and Anti-Terrorism; Anti-Corruption Use of Proceeds</u>	80
Section 6.16	<u>ERISA</u>	80
Section 6.17	<u>Sale-Leasebacks</u>	80
Section 6.18	<u>Operating Leases</u>	80
ARTICLE VII	EVENTS OF DEFAULT	81
Section 7.1	<u>Events of Default</u>	81
Section 7.2	<u>Application of Payments</u>	86

ARTICLE VIII MISCELLANEOUS	86
Section 8.1	<u>Notices</u> 86
Section 8.2	<u>Amendments; Waivers</u> 86
Section 8.3	<u>Expenses; Indemnity; Damage Waiver</u> 87
Section 8.4	<u>Engagement of Project Consultant, Other Agents</u> 88
Section 8.5	<u>Successors and Assigns</u> 88
Section 8.6	<u>Survival</u> 88
Section 8.7	<u>Counterparts; Integration; Effectiveness</u> 88
Section 8.8	<u>Severability</u> 89
Section 8.9	<u>Governing Law; Jurisdiction; Etc</u> 89
Section 8.10	<u>WAIVER OF JURY TRIAL</u> 89
Section 8.11	<u>Headings</u> 90
Section 8.12	<u>PATRIOT Act</u> 90
Section 8.13	<u>Interest Rate Limitation</u> 90
Section 8.14	<u>Payments Set Aside; Reinstatement of Liens</u> 90
Section 8.15	<u>Joint and Several Liability</u> 90
Section 8.16	<u>The Company as Agent for Borrowers</u> 91
Section 8.17	<u>No Advisory or Fiduciary Responsibility</u> 91
Section 8.18	<u>CALIFORNIA JUDICIAL REFERENCE</u> 9292

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.

~~“Acceptable Buyer” has the meaning specified in Section 6.8(d)(i).~~

“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.

| US.351813599.02356348762.11

“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.

~~“Approved Long-Term Supply Agreement” means each offtake agreement entered into by the Company with an Acceptable Buyer that satisfies the requirements set forth in subclause (i) or subclause (ii) of Section 6.8(d).~~

“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

| US.351813599.02356348762.11

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

| US.351813599.02356348762.11

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

| US.351813599.02356348762.11

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

| US.351813599.02356348762.11

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.

| US.351813599.02356348762.11

“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 ~~Construction Budget (including 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

| US.351813599.02356348762.11

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 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

| US.351813599.02356348762.11

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%.

| US.351813599.02356348762.11

“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

| US.351813599.02356348762.11

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

| US.351813599.02356348762.11

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

| US.351813599.02356348762.11

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.

| US.351813599.02356348762.11

“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.](#)

| US.351813599.02356348762.11

“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;

| US.351813599.02356348762.11

- (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

| US.351813599.02356348762.11

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, the no Warrant Agreement shall ~~not~~ 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.

| US.351813599.02356348762.11

“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 ~~Approved Long-Term Supply Agreement~~ STORE Document, (e) the Bitterroot Lease Agreement and each other Farm Lease Agreement, (f) ~~the~~ 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
--------	--------------------

| US.351813599.02356348762.11

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 April 1, 2024 March 31, 2025	\$0
The period commencing on April 2, 2024 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 Commitment 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.

| US.351813599.02356348762.11

“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 \(Senior\).](#)

| US.351813599.02356348762.11

“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.

| US.351813599.02356348762.11

“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.

| US.351813599.02356348762.11

“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.

| US.351813599.02356348762.11

(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

| US.351813599.02356348762.11

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 Equity Financing” means an equity financing pursuant to which Holdings issues and sells shares of its equity securities to investors in an arm’s-length transaction for the principal purpose of raising capital.~~

“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,

| US.351813599.02356348762.11

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](#).

| US.351813599.02356348762.11

“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.

~~“Second Amendment Effective Date” means June 30, 2022.~~

“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.

| US.351813599.02356348762.11

“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

| US.351813599.02356348762.11

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.

| US.351813599.02356348762.11

“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 \$150,000,000; provided that, from and after the First Amendment Funding Date, “Term Loan Amount” shall mean up to \$127,500,000 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 Amount” means (a) from the Closing Date until the First Amendment Funding Date, up to \$150,000,000, (b) from the First Amendment Funding Date until the Sixth Amendment Effective Date, up to \$127,500,000 plus the Specified PIK Amount, and (c) on and after the Sixth Amendment Effective Date, up to \$238,000,000 plus the Specified PIK Amount; provided, that at no time after the Sixth Amendment Effective Date shall (i) Term Loans at any time made (whether before or after the Sixth Amendment Effective Date) in respect of the Mt. Pleasant (Texas) Farm exceed \$90,000,000, (ii) Term Loans made after the Sixth Amendment Effective Date in respect of the Warner Robins (Georgia) Farm exceed \$20,500,000, and (iii) Term Loans made after the Sixth Amendment Effective Date in respect of the Pasco (Washington) Farm exceed \$15,000,000.

“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

| US.351813599.02356348762.11

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.

~~“Unadjusted Benchmark Replacement” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.~~

“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.

| US.351813599.02356348762.11

“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 ~~the Warrant Agreement dated as of (i)~~ the Closing Date ~~made by Warrant Agreement, (ii) the 2023 Warrant, and (iii) any other warrant made or issued from time to time by Holdings, as company,~~ in favor of the Lender, ~~as holder 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

| US.351813599.02356348762.11

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 ~~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

| US.351813599.02356348762.11

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 \$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"), and (II) the quarterly interest ~~payment~~ 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 2023 PIK Interest" and, together with the Specified 2022 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

| US.351813599.02356348762.11

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, ~~2024~~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 ~~Commitment~~ 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 prepays 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

| US.351813599.02356348762.11

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

| US.351813599.02356348762.11

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 ~~Term Loan Commitment Termination~~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 ~~the Term Loan Commitment Termination Date.~~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,

| US.351813599.02356348762.11

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.

| US.351813599.02356348762.11

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

| US.351813599.02356348762.11

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.

| US.351813599.02356348762.11

(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

| US.351813599.02356348762.11

(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

| US.351813599.02356348762.11

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.

| US.351813599.02356348762.11

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.

| US.351813599.02356348762.11

(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

| US.351813599.02356348762.11

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

| US.351813599.02356348762.11

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

| US.351813599.02356348762.11

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

| US.351813599.02356348762.11

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.

| US.351813599.02356348762.11

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 Existing 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 Existing Lenders or their

| US.351813599.02356348762.11

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 and Approved Long-Term Supply~~ 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;

| US.351813599.02356348762.11

(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 ~~(other than with respect to the funding of (x) extent any Term Loan is requested after the First Sixth Amendment Term Loan, which funding shall be subject only to the satisfaction of the conditions in Section 4.4, and (y) a Effective Date, such~~ Term Loan pursuant to Section 5.17(b), which such funding shall be limited to Sections 4.1 and 4.2 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 ~~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 ~~is subject to the satisfaction (or waiver by the Lender in its sole discretion) of, 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;

| US.351813599.02356348762.11

(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:

(i1) 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

(i2) 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:

| US.351813599.02356348762.11

(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

| US.351813599.02356348762.11

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 ~~and each Approved Long-Term Supply 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

| US.351813599.02356348762.11

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

| US.351813599.02356348762.11

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).

~~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~~

| US.351813599.02356348762.11

~~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

| US.351813599.02356348762.11

(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

| US.351813599.02356348762.11

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,

| US.351813599.02356348762.11

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 8.3.8.3, 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

| US.351813599.02356348762.11

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) through (e)~~; [6.8\(a\), \(b\), \(c\), \(d\), \(e\) and \(g\)](#); 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

| US.351813599.02356348762.11

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;

| US.351813599.02356348762.11

(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); ~~and~~

(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;

| US.351813599.02356348762.11

(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

| US.351813599.02356348762.11

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.

| US.351813599.02356348762.11

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

| US.351813599.02356348762.11

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

| US.351813599.02356348762.11

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").

| US.351813599.02356348762.11

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:

| US.351813599.02356348762.11

(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.

| US.351813599.02356348762.11

(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 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), 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.

| US.351813599.02356348762.11

(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.

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;

| US.351813599.02356348762.11

- (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) ~~[reserved]~~; subject to satisfaction of the STORE Sale-Leaseback Conditions, Indebtedness of Hollandia Real Estate under the STORE Documents;
- (j) ~~[reserved]~~; 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;

| US.351813599.02356348762.11

(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; ~~and~~

(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.

| US.351813599.02356348762.11

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; ~~and~~
- (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 ~~the~~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:

| US.351813599.02356348762.11

- (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

| US.351813599.02356348762.11

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) ~~None of~~ Commencing on the Sixth Amendment Effective Date and continuing at all times thereafter, no Loan Parties ~~Party~~ or ~~Subsidiaries~~ 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 ~~(other than the existing Farm Projects located at the Paragon Properties, at the Montana Property, in Pasco, Washington or in Mount Pleasant, Texas)~~ 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 respect of the ~~existing~~ Warner Robins (Georgia) Farm ~~Projects located at the Paragon Properties, at the Montana Property, in Pasco, Washington or in Mount~~ Mt. Pleasant, (Texas, in an) Farm, the Pasco (Washington) Farm and the Hamilton (Montana) Farm, in an aggregate total amount not to exceed 105% of ~~the~~ such Initial Construction Budget for such existing Farm Project ~~(provided that the Borrowers shall have delivered, or caused to be delivered, to the Lender an Initial Construction Budget in respect of such existing Farm Project, in form and substance satisfactory to the Lender in its reasonable discretion),~~ 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).

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

| US.351813599.02356348762.11

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

| US.351813599.02356348762.11

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

| US.351813599.02356348762.11

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, ~~and (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, ~~the~~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 (iiiiv) with respect to any Material Agreement other than (x) a Material Agreement specified in the foregoing ~~clause~~clauses

| US.351813599.02356348762.11

(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

| US.351813599.02356348762.11

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) each Chief Executive Officer of the Company as of the Qualified SPAC Transaction Effective Date resigns or is terminated and the Company has not retained a replacement Chief Executive Officer acceptable to the Lender in its reasonable discretion within ten (10) Business Days (or such longer time as the Lender may agree in its reasonable discretion) following such resignation or termination; or~~

) 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 ~~the~~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 ~~the~~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 ~~the~~any Warrant Agreement (or, if applicable, any warrant issued thereunder), or purports in writing to revoke, terminate or rescind any Loan Document or ~~the~~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

| US.351813599.02356348762.11

(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) ~~reserved~~; 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

| US.351813599.02356348762.11

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 5% of the applicable Initial Construction Budget; 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);

| US.351813599.02356348762.11

(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.

| US.351813599.02356348762.11

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 ~~Agreement~~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

| US.351813599.02356348762.11

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 \$~~200~~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

| US.351813599.02356348762.11

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

| US.351813599.02356348762.11

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

| US.351813599.02356348762.11

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

| US.351813599.02356348762.11

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.

| US.351813599.02356348762.11

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 CORPORATION, as Borrower

By _____
Name: _____
Title: _____

BOUNTI BITTERROOT LLC, as Borrower

By _____
Name: _____
Title: _____

CONTROLLED ENVIRONMENT PROPERTY
COMPANY, LLC, as Borrower

By _____
Name: _____
Title: _____

GROW BOUNTI NORTHWEST, LLC, as Borrower

By _____
Name: _____
Title: _____

| US.351813599.02356348762.11

CARGILL FINANCIAL SERVICES
INTERNATIONAL, INC., as Lender

By _____
Name: _____
Title: _____

|

US.351818599.02



ANNEX B-1

AMENDED SUBORDINATED CREDIT AGREEMENT

See attached.

Annex B-1

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

TABLE OF CONTENTS

ARTICLE I DEFINITIONS	11
Section 1.1	<u>Defined Terms</u> 11
Section 1.2	<u>Terms Generally</u> 28
Section 1.3	<u>Accounting Terms; Changes in GAAP</u> 28
Section 1.4	<u>Time</u> 29
Section 1.5	<u>Divisions</u> 29
ARTICLE II TERMS OF THE TERM LOAN FACILITY	29
Section 2.1	<u>Term Loan Facility</u> 29
Section 2.2	<u>Interest on the Term Loans</u> 29
Section 2.3	<u>Payment of Principal and Interest</u> 30
Section 2.4	<u>Voluntary Prepayments</u> 30
Section 2.5	<u>Lender Discretionary Prepayment</u> 31
Section 2.6	<u>Fees</u> 32
Section 2.7	<u>Evidence of Debt</u> 33
Section 2.8	<u>Payments Generally</u> 33
Section 2.9	<u>Increased Costs</u> 34
Section 2.10	<u>Specified Fees</u> 34
ARTICLE III REPRESENTATIONS AND WARRANTIES	35
Section 3.1	<u>Existence, Qualification and Power; Subsidiaries</u> 35
Section 3.2	<u>Authorization; No Contravention</u> 36
Section 3.3	<u>Governmental Authorization; Other Consents</u> 36
Section 3.4	<u>Execution and Delivery; Binding Effect</u> 36
Section 3.5	<u>Financial Statements; No Material Adverse Effect</u> 36
Section 3.6	<u>Outstanding Indebtedness</u> 37
Section 3.7	<u>Litigation</u> 37
Section 3.8	<u>No Material Adverse Effect; No Default</u> 37
Section 3.9	<u>Property; Licenses; Margin Regulations</u> 37
Section 3.10	<u>Taxes</u> 38
Section 3.11	<u>Disclosure</u> 38
Section 3.12	<u>Compliance with Laws</u> 38
Section 3.13	<u>ERISA Compliance</u> 38
Section 3.14	<u>Environmental Matters; Hazardous Materials</u> 39
Section 3.15	<u>Investment Company Act</u> 39
Section 3.16	<u>Insurance</u> 39
Section 3.17	<u>Sanctions and Anti-Terrorism; Anti-Corruption</u> 39
Section 3.18	<u>Solvency</u> 40
Section 3.19	<u>Material Agreements</u> 40
Section 3.20	<u>Employee and Labor Matters</u> 40
Section 3.21	<u>Compliance with Food Security Act and Agricultural Lien Statutes;</u>
	<u>Agricultural Lien Notices</u> 41
Section 3.22	<u>Agricultural Licenses</u> 41
Section 3.23	<u>The Farm Projects</u> 41
Section 3.24	<u>Warrant Agreement</u> 42
ARTICLE IV CONDITIONS	44
Section 4.1	<u>Conditions Precedent to Effectiveness</u> 44
Section 4.2	<u>Additional Conditions to First Post-SPAC Subordinated Term Loan</u> 46



Section 4.3	<u>Additional Conditions to each Term Loan</u>	46
Section 4.4	<u>Conditions to First Amendment Term Loan</u>	50

ARTICLE V AFFIRMATIVE COVENANTS 54

Section 5.1	<u>Financial Statements</u>	54
Section 5.2	<u>Certificates; Other Information</u>	55
Section 5.3	<u>Notices</u>	57
Section 5.4	<u>Preservation of Existence, Etc.</u>	58
Section 5.5	<u>Maintenance of Properties</u>	58
Section 5.6	<u>Maintenance of Insurance</u>	58
Section 5.7	<u>Payment of Obligations</u>	58
Section 5.8	<u>Compliance with Laws</u>	59
Section 5.9	<u>Environmental Matters</u>	59
Section 5.10	<u>Books and Records</u>	59
Section 5.11	<u>Inspection Rights</u>	59
Section 5.12	<u>Use of Proceeds</u>	59
Section 5.13	<u>Sanctions and Anti-Terrorism Laws; Anti-Corruption Laws</u>	60
Section 5.14	<u>Additional Subsidiaries; Holdings as Guarantor</u>	60
Section 5.15	<u>Real Property</u>	61
Section 5.16	<u>Further Assurances</u>	62
Section 5.17	<u>Interest Reserve Account</u>	62
Section 5.18	<u>Farm Project Construction</u>	63
Section 5.19	<u>Post-Closing Requirements</u>	64

ARTICLE VI NEGATIVE COVENANTS 66

Section 6.1	<u>Indebtedness</u>	66
Section 6.2	<u>Liens</u>	67
Section 6.3	<u>Fundamental Changes</u>	68
Section 6.4	<u>Dispositions</u>	68
Section 6.5	<u>Restricted Payments; Payments of Junior Debt</u>	69
Section 6.6	<u>Investments</u>	69
Section 6.7	<u>Transactions with Affiliates; Management Fees</u>	69
Section 6.8	<u>Financial Covenants</u>	70
Section 6.9	<u>Certain Restrictive Agreements</u>	71
Section 6.10	<u>Changes in Fiscal Periods; Accounting Methods</u>	71
Section 6.11	<u>Changes in Nature of Business</u>	71
Section 6.12	<u>Organizational Documents</u>	72
Section 6.13	<u>Material Agreements; Change Orders</u>	72
Section 6.14	<u>Subsidiaries, Joint Ventures</u>	73
Section 6.15	<u>Sanctions and Anti-Terrorism; Anti-Corruption Use of Proceeds</u>	73
Section 6.16	<u>ERISA</u>	73
Section 6.17	<u>Sale-Leasebacks</u>	73
Section 6.18	<u>Operating Leases</u>	73

ARTICLE VII EVENTS OF DEFAULT 74

Section 7.1	<u>Events of Default</u>	74
Section 7.2	<u>Application of Payments</u>	79

ARTICLE VIII MISCELLANEOUS 79

Section 8.1	<u>Notices</u>	79
Section 8.2	<u>Amendments; Waivers</u>	79



Section 8.3	<u>Expenses; Indemnity; Damage Waiver</u>	79
Section 8.4	<u>Engagement of Project Consultant, Other Agents</u>	81
Section 8.5	<u>Successors and Assigns</u>	81
Section 8.6	<u>Survival</u>	81
Section 8.7	<u>Counterparts; Integration; Effectiveness</u>	81
Section 8.8	<u>Severability</u>	81
Section 8.9	<u>Governing Law; Jurisdiction; Etc.</u>	82
Section 8.10	<u>WAIVER OF JURY TRIAL</u>	82
Section 8.11	<u>Headings</u>	83
Section 8.12	<u>PATRIOT Act</u>	83
Section 8.13	<u>Interest Rate Limitation</u>	83
Section 8.14	<u>Payments Set Aside; Reinstatement of Liens</u>	83
Section 8.15	<u>Joint and Several Liability</u>	83
Section 8.16	<u>The Company as Agent for Borrowers</u>	84
Section 8.17	<u>No Advisory or Fiduciary Responsibility</u>	84
Section 8.17	<u>CALIFORNIA JUDICIAL REFERENCE</u>	84

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



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:

~~“Acceptable Buyer” has the meaning specified in Section 6.8(d)(i).~~

“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

US.351813601.02356550554.03

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.

~~“Approved Long Term Supply Agreement” means each offtake agreement entered into by the Company with an Acceptable Buyer that satisfies the requirements set forth in subclause (i) or subclause (ii) of Section 6.8(d).~~

“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.

| US.351813601.02356550554.03

“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

| US.351813601.02356550554.03

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 ~~Construction Budget (including 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

| US.354843604.02356550554.03

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 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.

| US.351813601.02356550554.03

“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.

| US.354843604.02356550554.03

“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

| US.354843604.02356550554.03

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

| US.354843604.02356550554.03

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

| US.354843604.02356550554.03

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.

| US.354843604.02356550554.03

“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](#)

| US.354843604.02356550554.03

[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;

| US.354843604.02356550554.03

- (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).

| US.351813601.02356550554.03

“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, theno Warrant Agreement shall ~~not~~ 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.

| US.351813601.02356550554.03

“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 ~~Approved Long Term Supply Agreement~~ STORE Document, (e) the Bitterroot Lease Agreement and each other Farm Lease Agreement, (f) ~~the~~ 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:

| US.354843604.02356550554.03

Period	Minimum Interest Amount
The period commencing on the Third Amendment Effective Date and ending on April 1, 2024 March 31, 2025	\$0
The period commencing on April 2, 2024 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

| US.354843604.02356550554.03

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.

| US.354843604.02356550554.03

“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.

| US.354843604.02356550554.03

“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

| US.354843604.02356550554.03

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

| US.354843604.02356550554.03

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 Equity Financing” means an equity financing pursuant to which Holdings issues and sells shares of its equity securities to investors in an arm’s length transaction for the principal purpose of raising capital.~~

“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

| US.354843604.02356550554.03

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.

“Second Amendment Effective Date” means June 30, 2022.

“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

| US.354843604.02356550554.03

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)~~2.3(a).

"Specified 2023 PIK Interest" has the meaning specified in Section ~~2.3~~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 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.

US.351813601.02356550554.03

“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

| US.351813601.02356550554.03

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.

| US.351813601.02356550554.03

“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).

| US.354843604.02356550554.03

“Warrant Agreement” means ~~the Warrant Agreement dated as of (i)~~ the Closing Date ~~made by Warrant Agreement, (ii) the 2023 Warrant, and (iii) any other warrant made or issued from time to time by Holdings, as company,~~ in favor of the Lender, ~~as holder 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.

| US.351813601.02356550554.03

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).

| US.354843604.02356550554.03

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”), and (II) the quarterly interest ~~payment~~ 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 2023 PIK Interest” and, together with the Specified 2022 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

| US.351813601.02356550554.03

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

| US.354843604.02356550554.03

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.

| US.351813601.02356550554.03

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

| US.351813601.02356550554.03

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:

| US.351813601.02356550554.03

(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

| US.351813601.02356550554.03

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.

| US.351813601.02356550554.03

(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

| US.351813601.02356550554.03

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

| US.351813601.02356550554.03

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).

| US.351813601.02356550554.03

(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.

| US.351813601.02356550554.03

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.

| US.354843604.02356550554.03

(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

| US.351813601.02356550554.03

(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

| US.351813601.02356550554.03

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;

| US.351813601.02356550554.03

(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 and Approved Long-Term Supply~~ 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

| US.351813601.02356550554.03

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

| US.351813601.02356550554.03

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~~ and each ~~Approved Long Term Supply~~ 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

| US.354843604.02356550554.03

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;

| US.351813601.02356550554.03

(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),

| US.351813601.02356550554.03

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

| US.351813601.02356550554.03

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

| US.354843604.02356550554.03

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

| US.351813601.02356550554.03

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

| US.354843604.02356550554.03

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

| US.351813601.02356550554.03

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) through (e), (b), (c), (d), (e) and (g); 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

| US.351813601.02356550554.03

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); ~~and~~

US.351813601.02356550554.03

(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.

| US.354843604.02356550554.03

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

| US.351813601.02356550554.03

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

| US.354843604.02356550554.03

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

| US.351813601.02356550554.03

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;

| US.354843604.02356550554.03

(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

| US.351813601.02356550554.03

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

| US.351813601.02356550554.03

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

| US.351813601.02356550554.03

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.

| US.351813601.02356550554.03

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) ~~reserved~~; subject to satisfaction of the STORE Sale-Leaseback Conditions, Indebtedness of Hollandia Real Estate under the STORE Documents;
- (j) ~~reserved~~; 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;

| US.351813601.02356550554.03

(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 (kl) 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;

| US.351813601.02356550554.03

(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; ~~and~~

(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

| US.351813601.02356550554.03

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; ~~and~~

(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 ~~the~~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:

| US.351813601.02356550554.03

(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) ~~None of~~ Commencing on the Sixth Amendment Effective Date and continuing at all times thereafter, no Loan ~~Parties~~Party or ~~Subsidiaries~~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 (~~other than the existing Farm Projects located at the Paragon Properties, at the Montana Property, in Pasco, Washington or in Mount Pleasant, Texas~~) without the prior written consent of the Lender.

| US.354843604.02356550554.03

(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 respect of the ~~existing Warner Robins (Georgia) Farm Projects located at the Paragon Properties, at the Montana Property, in Pasco, Washington or in Mount Mt. Pleasant, (Texas, in an) Farm, the Pasco (Washington) Farm and the Hamilton (Montana) Farm, in an aggregate total~~ amount not to exceed 105% of the such Initial Construction Budget for such existing Farm Project ~~(provided that the Borrowers shall have delivered, or caused to be delivered, to the Lender an Initial Construction Budget in respect of such existing Farm Project, in form and substance satisfactory to the Lender in its reasonable discretion),~~ 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).

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

| US.354843604.02356550554.03

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

| US.354843604.02356550554.03

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, ~~and~~ (b) subject to satisfaction of the STORE Sale-Leaseback Conditions, the STORE Lease Agreement, and (c) subject to Section 6.1(k), other operating leases.

| US.351813601.02356550554.03

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, ~~the~~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 ~~(iiiiv)~~ with respect to any Material Agreement other than (x) a Material Agreement specified in the foregoing ~~clause~~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

| US.351813601.02356550554.03

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) each Chief Executive Officer of the Company as of the Qualified SPAC Transaction Effective Date resigns or is terminated and the Company has not retained a replacement Chief Executive Officer acceptable to the Lender in its reasonable discretion within ten (10) Business Days (or such longer time as the Lender may agree in its reasonable discretion) following such resignation or termination; or~~

| US.351813601.02356550554.03

) _____ [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 ~~the~~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 ~~the~~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 ~~the~~any Warrant Agreement (or, if applicable, any warrant issued thereunder), or purports in writing to revoke, terminate or rescind any Loan Document or ~~the~~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

| US.351813601.02356550554.03

(v) ~~reserved~~; 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

| US.354843604.02356550554.03

clause (i), such excess amount does not exceed 5% of the applicable Initial Construction Budget; 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;

| US.351813601.02356550554.03

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 ~~Agreement~~ 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

| US.351813601.02356550554.03

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.

| US.351813601.02356550554.03

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 ~~\$200~~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.

| US.354843604.02356550554.03

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.

| US.351813601.02356550554.03

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

| US.354843604.02356550554.03

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 8.18 CALIFORNIA JUDICIAL REFERENCE. IF ANY ACTION OR PROCEEDING IS FILED IN A COURT OF THE STATE OF CALIFORNIA BY OR AGAINST ANY PARTY HERETO

| US.351813601.02356550554.03

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.

| US.351813601.02356550554.03

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 CORPORATION, as Borrower

By _____
Name: _____
Title: _____

BOUNTI BITTERROOT LLC, as Borrower

By _____
Name: _____
Title: _____

**CONTROLLED ENVIRONMENT PROPERTY
COMPANY, LLC**, as Borrower

By _____
Name: _____
Title: _____

GROW BOUNTI NORTHWEST, LLC, as Borrower

By _____
Name: _____
Title: _____

Signature Page to Subordinated Credit Agreement

**CARGILL FINANCIAL SERVICES
INTERNATIONAL, INC., as Lender**

By _____
Name: _____
Title: _____

Signature Page to Subordinated Credit Agreement

March 28, 2023

Local Bounti Corporation
400 W. Main St.
Hamilton, MT 59840

Re: Agreement to Vote Shares of Common Stock of Local Bounti Corporation

Dear Ladies and Gentlemen:

The undersigned understands that Local Bounti Corporation, a Delaware corporation (the “Company”), Cargill Financial Services International, Inc. (“Cargill”) and certain subsidiaries of the Company, are entering into that certain Sixth Amendment to Credit Agreements dated as of the date hereof (the “Amendment”), pursuant to which Cargill has agreed to amend its existing credit facilities with the Company. In connection with the Amendment, the Company has agreed to issue to Cargill a warrant (the “Warrant Issuance”) to purchase up to 69,600,000 shares of the Company’s common stock, par value \$0.0001 per share (“Common Stock”). All capitalized terms used in this letter agreement but not defined in this letter agreement shall have the meanings given such terms in the Amendment.

The undersigned is a stockholder of the Company and is entering into this letter agreement to induce the Company and Cargill to enter into the Amendment and to consummate the transactions contemplated thereby.

The undersigned confirms its agreement with the Company and Cargill as follows:

1. The undersigned represents and warrants that Schedule I annexed hereto sets forth the number of all shares of Common Stock of the Company of which the undersigned is the direct record or beneficial owner (together with any shares of Common Stock of the Company acquired by the undersigned after the date hereof (whether upon the exercise or settlement of warrants, options, restricted stock units or otherwise), the “Owned Shares”) and that the undersigned is on the date hereof the lawful owner of the number of the Owned Shares set forth in Schedule I, has the ability to vote (or cause to be voted) all of the Owned Shares and that such Owned Shares are not currently subject to any voting agreement or proxy.
 2. The undersigned agrees that prior to the record date for determining stockholders eligible to vote at the Stockholders Meeting (as defined below) the undersigned will not contract to sell, sell or otherwise transfer or dispose of any of the Owned Shares, any interest in any of the Owned Shares or voting rights with respect to the Owned Shares.
 3. At any meeting of the stockholders of the Company (the “Stockholders Meeting”) called to seek the approval of the stockholders of the transactions contemplated by the Amendment, including, without limitation, the approval of the Warrant Issuance in compliance with the rules and regulations of the New York Stock Exchange (the “Proposals”), the undersigned shall (i) appear in person (or online for a virtual Stockholders Meeting) or by proxy at such meeting or otherwise cause the Owned Shares to be counted as present at such meeting for purposes of establishing a quorum and (ii) vote (or cause to be voted) the Owned Shares in favor of the approval of the Proposals.
 4. The undersigned hereby irrevocably grants to, and appoints, the Company, and any individual designated in writing by the Company, and each of them individually, as the undersigned’s proxy and attorney-in-fact (with full power of substitution), for and in the name, place and stead of the undersigned, to vote the Owned Shares, in respect of the Owned Shares in a manner consistent with Section 3. The undersigned hereby affirms that the irrevocable proxy set forth in this Section 4 is given in connection with the execution of the Amendment, and that such irrevocable proxy is given to secure the performance of the duties of the undersigned under this letter agreement. The undersigned hereby further affirms that the irrevocable proxy is coupled with an interest and may under no circumstances be revoked. The undersigned hereby ratifies and confirms all that such irrevocable proxy may lawfully do or cause to be done by virtue hereof. Such irrevocable proxy is
-

executed and intended to be irrevocable in accordance with the provisions of Section 212(e) of the Delaware General Corporation Law. The irrevocable proxy granted hereunder shall automatically terminate upon the termination of this letter agreement. The undersigned hereby revokes any and all previous proxies with respect to the shares of the Company's voting capital stock as it relates to the Stockholders Meeting. The undersigned agrees not to grant any proxy with respect to such shares of voting capital stock of the Company or enter into or agree to be bound by any voting trust agreement or other arrangement of any kind that is inconsistent with the provisions of this letter agreement. Notwithstanding the foregoing and for clarity, no shares issuable upon warrants issued to Cargill, if any, shall be counted for purposes of the Proposal sought to be approved at the Stockholders Meeting pursuant to the rules of the New York Stock Exchange. Cargill shall be a third party beneficiary of this letter agreement such that Cargill has the direct right to enforce the same, including to obtain specific performance in respect thereof on the terms set forth in Sections 3 and 4 of this letter agreement.

5. Until the Stockholders Meeting is completed, except with respect to the transaction contemplated by the Amendment, the undersigned agrees not to, directly or indirectly, knowingly encourage, solicit, initiate, facilitate or continue any inquiries or proposals from, discuss or negotiate with, or provide any non-public information to, any person or entity concerning any merger, sale of any material portion of the assets, sale of more than 2% of the outstanding shares of capital stock or similar transaction involving the Company or enter into any agreement with respect thereto, and each of them shall terminate and cease any existing activities, discussions or negotiations with respect to the foregoing.
 6. The undersigned represents, warrants and agrees that (a) the undersigned has all necessary power and authority to enter into this letter agreement, (b) this letter agreement is the legal, valid and binding agreement of the undersigned, and (c) this letter agreement is enforceable against the undersigned in accordance with its terms.
 7. Nothing in this letter agreement shall limit or restrict the undersigned (or any of its partners, managers or affiliates) from acting in his or such person's capacity as a director or officer of the Company (it being understood that this letter agreement shall apply to the undersigned solely in its capacity as a stockholder of the Company).
 8. The undersigned agrees that in the event, and only in the event, of any breach of its covenants and agreements under this letter agreement, the Company, and if and only if the Company does not enforce this letter agreement against the undersigned, Cargill and each of the other stockholders of the Company entering into a substantially similar letter agreement will be entitled to specific performance of such covenants and agreements and to injunctive and other equitable relief in addition to any other remedy to which it may be entitled at law or in equity. The undersigned agrees and acknowledges that, if and only in the event that the undersigned breaches this letter agreement (and in such case if and only if the Company does not enforce this letter agreement against the undersigned), Cargill (as well as the other stockholders of the Company entering into such a letter agreement) are intended third party beneficiaries of this letter agreement and have standing to enforce the provisions hereof against the parties hereto as if Cargill and such stockholders were parties hereto. Should suit be brought in connection with this letter agreement, the substantially prevailing party shall be entitled to recover any of its attorneys' fees, whether or not the suit proceeds to final judgment.
 9. This letter agreement shall terminate immediately following the adjournment of the Stockholders Meeting at which the Proposals are approved.
 10. This letter agreement will be governed by and construed in accordance with the laws of the State of Delaware without giving effect to the conflicts of laws principles that would otherwise apply thereunder.
 11. This letter agreement may be executed by the parties hereto in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
-

12. In the event any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired, and such unreasonable, unlawful or unenforceable provision shall be interpreted, revised or applied in the manner that renders it lawful and enforceable to the fullest extent possible under law.

[remainder of page intentionally left blank]

Please confirm that the foregoing correctly states the understanding between us by signing and returning to us a counterpart hereof.

Very truly yours,

By: _____

Name:

Title:

Confirmed and agreed to as of
the date first above written:

Local Bounti Corporation

Name:

Title:

[Signature Page to Support Agreement]

Schedule I

Owned Shares

Name of Entity

Number of Owned Shares

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 No. 333-262325 and Registration Statements on Form S-3 Nos.: 333-269094 and 333-267993 of Local Bounti Corporation of our report dated March 31, 2023, relating to the consolidated financial statements, which appear in this Form 10-K.

/s/ WithumSmith+Brown, PC

Whippany, New Jersey
March 31, 2023

**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, 2022;
 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, 2023

/s/ Craig M. Hurlbert

Name: Craig M. Hurlbert

Title: Co-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, 2022;
 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, 2023

/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, 2022 (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, 2023

/s/ Craig M. Hurlbert

Name: Craig M. Hurlbert

Title: Co-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, 2022 (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, 2023

/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.