Court File No.: SJM-46-2020

IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK

IN BANKRUPTCY AND INSOLVENCY

JUDICIAL DISTRICT OF SAINT JOHN

IN THE MATTER OF THE RECEIVERSHIP OF:

HILLSPRING FARMS LTD., HSF FOODS LTD. and HILLSPRING WAREHOUSE & LOGISTICS INC.

-and-

PURSUANT TO Section 33 of The *Judicature Act,* R.S.N.B. 1973, Ch. J-2, Rule 41, Rules of Court, New Brunswick and Section 243 of the *Bankruptcy and Insolvency Act,* R.S.C. 1985, c. B-3

BETWEEN:

FARM CREDIT CANADA, a Federal Crown Corporation

-and-

HILLSPRING FARMS LTD., HSF FOODS LTD. and HILLSPRING WAREHOUSE & LOGISTICS INC., each a New Brunswick Corporation

APPLICANTS,

- and –

HILLSPRING FARMS LTD., HSF FOODS LTD. and HILLSPRING WAREHOUSE & LOGISTICS INC., each a New Brunswick Corporation

RESPONDENTS.

AFFIDAVIT OF BAILEY CAMPBELL
HSF FOODS LTD. SECURITY DOCUMENTS

I, **Bailey Campbell**, of the Town of Quispamsis, Province of New Brunswick, **MAKE OATH AND SAY:**

1. I am a lawyer with the law firm Cox & Palmer, counsel to Farm Credit Canada ("FCC").

2. As such, I have personal knowledge of the matters to which I herein depose, except where stated to be on information and belief and in such cases I do verily believe the truth of same.

3. Security documents were provided to Cox & Palmer by FCC in relation to a financing transaction that occurred on or about October 29, 2018 to HSF Foods Ltd. ("**HSF Foods Financing**"). Copies of the documents related to the HSF Foods Financing are attached hereto and marked as the following:

<u>Credit Agreement</u>:

a. **Exhibit "A"** – Amended and Restated Credit dated October 29, 2018.

<u>Guarantee Agreements</u>:

b. **Exhibit "B"** – Guarantees provided as follows:

   i. Hillspring Farms Ltd. in an unlimited amount dated June 3, 2015 at **tab 1**.

   ii. Benjamin Austin Brake in an unlimited amount dated June 3, 2015 at **tab 2**.

   iii. Jeremy Benjamin Brake in an unlimited amount dated October 26, 2018 at **tab 3**.

   iv. Jeremy Benjamin Brake in an amount limited to $3,000,000.00 dated April 20, 2018 at **tab 4**.

   v. Burbank Water & Wastewater Inc. in an unlimited amount dated October 26, 2018 at **tab 5**.

   vi. Hillspring Thaw Inc. in an unlimited amount dated October 26, 2018 at **tab 6**.

   vii. Hillspring Warehouse & Logistics Inc. in an unlimited amount dated October 26, 2018 at **tab 7**.

   viii. Sunrise Seed Farms Ltd. in an unlimited amount dated October 26, 2018 at **tab 8**.

ix. Burbank Industrial Supply Inc. in an unlimited amount dated October 26, 2018 at **tab 9.**

Mortgages:

c. **Exhibit "C"** – Collateral Mortgages registered as follows:

   i. Document number 27860494 and dated October 5, 2009, registered against PIDs 10080562, 10121937, 10153278 at **tab 1**.

   ii. Document number 32621907and dated April 26, 2013, registered against PIDs 35177328, 35159078, 35345537 at **tab 2**.

   iii. Document number 34811720 dated May 1, 2015, registered against PID 10264810 at **tab 3.**

   iv. Document number 37715373 dated January 11, 2018, registered against PID 10121499, 10277069 and 6520144 at **tab 4**.

Security Agreements:

d. **Exhibit "D"** – Security Agreements provided as follows:

   i. Security Agreement dated October 5, 2009 at **tab 1**.

   ii. Security Agreement dated January 28, 2011 at **tab 2**.

   iii. Security Agreement dated September 24, 2012 at **tab 3**.

   iv. Security Agreement dated December 2, 2013 at **tab 4**.

   v. Security Agreement dated September 2, 2014 at **tab 5**.

   vi. Security Agreement dated September 5, 2014 at **tab 6**.

   vii. Security Agreement May 1, 2015 at **tab 7**.

   viii. Security Agreement dated May 1, 2015 at **tab 8**.

Priority Agreements:

e. **Exhibit "E"** – Intercreditor Priority Agreement dated February 23, 2010.

Power Distribution Agreement:

f. **Exhibit "F"** – Assignment of a Power Distribution Agreement with New Brunswick Power Corporation dated October 26, 2018.

g. **Exhibit "G"** – Notice of Assignment of a Contract with New Brunswick Power Corporation dated October 26, 2018.

SWORN TO at the City of Saint John, in the Province of New Brunswick, this 18th day of June 2020 **BEFORE ME:**

Commissioner of Oaths being a Solicitor

Bailey Campbell

Caleb G. Hunter

CALEB G. HUNTER
NOTARY PUBLIC
NEW BRUNSWICK

This is Exhibit "A" to the Affidavit of Bailey Campbell SWORN TO at the City of Saint John, Province of New Brunswick, this 18th day of June 2020.

BEFORE ME:

Caleb Hunter

Notary Public in and for the Province of New Brunswick

Caleb G. Hunter

Farm Credit Canada Canada

Amended and Restated Credit Agreement

Customer number(s): 100163788

October 29, 2018

Private and Confidential

HSF Foods Ltd.
741 Central Street
Centreville, NB E7K 2M4

Dear Sir/Madam:

Reference is made to the credit agreement (the "**Initial Credit Agreement**") dated May 13, 2015 among Farm Credit Canada ("**FCC**"), as lender, **HSF Foods Ltd.** (the "**Borrower**"), as borrower, Hillspring Farms Ltd., as guarantor, and Benjamin Austin Brake, as guarantor (collectively, the "**Guarantors**" and each a "**Guarantor**" and collectively with the Borrower the '**Credit Parties**" and each a "**Credit Party**"), as amended by Amendment No. 1 to Credit Agreement dated January 18, 2017 (hereafter referred to as "**Amendment No. 1**"), an amended and restated credit agreement dated January 11, 2018 among FCC and the Credit Parties (hereinafter referred to as "**ARCA**"), as amended by Amendment No. 1 to ARCA dated April 18, 2018 among FCC, the Credit Parties, Burbank Water & Wastewater Inc., as borrower, and Jeremy Brake, as guarantor (hereinafter referred to as "**Amendment No. 1 to ARCA**").

FCC agrees to establish the credit facilities described below subject to the terms and conditions set out below and in the Schedules (collectively, the "**Credit Agreement**" or "**Agreement**"). The Initial Credit Agreement, Amendment No. 1, ARCA and Amendment No. 1 to ARCA are hereby amended and replaced in their entirety by this agreement. All existing credit facilities which are referred to in section 2.1 are now subject to the terms and conditions set out in this Agreement. The New Credit facility and the existing credit facilities are hereinafter collectively designated as "**Loan**" or "**Credit Facility**".

Notwithstanding the foregoing, all security granted in respect of an existing Credit Facility shall continue to secure the existing credit facility despite the replacement of all prior agreement(s) with this Agreement. Any and all Security Documents that have been delivered to FCC and are set out in Section 3 below, shall remain in full force and effect and apply in respect of all Outstanding Obligations.

1. Credit Parties

Borrower:	Name:	**HSF Foods Ltd.**
	Chief Executive Office:	741 Central Street, PO Box 501 Centreville, NB E7K 2M4
	Principal Place of Business:	Same
Guarantor:	Name:	**Hillspring Farms Ltd.**
	Chief Executive Office:	741 Central Street Centreville, NB E7K 2M4
	Principal Place of Business:	Same
Guarantor:	Name:	**Benjamin Austin Brake**
	Principal Place of Delivery:	123 Grant Street Woodstock, NB E7M 3Y5

Guarantor:	Name: Principal Place of Delivery:	**Jeremy Benjamin Brake** PO Box 409 Bath, NB E7J 2N2
Guarantor:	Name: Chief Executive Office: Principal Place of Business:	**Burbank Water & Wastewater Inc.** 741 Central Street Centreville, NB E7K 2M4 Same
Guarantor:	Name: Chief Executive Office: Principal Place of Business:	**Hillspring Thaw Ltd.** 741 Central Street Centreville, NB E7K 2M4 Same
Guarantor:	Name: Chief Executive Office: Principal Place of Business:	**Hillspring Warehouse & Logistics Inc.** 85 CN North Road Grand Falls, NB E3Z 2L1 Same
Guarantor:	Name: Chief Executive Office: Principal Place of Business:	**Sunrise Seed Farms Ltd.** 295 Tarrtown PO Box 409 Bath, NB E7J 2N2 Same
Guarantor:	Name: Chief Executive Office: Principal Place of Business:	**Burbank Industrial Supply Inc.** 741 Central Street Centreville, NB E7K 2M4 Same

2. Credit Facilities

2.1 The credit facilities set out in the **Schedule "E"** were established under the Initial Credit Agreement and amendments thereto. All such facilities have been advanced.

2.2 ***Credit Facility No. 0000685297000- $4,750,000.00***

Credit Facility Details	
Loan number	0000685297001
Principal amount	$4,750,000.00
Credit Facility type	RPL
Interest rate type	Variable
Product type	Standard
Term	5 year(s)
Amortization period	15 year(s)
Interest rate	8.15%
Loan Approval Expiry Date	2019-04-17
Maturity Date	2023-12-15

Subsequent payment schedule details	
First payment type details	
First payment type	Interest only
Start date	2018-11-15
Payment frequency	Monthly
Payment month(s)	All
Payment amount	Interest only
End date	2023-12-15
Second payment type details	
Second payment type	Blended
Start date	2019-01-15
Payment frequency	Monthly
Payment month(s)	All
Payment amount	$44,757.79
End date	2023-12-15

2.3 *Payee Details*

The Borrower authorizes and directs that FCC pay the funds under Credit Facility No. 0000685297000 as follows:

Payee Name	Purpose	Amount
Borrrower	Construction – Other	$896,906.23
Cox & Palmer (In Trust)	Construction – Production/processing Facilities	$3,836,093.77
FCC	FCC – Credit Facility Processing Fee	$17,000.00

You acknowledge that:

i. An advance of $896,906.23 under loan number 0000685297001 has been made to you directly from FCC. Subsequent disbursement will be adjusted for this advance.

You further acknowledge that FCC retains the discretion to advance all Credit Facility funds to the solicitor's trust account, despite your above request.

3. Security

The Credit Parties have executed and delivered the agreements, documents and instruments set out in **Schedule "F"** or shall execute and deliver, to FCC each of the following agreements, documents and instruments to secure the payment and performance of the Outstanding Obligations (collectively, the **"Security Documents"**):

3.1 *Cross Collateralization*

Each of the Credit Parties agrees, acknowledges and confirms to FCC that all Security Documents (including, without limitation, all new Security Documents delivered in connection with this Agreement) and the Liens created and constituted thereby in favour of FCC shall secure, and constitute general continuing collateral security for, the payment and performance of (i) the Outstanding Obligations, and (ii) all other indebtedness, liabilities and obligations of each Credit Party under or in connection with any and all other existing or future credit facilities or loans that any such Credit Party has with FCC from time to time. Each of the Credit Parties agrees to do, execute, acknowledge or deliver (or cause to be done, executed, acknowledged or delivered) any and all such acts, documents, agreements, deeds, assurances, information and other matters and things upon the request of FCC as may be necessary or desirable to give effect to the provisions of this Section.

3.2 *Continuing Effect of Security Documents*

Each of the undersigned acknowledges, confirms and agrees that all mortgage, security and other documents, agreements and instruments executed by it shall remain in full force and effect as binding obligations enforceable against it notwithstanding the execution and delivery of this Agreement and secure all present and future indebtedness, liabilities and obligations of the Credit Parties to FCC. For greater certainty and without limiting the generality of the foregoing, the Guarantors specifically agree that all guarantees provided by them remain in full force and effect as binding obligations enforceable against each of them as applicable.

4. Annual Statements and Other Information

4.1 Financial Statements

Each of the Credit Parties covenants and agrees with FCC that (i) until the Outstanding Obligations are repaid in full, (ii) the Credit Facilities have been terminated, and (iii) FCC has no commitment or obligation under this Agreement, each of the Credit Parties shall deliver, or cause to be delivered, to FCC:

(a) within 120 days after the end of each Financial Year of the Borrower, annual review engagement financial statements for the Borrower, prepared on a standalone basis;

(b) within 120 days after the end of each Financial Year of Hillspring Farms Ltd., annual review engagement financial statements for Hillspring Farms Ltd., prepared on a standalone basis;

(c) within 120 days after the end of each Financial Year of the Borrower, annual notice to reader financial statements for the Hillspring Farms Group, being the Borrower, Hillspring Farms Ltd., Burbank Water & Wastewater Inc., Hillspring Thaw Ltd., Hillspring Warehouse & Logistics Inc., Sunrise Seed Farms Ltd. and Burbank Industrial Supply Inc., prepared on a combined basis;

(d) within 120 days after the end of each Financial Year of Burbank Water & Wastewater Inc., annual review engagement financial statements for Burbank Water & Wastewater Inc., prepared on a standalone basis;

(e) within 120 days after the end of each Financial Year of Hillspring Warehouse & Logistics Inc., annual review engagement financial statements for Hillspring Warehouse & Logistics Inc., prepared on a standalone basis;

(f) within 120 days after the end of each Financial Year of Hillspring Thaw Ltd., annual review engagement financial statements for Hillspring Thaw Ltd., prepared on a standalone basis;

(g) within 120 days after the end of each Financial Year of Sunrise Seed Farms Ltd., annual notice to reader financial statements for Sunrise Seed Farms Ltd., prepared on a standalone basis;

(h) within 120 days after the end of each Financial Year of Burbank Industrial Supply Inc., annual review engagement financial statements for Burbank Industrial Supply Inc., prepared on a standalone basis;

(i) within 120 days after the end of each Financial Year, personal net worth statements and copies of personal income tax returns in respect of each such calendar year for Benjamin Austin Brake;

(j) within 120 days after the end of each Financial Year, personal net worth statements and copies of personal income tax returns in respect of each such calendar year for Jeremy Benjamin Brake;

(k) such other financial statements or financial reporting for any of the Credit Parties as FCC may request from time to time.

All financial statements required to be delivered by the Credit Parties pursuant to this Section (i) shall include a combined statement of cash flow, and (ii) shall not include Related Party transactions and/or accounts.

4.2 Ongoing Compliance Condition

The Credit Parties shall certify to FCC on an annual basis that each is in compliance with all terms and conditions of this Agreement, including without limitation all financial reporting and monitoring consents. The Credit Parties shall deliver a compliance certificate in the form attached hereto as **Schedule G.**

5. Financial Covenants

The Borrower covenants and agrees with FCC that (i) until the Outstanding Obligations are repaid in full, (ii) the Credit Facilities have been terminated, and (iii) FCC has no commitment or obligation under this Agreement, the Borrower, Hillspring Farms Ltd. Burbank Water & Wastewater Inc., Hillspring Thaw Ltd., Hillspring Warehouse & Logistics Inc., Sunrise Seed Farms Ltd. and Burbank Industrial Supply Inc. (hereinafter collectively referred to as the **"Hillspring Farms Group"**) shall each observe and comply with the following financial covenants:

5.1 *Debt Service Coverage Ratio*

The Debt Service Coverage Ratio calculated for Hillspring Farms Group, on a combined basis, at its Financial Year end and for each Financial Year thereafter will not be less than 1.10:1

"Debt Service Coverage Ratio" is defined as EBITDA less Drawings plus Contributions divided by interest expense and current portion of long-term debt (prior period).

"Contributions" is defined as advances made by the shareholders of any of the Hillspring Farms Group or their Affiliates to any of the Hillspring Farms Group, without duplication.

"Drawings" is defined as dividends, drawings and repayment of shareholder loans or loans made by Affiliates to any of the Hillspring Farms Group, without duplication.

"EBITDA" is defined as, for any period, the Credit Party's earnings, on a standalone basis, for such period before interest, taxes, depreciation and amortization for such period.

5.2 *General*

All financial covenants shall be calculated in accordance with the Accounting Standard. To the extent the Borrower is indebted to FCC under this Agreement or any other loan or credit agreement with FCC, the Borrower shall maintain, or cause to be maintained, the above financial covenants. The above financial covenants replace all previous financial covenants contained in any other credit or loan agreement entered into between the Borrower and FCC and any amendments thereto. If a conflict arises between any of the above financial covenants and those contained in any previous loan or credit agreement with FCC, compliance by the Borrower with the above financial covenants shall be required. This provision shall survive the termination or expiry of this Agreement and remain in full force and effect unless and until replaced in a future credit or loan agreement or other agreement signed by FCC and the Credit Parties in writing or other agreement signed by FCC and the Credit Parties in writing.

6. Repayment, Prepayment and Maturity

6.1 *Repayment*

Except for an Advancer Loan or a FCC Credit Line which are repayable on demand, all outstanding Advances and all other Outstanding Obligations shall be repaid in full and the Credit Facilities shall be cancelled on the applicable Balance Due Date, unless extended in writing by FCC on or before that date, in which case that extended date shall become the new Balance Due Date. Extensions may be requested by the Borrower. Extensions will be granted at the discretion of FCC. Prior to the applicable Balance Due Date, all amounts outstanding under the Credit Facilities, together with interest, shall become due in the manner and at the rates and times specified in this Agreement.

6.2 *Payment on Demand*

All outstanding Advances and all other Outstanding Obligations shall be repaid in full and the Credit Facilities shall be cancelled if any Credit Party has made any misrepresentation to FCC, has committed fraud against FCC, or if any Credit Party ceases to operate or operate materially in its Core Business, as determined by FCC in its sole discretion acting reasonably. Also, if any Credit Facility involves an Advancer Loan which has not been converted to a term loan, the Borrower and each other Credit Party acknowledges and agrees that such loans are demand loans and are to be repaid in full upon FCC's demand.

6.3 *Time and Place of Payment by Borrower*

Each payment or prepayment required or permitted to be made by the Borrower under this Agreement (whether on account of principal, interest, costs, or any other amount) shall be made to FCC at its corporate office in Regina, Saskatchewan not later than 10:00 a.m. (Regina time) or at FCC's local office on the date for payment of the same in immediately available funds, and if any payment made by the Borrower hereunder is made after 10:00 a.m., such payment will be deemed to have been made on the immediately following Banking Day and interest will continue to accrue on the amount of such payment until such following Banking Day.

6.4 ***Payments to be Made on Banking Days***

Whenever any payment to be made under this Agreement is due on a day that is not a Banking Day, such payment shall be made on the immediately following Banking Day unless the following Banking Day falls in another calendar month, in which case payment shall be made on the immediately preceding Banking Day.

6.5 ***Manner of Payment; No Set Off / Right of Compensation***

All payments to be made pursuant to this Agreement including principal, interest and costs will, except as otherwise expressly provided herein, be payable in Canadian dollars and all payments to be made pursuant to this Agreement are to be made in immediately available funds and without set-off, right of compensation, withholding or deduction of any kind whatsoever.

6.6 ***Mandatory Prepayments***

(a) **Debt and Equity Issuance.** The Borrower shall, within five (5) Banking Days from the date on which any Credit Party receives any cash proceeds from (i) any sale or issuance of Indebtedness by any Credit Party (excluding, for certainty, any Permitted Indebtedness, vendor-take-back or other deferred payment arrangement entered into by any Credit Party with respect to payment of the purchase price for any Permitted Acquisition), and (ii) any equity raised from an initial public or private offering undertaken by any Credit Party, prepay all outstanding Advances (until repaid in full) in an aggregate principal amount equal to 100% of the cash proceeds of any such issuance of Indebtedness or equity sale less the reasonable out-of-pocket costs, expenses and fees incurred by such Credit Party in connection with such issuance of Indebtedness or equity sale.

(b) **Insurance Proceeds.** The Borrower shall, within five (5) Banking Days from the date on which any Credit Party receives any cash proceeds from or relating to any expropriation, condemnation, destruction, business interruption or other loss of its property, prepay all outstanding Advances (until repaid in full) in an aggregate principal amount equal to 100% of such proceeds less the reasonable out-of-pocket costs and expenses incurred by such Credit Party in connection with such expropriation, condemnation, destruction, business interruption or loss to obtain such proceeds, unless such proceeds are to be used by the applicable Credit Party to repair the damaged asset or acquire a replacement asset within one hundred and eighty (180) days of the date of such receipt of such net cash proceeds and a senior officer of the Borrower certifies in writing to FCC at the time of such receipt that any such subsequent repair or acquisition shall be made within such one hundred and eighty (180) day time period.

(c) **Asset Dispositions.** The Borrower shall, within five (5) Banking Days from the date on which any Credit Party receives any cash proceeds from any Asset Disposition by any Credit Party (other than Permitted Asset Dispositions), prepay all outstanding Advances (until repaid in full) in an aggregate principal amount equal to 100% of the cash proceeds of each such Asset Disposition less the reasonable out-of-pocket costs, expenses and fees incurred by such Credit Party in connection with such Asset Disposition, unless such proceeds are used by the applicable Credit Party to acquire a replacement asset within one hundred and eighty (180) days of the date of such disposition and a senior officer of the Borrower certifies in writing to FCC at the time of such Asset Disposition that any such subsequent acquisition shall be made within such one hundred and eighty (180) day time period.

(d) **Inverse Order of Maturity**. Amounts prepaid pursuant to this Section shall be applied (i) firstly to permanently prepay all scheduled principal payments in inverse order of maturity for all Credit Facilities that constitute a term facility until all such Credit Facilities have been permanently repaid in full and such Credit Facilities are reduced to nil, (ii) secondly to repay all Credit Facilities that constitute a revolving or operating facility, and (iii) thirdly to repay any other Outstanding Obligations.

7. Interest Rates, Fees and Costs

7.1 *Interest Rates*

Subject to the provisions of this Agreement, interest shall accrue on the aggregate principal amount of all Advances outstanding from time to time commencing on and including the day on which such Advance is advanced and ending on, but excluding, the day on which it is repaid, such interest to be calculated daily and payable monthly, in arrears, on the first Banking Day of each and every month during which such Advances remain unpaid, based upon a year of 365 or 366 days as the case may be, at the variable or fixed rate of interest per annum specified and calculated in the manner set out in Sections 2 above and in Schedule B.

7.2 *Expenses and Legal Fees*

Regardless of whether any or all of the transactions contemplated in this Agreement shall be consummated, the Borrower shall pay to FCC all legal fees and disbursements and all fees, costs and out-of-pocket expenses incurred by FCC with respect to the negotiation, preparation and registration of the Loan Documents including, without limitation, amendments of the Loan Documents and their registration. In addition, the Borrower shall reimburse FCC on demand for all fees, cost and out-of-pocket expenses including, without limitation, legal fees and disbursements (on a solicitor and own client or full indemnity basis) incurred by FCC following the Closing Date in connection with the exercising or defending of any or all of the rights, recourses, remedies and powers of FCC under any of the Loan Documents or the realization on any Collateral, or the taking of any proceedings for the purpose of enforcing its rights and remedies provided in the Loan Documents or available at law.

7.3 *Fees*

In addition to the obligations of the Borrower to pay interest, costs and expenses as set out in this Agreement, the Borrower shall also pay the following non-refundable fees:

(a) **Loan Processing Fee**. The Borrower shall pay non-refundable loan processing fees in the aggregate amount of $17,000 which shall be fully earned by FCC and payable by the Borrower on the Closing Date.

(b) **Non-Compliance Risk Adjustment Fee**. If the Borrower breaches a financial covenant, FCC shall assess a risk adjustment fee equal to 10 basis points (0.10%) of the loan balance at fiscal year-end.

(c) **Multi-disbursement Fee**. The first two disbursements will be made at no cost to the Borrower, but the fee for each subsequent disbursement will be $100.00, which will be retained by FCC from the disbursement proceeds.

(d) **Default Fees.** In the event of a late submission of financial reporting requirements set out in this Agreement, FCC may, in its sole and absolute discretion, charge the Borrower a default fee of $1,000 per instance per reporting period.

7.4 Fees represent FCC's liquidated damages, not penalties, to compensate FCC for the higher than forecast risk and/or non-performance of a covenant. Liquidated damages means the parties acknowledge and agree that this fee is a reasonable estimation of the actual damages suffered by FCC upon a breach contemplated by this section, and that You will pay the fee to FCC in the event of such a breach. You acknowledge that the precise amount of FCC's actual damages would be extremely difficult to calculate and that the fee set out in the Agreement represent a reasonable estimate of the actual damages and effort incurred by FCC in responding to a breach. Fees are due on demand. Payment of a fee does not cure a default and does not affect our remaining rights under this Agreement or any other document.

8. Conditions Precedent

8.1 *Conditions Precedent to the Initial Advances*

The obligation of FCC to make available the an Advance under this Agreement is subject to the terms and conditions of this Agreement and is conditional upon receipt of the documents listed below and satisfactory evidence being given to FCC and its counsel as to compliance with the following conditions:

(a) **Loan Documents.** This Agreement and all other Loan Documents have been executed and delivered to FCC (including, without limitation, all new Security Documents required by FCC).

(b) **Registration and Perfection.** All Security Documents have been registered, recorded, filed or perfected in all jurisdictions deemed necessary by FCC and its counsel.

(c) **Certificates, Resolutions and Legal Opinions.** FCC shall have received, duly executed and in form and substance satisfactory to it:

(i) a copy of the constating documents, by-laws, shareholders agreements and partnership agreements, as applicable, of each Credit Party and a copy of the resolutions of the board of directors of each Credit Party authorizing the execution, delivery and performance of this Agreement and the other Loan Documents, in each case, certified by a senior officer of each Credit Party;

(ii) a certificate of incumbency for each Credit Party showing the names, offices and specimen signatures of the officers authorized to execute this Agreement and the other Loan Documents;

(iii) such legal opinions from counsel to the Credit Parties addressed to FCC covering matters relating to the Credit Parties, this Agreement and the other Loan Documents as FCC may require; and

(iv) such additional supporting documents as FCC or its counsel may reasonably request.

(d) **Good Standing**. Each of the Credit Parties is in possession of, and in good standing or compliance with, all necessary permits, licenses, authorizations and other approvals required to legally undertake and carry on its business in the Provinces where such Credit Party carries on its business.

(e) **Payment of Fees**. FCC shall have received payment in full from the Borrower of all fees, out of pocket expenses and other amounts due and payable to FCC (including, without limitation, all legal fees and disbursements of legal counsel to FCC).

(f) **Consents and Approvals**. All necessary or desirable approvals, clearances and consents from any Governmental Authority or other Person necessary to complete the transactions contemplated by the Loan Documents shall have been received by the Credit Parties.

(g) **Due Diligence**. FCC shall have completed and be satisfied with the results of its financial, business, accounting, tax, environmental, legal and other due diligence with respect to the Credit Parties including, without limitation, the corporate, capital, tax, legal and management structure and cash management systems of the Credit Parties, and shall be satisfied, in its sole judgment, with the nature and status of all securities, labour, tax, employee benefit (including pension plan), environmental, health and safety matters, organizational and capital structure matters involving or affecting any Credit Party. FCC shall have received and be satisfied with the results of all personal property, litigation, judgment, bankruptcy, bulk sale, execution and other searches conducted on behalf of FCC with respect to the Credit Parties in all applicable jurisdictions.

(h) **Repayments of Indebtedness and Discharge of Liens**. All Indebtedness owing to any creditor by any Credit Party as determined by FCC shall have been repaid in full on the Closing Date other than Permitted Indebtedness. All Liens held by any creditor charging any Collateral shall have been discharged, or where applicable, partially discharged, other than Permitted Liens.

(i) **Inter-creditor Arrangements**. All such comfort letters, estoppel certificates, subordination and postponement agreements and inter-creditor agreements from other secured creditors of the Credit Parties as FCC may require, in its sole discretion, shall have been duly executed and unconditionally delivered by all parties thereto.

(j) **Pre-Authorized Payments**. FCC shall have received all information and documentation duly executed by the Borrower which is required for purposes of establishing payments under this Agreement to be made by way of pre-authorized payments (including, without limitation, a void cheque).

(k) **Title Insurance; Title Opinion**. In respect of a new mortgage, FCC shall have received either: (i) a commitment to title insure from a reputable title insurer confirming that a lender's title insurance policy is in effect in such amounts and such endorsements as required by FCC, or (ii) a title opinion from the applicable Credit Party's legal counsel, in form and substance satisfactory to FCC and its counsel.

(l) **Certificate of Insurance; Adequacy of Coverage**. FCC shall have received a certificate of insurance in respect of all policies of insurance maintained by the Credit Parties confirming: (i) compliance with section 1.1(k) of Schedule A, (ii) business interruption insurance providing coverage in an amount not less than $7,500,000, and (iii) comprehensive commercial general liability coverage in an amount of not less than $5,000,000 per occurrence. FCC shall also have received written confirmation from the Borrower's insurance broker (or insurance company) addressed to FCC, in form and substance satisfactory to FCC, confirming the adequacy of insurance coverage for the Core Business.

(m) **Financial Statements.** FCC shall have received and be satisfied with such financial statements as may be requested by FCC from the Borrower.

(n) **Environmental Compliance.** FCC must be satisfied in its sole discretion, that all regulatory agency requirements relating directly or indirectly to environmental impacts, potential environmental hazards, environmental, health or safety risks or environmental issues related to any Credit Party's current or projected business operations have been met or to past operations that may have caused or contributed to a breach of regulatory requirements have been rectified.

(o) **Environmental Assessment.** FCC shall have completed and be satisfied with its environmental risk assessment process. To the extent a Phase 1 or 2 environmental report is required, FCC shall have received and be satisfied with such environmental report.

(p) **Completion of New Property Acquisitions.** The acquisition by the Borrower of new properties, if any, (collectively, the "**New Property**") shall be completed (i) on terms and conditions acceptable to FCC (including, without limitation, the purchase price), and (ii) concurrently with the applicable Advance under this Agreement in the manner contemplated by the respective purchase and sale agreements by FCC (collectively, the "**Purchase Agreements**"):

i. **Closing Conditions Certificate.** FCC shall have received and be satisfied with a certificate duly executed by the Borrower confirming that (i) the acquisition of the New Property has been completed on or prior to the Closing Date in accordance with the Purchase Agreements, (ii) all conditions precedent set out in the Purchase Agreements have been satisfied (and not waived by the Borrower), and (iii) immediately after giving effect to the acquisition of the New Property and the other transactions contemplated by this Agreement: (A) the Borrower shall be in pro forma compliance with the financial covenants set out in this Agreement, and (B) no Default or Event of Default has occurred or will result from the initial Advances under this Agreement.

ii. **Purchase Agreements.** FCC shall have received certified copies of each of the Purchase Agreements.

iii. **Appraisal.** FCC shall have received and be satisfied with all appraisals, in form and substance satisfactory to FCC, in respect of the New Property.

iv. **Life Insurance.** FCC shall have received and be satisfied with evidence of life insurance policies on the lives of each of Benjamin Austin Brake and Jeremy Brake, each in a minimum amount of $5,000,000, with each policy to be irrevocably assigned to FCC.

v. **Construction Contract Documents.** FCC shall have received copies of all construction contracts pertaining to any construction projects being financed by FCC, including but not limited to construction budgets and invoices.

vi. **Final Inspection.** FCC shall have conducted a final inspection of the cogeneration plant and office structure, the results of which shall be satisfactory to FCC and FCC Valuation Services in its absolute discretion.

vii. **Other Documents.** FCC shall have received such other documents and agreements as are customary in transactions of this type or as FCC may request.

8.2 ***Conditions Precedent to All Advances***

The obligation of FCC to make available the initial Advance under this Agreement and any other Advance subsequent to the initial Advance and to perform its other obligations under this Agreement is subject to the terms and conditions of this Agreement and is conditional upon FCC's receipt of the documents listed below and satisfactory evidence being given to FCC and its counsel as to compliance with the following conditions:

(a) **Notice of Borrowing.** FCC shall have received a duly executed notice of borrowing in respect of the requested Advance.

(b) **Representations and Warranties.** The representations and warranties of the Credit Parties in each of the Loan Documents are true and correct in all material respects as if made on and as of each such date unless specifically made as of a certain date.

(c) **No Material Adverse Change.** No Material Adverse Change has occurred since the date of the most recent compliance certificate or other financial reporting delivered by the Borrower to FCC.

(d) **Loan Documents.** All Loan Documents are in full force and effect.

(e) **No Default.** No Default or Event of Default shall have occurred and be continuing or would result after giving effect to the Advance.

(f) **Priority Payables.** There are no priority payables outstanding in respect of which payments are overdue.

(g) **Bring Down Certificate.** A bring down certificate executed by a senior officer of the Borrower on the applicable Advance date confirming that all of the terms and conditions set out in this Section are true and correct as of the date of the Advance.

8.3 ***Waiver of Conditions Precedent***

The conditions precedent provided for in this Section are for the sole and exclusive benefit of FCC. FCC may waive such conditions precedent, in whole or in part, with or without conditions, without prejudice to any other or future rights that it may have against the Credit Parties and any other Person.

9. General Provisions

9.1 ***No Novation***

Nothing in this Agreement shall constitute novation, payment, re-advance, or otherwise of any existing indebtedness, liabilities and obligations of the Credit Parties to FCC.

9.2 ***Conflict***

The terms and conditions contained in the attached Schedules are incorporated into and form an integral part of this Agreement. In the event of a conflict between the terms of this Agreement and the terms of the Schedules, the terms of this Agreement shall prevail.

9.3 ***Replacement***

This Agreement supersedes and replaces all prior discussions, letters and credit agreements (if any) describing the terms and conditions of any credit facilities established by FCC in favour of the Borrower.

9.4 ***Confidential***

The Borrower shall keep the terms of this Agreement, including specifically the interest rate, strictly confidential and will not disclose the terms of this Agreement to any Person without FCC's prior consent. The Borrower may, however, disclose the terms of this Agreement to its legal, banking, accounting and business advisors on a need to know basis.

9.5 ***Governing Law***

This Agreement shall be governed by and construed in accordance with the laws of the Province of New Brunswick and the laws of Canada applicable therein and shall be treated in all respects as a New Brunswick contract. The Credit Parties irrevocably submit and attorn to the non-exclusive jurisdiction of the courts such Province and acknowledge the competence of such courts and irrevocably agree to be bound by a judgement of such court.

9.6 ***Language***

The parties have requested that this Agreement and all other Loan Documents be drafted in English. Les parties ont requis que cette convention et tous les autres documents soient rédigés en anglais.

9.7 ***Integrity Declaration***

FCC acts with integrity, balancing business decisions with individual needs to achieve our vision of sustainable growth and prosperity for Canada's agriculture industry.

FCC is committed to supporting the industry over the long-term and through all cycles. We work with customers to understand the material issues that they face and to help them identify and resolve issues in a way that generates a positive impact on society while minimizing the risks associated with their business.

FCC's committed partnership begins with complete disclosure on all aspects of a customer's business.

FCC lends only to individuals or businesses with integrity who respect and adhere to applicable municipal bylaws, provincial and federal laws and regulations, who hold all permits and licenses required by law, and whose activities respect and care for (i) the environment by exercising reasonable care to safeguard the environment through stewardship of land, air quality, and water; (ii) animal welfare through application of the National Farm Animal Care Council (NFACC) Codes as a foundation for animal care; (iii) labour standards by upholding requirements set through Canada's labour laws including for seasonal workers; and (iv) in general, society and human rights.

FCC does not lend to individuals or businesses who (i) willfully neglect applicable operating laws and regulations; (ii) engage in any money laundering activities or are involved in financing terrorist activities; or (iii) are involved in illegal or other activities that could harm FCC's reputation and/or do not align with our expressed commitment to sustainability.

The Credit Parties must disclose in writing to FCC if they (i) anticipate or are involved in any legal action, or any proceedings before any court, tribunal, board or agency or there are any unexecuted judgments rendered against them; (ii) are in default under any material contracts that affect their business or assets; (iii) have declared bankruptcy (discharged or undischarged) or have been the subject of other insolvency proceedings or proposals; (iv) have been in arrears in the payment of income, business or property taxes, GST, HST, sales tax, payroll deductions, or similar payment obligations; (iv) have been convicted of a criminal offence (except for a conviction for which a pardon has been granted); (v) have undergone any type of investigation or have been accused or convicted of any offense related to fraud, money laundering or terrorist financing; or (vi) are aware of any of their directors, officers, shareholders, or partners being involved in any of the preceding issues, as applicable.

If any of the Credit Parties fail to conduct their respective businesses in line with the integrity commitments and required disclosures set out above, FCC may consider this to be an Event of Default or cause to end any contractual relationship between the Credit Parties and FCC. Specifically, FCC may decline to provide further financial services or make any further loan disbursements, terminate loans, demand immediate repayment of any outstanding loan balance or other amount due by the Borrower, or enforce FCC's interest in any Collateral.

By signing this Agreement, the Credit Parties acknowledge (i) reading and jointly affirm the integrity declaration; (ii) consent to FCC's collection, use, and disclosure of their personal information in the manner and for the purposes described above; and (iii) there is no reason FCC may have any concern with the businesses of the Credit Parties.

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Acceptance

This Agreement may be accepted by signing, dating and returning to FCC on or before October 31, 2018 the enclosed copy of this Agreement executed by the Credit Parties as set out below. Failing such acceptance, this offer shall be of no further force or effect.

FARM CREDIT CANADA

Per: ______________________

Name: Michael Beaulne
Title: Legal Counsel

AGREED TO and ACCEPTED this 26 day of October, 2018.

Borrower:

HSF FOODS LTD.

Per: ______________________

Name: Benjamin Brake

Title: President

I/we have authority to bind the Corporation

Guarantor:

HILLSPRING FARMS LTD.

Per: ______________________

Name: Benjamin Brake

Title: President

I/we have authority to bind the Corporation

Guarantor:

BURBANK WATER & WASTEWATER INC.

Per: ______________________

Name: Jeremy Brake

Title: President

I/we have authority to bind the Corporation

Guarantor:

HILLSPRING THAW LTD.

Per: ______________________

Name: Jeremy Brake

Title: President

I/we have authority to bind the Corporation

Guarantor:

HILLSPRING WAREHOUSE & LOGISTICS INC.

Per:

Name: Jeremy Brake
Title: President
I/we have authority to bind the Corporation

Hillspring Warehouse & Logistics Inc. INCORPORATED 2016

Guarantor:

SUNRISE SEED FARMS LTD.

Per:

Name: Jeremy Brake
Title: President
I/we have authority to bind the Corporation

Sunrise Seed Farms Ltd. INCORPORATED 2017 NEW BRUNSWICK

Guarantor:

BURBANK INDUSTRIAL SUPPLY INC.

Per:

Name: Jeremy Brake
Title: President
I/we have authority to bind the Corporation

Burbank Industrial Supply Inc. INCORPORATED 2017

Witness

Guarantor:

BENJAMIN AUSTIN BRAKE

Witness

Guarantor:

JEREMY BENJAMIN BRAKE

Schedule A – Standard Terms and Conditions

1. Covenants of the Credit Parties

1.1 *Affirmative Covenants*

The Credit Parties covenant and agree with FCC that (i) until the Outstanding Obligations are repaid in full, (ii) the Credit Facilities have been terminated, and (iii) FCC has no commitment or obligation under this Agreement, the Credit Parties will observe and perform, or will cause the observance and performance of, each of the following covenants:

(a) **Payment of Principal, Interest and Expenses.** The Borrower shall duly and punctually pay or cause to be paid to FCC, the Outstanding Obligations at the times and places and in the manner provided for in this Agreement.

(b) **Use of Funds.** The Borrower shall use and employ the funds received from FCC pursuant to this Agreement solely for agricultural purposes including the uses set out in Section 2.2 of this Agreement with respect to the initial Advance and thereafter only for the Core Business, the Borrower's working capital and Permitted Acquisitions.

(c) **Books and Records.** The Credit Parties shall maintain at all times, a system of accounting established and administered in accordance with the Accounting Standard, consistently applied and in accordance with sound business practices and shall therein make complete, true and correct entries of all dealings and transactions relating to its business in accordance with sound business practices. All financial statements furnished to FCC shall fairly present the financial condition and the results of the operations of the Credit Parties and all other information, certificates, schedules, reports and other papers and data furnished to FCC by the Credit Parties will be accurate, complete and correct in all material respects.

(d) **Access and Information.** The Credit Parties shall (i) discuss and review with FCC and its authorized representatives any matters directly relevant to this Agreement and relating to the business of the Credit Parties or pertaining to all or any part of its or their respective properties as FCC may reasonably request, (ii) permit any authorized representative of FCC to visit, inspect and have access to its or their respective property and assets at any and all reasonable times during normal business hours with reasonable prior notice, (iii) permit, at any and all reasonable times during normal business hours with reasonable prior notice, FCC and its authorized representatives to examine all of its books of account, records, reports, documents, papers and data and to make copies and take extracts thereof, and to discuss respective business, affairs, finances and accounts with its and their executive officers, senior financial officers, accountants and other financial advisors; and (iv) authorize FCC to obtain credit or other information about the Borrower, and the Collateral, and to allow FCC to, during the term of the Agreement, exchange such information with any financial institution, credit reporting agency, rating agency, credit bureau, governmental body or regulatory authority, and anyone with whom the Borrower may have or propose to have financial dealings. The Borrower also agrees that FCC may use loan information for FCC's internal research and marketing purposes and that FCC may contact the Borrower regarding FCC's other products and services.

(e) **Notices.** The Borrower shall promptly give notice to FCC of:

(i) any event which constitutes a Default or Event of Default, together with particulars in reasonable detail specifying the nature thereof and the steps being taken to cure such Default or Event of Default;

(ii) any notice of expropriation of any Collateral;

(iii) any claim, proceeding or litigation in respect of any Credit Party which, if adversely determined, could reasonably be expected to have a Material Adverse Effect, whether or not any such claim, proceeding or litigation is covered by insurance;

(iv) any official notice of any violation, non-compliance or claim made by any Governmental Authority pertaining to: (A) the operations of any Credit Party or any of its Affiliates, or (B) all or any part of the property and assets of any Credit Party or any of its Affiliates, in each case, which if adversely determined, could reasonably be expected to have a Material Adverse Effect;

(v) any Lien other than Permitted Liens registered against any Collateral;

(vi) particulars in reasonable detail of: (A) any event or condition, or (B) assertion of any environmental matter by any Person against or with respect to the activities and operations of any Credit Party, in each case, not previously disclosed to FCC, which violates or results in non-compliance with any Environmental Law other than any event, condition or environmental matter that, if adversely determined, would not (either individually or in the aggregate) have a Material Adverse Effect;

(vii) any event, development or condition which may reasonably be expected to have a Material Adverse Effect; and

(viii) any changes in the composition of the Borrower's or any other Credit Party's executive management team.

(f) **Corporate Status and Qualification.** Each Credit Party shall do or cause to be done all such things as are necessary to maintain its existence in good standing, to ensure that it has at all times the right and is duly qualified to conduct its business where such qualification is necessary and to obtain and maintain all rights, privileges, licences, permits, contracts, agreements and franchises necessary for the conduct of its business.

(g) **Conduct of Business.** Each Credit Party shall (i) continuously carry on and conduct the Core Business in a proper and efficient manner, (ii) not make any Material Adverse Change to the Core Business, (iii) maintain its properties and assets in good working order and condition (ordinary wear and tear excepted) and operate such properties and assets in a prudent manner, and (iii) take all necessary steps to maintain, protect and preserve its assets and properties and its title thereto.

(h) **Compliance with Laws.** Each Credit Party shall comply with all Applicable Laws and orders of any Governmental Authority having jurisdiction applicable to it or its property and obtain and maintain in good standing all material licences, permits and approvals required (as and when same are, by law, required) from any and all Governmental Authorities, and ensure that the Core Business and its operations are at all times in compliance in all material respects with all Applicable Laws, building codes, ordinances and zoning requirements.

(i) **Further Assurances.** Each Credit Party shall, and shall cause every other Credit Party, to cure promptly any defects in the execution and delivery of the Loan Documents. Upon reasonable request of FCC, each Credit Party shall, at the Borrower's expense, as promptly as practical, execute and deliver to FCC, all such other and further documents, agreements and instruments (and cause every other Credit Party to take such action) in compliance with or performance of the covenants and agreements of each Credit Party in any of the Loan Documents, or to further evidence and more fully describe the Collateral, or to correct any manifest errors in any of the Loan Documents, or to more fully state the security obligations set out in any of the Loan Documents, or to perfect, protect or preserve any Liens created pursuant to any of the Loan Documents, or to make any recordings, to file any notices, or obtain any consents, all as may be necessary or appropriate in connection therewith.

(j) **Taxes.** Each Credit Party shall cause to be paid all Taxes lawfully levied, assessed or imposed upon it or in respect of its property as and when the same shall become due and payable, and exhibit or cause to be exhibited to FCC when required, the receipts and vouchers establishing such payment, and duly observe and conform to all valid requirements of any Governmental Authority relative to its property or rights and relative to all covenants, terms and conditions upon or under which any such property or rights are held; provided, however, that it shall have the right to Contest any such Taxes or other amounts and, upon such Contest, may delay or defer payment or discharge thereof if such contestation will involve no forfeiture of Collateral or the subordination of the Liens created by the Security Documents to such Taxes unless collateral or other security satisfactory to FCC have been deposited with FCC in respect thereof.

(k) **Insurance.**

(i) Each Credit Party shall, and shall cause every other Credit Party to, maintain or cause to be maintained, insurance with respect to the Collateral against such liabilities, casualties, risks and contingencies, of such types and in such amounts as is customary in the case of Persons engaged in the same or similar businesses and similarly situated and in accordance with any other specified requirements of any Governmental Authority or FCC including but not limited to: (i) property insurance on an "all-risks" replacement cost basis (including extended perils coverage) on the Property and all buildings, equipment and other property used in the operation of your business; (ii) broad-form boiler and machinery insurance for all of your boilers, pressure valves and vessels, machinery and air conditioning equipment; (iii) comprehensive commercial general liability insurance against claims for personal injury, bodily injury, and property damage occurring on, in, or about the lands and buildings and covering all of your operations, such insurance shall be in an amount not less than greater of loan amount, not less than replacement value or an amount acceptable to FCC per occurrence; (iv) a rider for construction insurance during the construction of the Project; (v) business interruption insurance in an amount approved by FCC; and (vi) any other insurance required by this Agreement (the "**Insurance**").

(ii) All policies of Insurance shall be in form and substance acceptable to FCC, acting reasonably, and shall be underwritten by financially sound and reputable insurance companies.

(iii) In the case of any fire, accident or other casualty causing loss or damage to any assets or properties of any Credit Party used in generating cash flow or required by Applicable Law, all proceeds of the Insurance shall be dealt with in accordance with the mandatory prepayment provisions of this Agreement; provided that, if an Event of Default has occurred and is continuing, all proceeds of such Insurance shall only be used as directed by FCC in its sole discretion.

(iv) All Insurance with respect to the assets and property of the Credit Parties shall be endorsed in favour of FCC as first mortgagee and as first loss payee, and shall be in an amount no less than the replacement value of the assets and property insured. FCC shall be named as an additional insured in respect of all liability policies and such policies shall contain cross liability and severability of interest provisions. FCC shall be designated as beneficiary on the course of construction insurance and property insurance in amounts and on terms acceptable to FCC.

(v) Each Credit Party shall use reasonable best efforts to ensure that the Insurance shall contain provisions that the insurer shall provide at least thirty (30) days prior notice to FCC of any changes to the Insurance and that the Insurance shall not be cancelled without at least thirty (30) days prior notice being given by the insurer(s) to FCC, evidence of the giving of such notice to be the responsibility of the insurer(s) in each case, and shall contain the Insurance Bureau of Canada's standard mortgage clause or an alternative appropriate form of mortgage clause satisfactory to FCC.

(vi) If any Credit Party defaults in so insuring its real or personal property and assets as are required under this Section to be insured or, in so delivering the certificates or policies of Insurance within the time period required under this Agreement, FCC may, at its option, immediately effect and pay the premiums for such Insurance and the Borrower shall reimburse FCC for any premiums so paid with interest thereon at the then applicable interest rate with respect to the Advancer Loan.

(vii) As soon as practicable following the happening of any loss or damage in respect of any Credit Party's real or personal property and assets subject to any Insurance, the Borrower shall, at its expense, furnish or cause to be furnished all necessary proof and do all necessary acts to enable the Person entitled to receipt of the proceeds of such insurance pursuant to this Section to obtain payment thereof.

(viii) All policies of Insurance will, where applicable, contain a release of any subrogation rights which any Credit Party's insurers may have against FCC or those for whom any of them are in law responsible.

(ix) Each Credit Party agrees to deliver in writing to FCC, from time to time, upon reasonable request by FCC, all information relating to the Insurance and all monies payable to such Credit Party thereunder. FCC shall be entitled, from time to time, to inspect any books, papers, documents or records evidencing or relating to such Insurance and make copies thereof.

(x) Each Credit Party agrees that it shall provide FCC with a certified copy of each policy of Insurance as soon as practical but no later than 180 days from the Closing Date, together with a certified copy of each policy of

Insurance issued in replacement of or in substitution for any policy of Insurance or policies of Insurance or as a renewal of any policy of Insurance or policies of Insurance.

(l) **Repairs**. Each Credit Party shall at all times, make or cause to be made such expenditures, replacements, repairs, and maintenance as shall be necessary to maintain, preserve and keep at all times the Collateral in good repair, physical condition, working order and a state of good operating efficiency, as would a prudent owner of comparable property conducting a similar business.

(m) **Environmental Compliance**. Each Credit party shall:

(i) use and operate all of its facilities and properties in compliance with all Environmental Laws, keep all necessary permits, approvals, certificates, licences and other authorizations relating to environmental matters in effect and remain in compliance therewith, and handle all Contaminants in compliance with all applicable Environmental Laws;

(ii) immediately notify FCC and provide copies upon receipt of any written claim, complaint, notice or inquiry to such Credit Party relating to the release of Contaminants at any facility or property which would result in such Credit Party being in material non-compliance with any Environmental Law;

(iii) at all times maintain a reserve on its books for environmental liabilities in accordance with the requirements of the Accounting Standard, and

(iv) provide such information and certifications which FCC may reasonably and specifically request from time to time to evidence of compliance with this Section.

(n) **Observance of Agreements**. Each Credit Party shall observe, perform and enforce in a timely fashion all of its contractual obligations and rights, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

(o) **Additional Subsidiaries; Additional Liens**. Upon written request by FCC, if, at any time on or after the Closing Date, any Credit Party directly or indirectly (i) creates or acquires an additional Subsidiary, or (ii) in some other manner becomes the holder of any Equity Securities of a Subsidiary by any means whatsoever, in each case, the Borrower will, or will cause such new Subsidiary, to execute and deliver to FCC subject only to those Permitted Liens which are senior to the Security Documents by operation of law and which have not been contractually subordinated, within 30 days of such creation, acquisition or qualification, a guarantee, security agreements (creating a first priority Lien against all property, assets and undertaking of such Subsidiary in favour of FCC), and other agreements, instruments, documents, certificates, resolutions and legal opinions similar in type, scope and form as those delivered by the Credit Parties pursuant this Agreement and otherwise satisfactory to FCC. Each guarantee, pledge agreement, mortgage, security agreement and other related document delivered pursuant to this Section shall be deemed to be a Security Document from and after the date of execution thereof.

(p) **After-Acquired Property**. Upon written request by FCC, following the acquisition by any Credit Party after the Closing Date of any after-acquired property that forms part of the Collateral and is not automatically subject to a perfected Lien under the Security Documents, such Credit Party shall execute and deliver, any Security Documents and cause to be filed such financing statements or other registrations as may be necessary to vest in FCC a first ranking perfected security interest (subject only to those Permitted Liens which are senior to the Security Documents by operation of law and which have not been contractually subordinated) in such after-acquired property and to have such after-acquired property added to the Collateral, together with supporting documents, including opinions and third party estoppel letters consistent with the type delivered on the Closing Date, and thereupon all provisions of this Agreement relating to the Collateral shall be deemed to relate to such after-acquired property to the same extent and with the same force and effect. Such actions shall be taken within the timeframe specified in the relevant Security Documents or, if no timeframe is specified, within (i) sixty (60) days of acquisition of the relevant real property, and (ii) five (5) days of acquisition of the relevant personal property.

(q) **Pension and Benefit Plans.** For each existing Pension Plan and Benefit Plan, each Credit Party shall, in a timely fashion, comply with and perform in all respects all of its obligations under and in respect of each such Pension Plan or Benefit Plan, including under any funding agreements and all Applicable Laws (including any fiduciary, funding, investment and administration obligations), in each case, in respect of which the failure to comply or perform could reasonably be expected to have a Material Adverse Effect. All employer or employee payments, contributions or premiums required to be remitted, paid to or in respect of each existing Pension Plan or Benefit Plan shall be paid or remitted by each applicable Credit Party in a timely fashion in accordance with the terms thereof (including any funding agreements and all Applicable Laws), in each case, in respect of which the failure to pay or remit would reasonably be expected to have a Material Adverse Effect. The Borrower shall deliver to FCC (i) if requested by FCC, copies of each annual and other return, report or valuation with respect to each existing Pension Plan or Benefit Plan as filed with any applicable Governmental Authority by any Credit Party, (ii) promptly after receipt thereof, a copy of any direction, order, notice, ruling or opinion that any Credit Party may receive from any applicable Governmental Authority with respect to any Pension Plan or Benefit Plan relating to any matter that would reasonably be expected to have a Material Adverse Effect, and (iii) notification within thirty (30) days of any increases having a cost to any Credit Party in excess of $100,000 per annum in the aggregate, in the benefits of any existing Pension Plan or Benefit Plan.

(r) **Rectification of Defaults by FCC.** In the event that FCC receives any notice of default or breach by any Credit Party of any term, covenant or condition in an agreement which default or breach, in the reasonable opinion of FCC, is likely to have a Material Adverse Effect or upon a material portion of the Collateral, the applicable Credit Party shall permit or cause to be permitted FCC to take any action as FCC in its reasonable opinion may deem necessary or desirable to rectify or prevent such default or breach notwithstanding that the existence of such default or breach or the nature or extent thereof may be questioned or denied by such Credit Party, including the absolute and immediate right to enter onto the property of such Credit Party or any part thereof to the extent that FCC deems necessary or desirable, but without taking possession thereof, to enable FCC to rectify or prevent any such default or breach, provided always that FCC shall not incur or be subject to any liability under any lease or contract by reason of having taken such action nor shall FCC have any obligation to take any action referred to in this Section.

1.2 *Negative Covenants*

The Credit Parties covenant and agree with FCC that (i) until the Outstanding Obligations are repaid in full, (ii) the Credit Facilities have been terminated, and (iii) FCC has no commitment or obligation under this Agreement, the Credit Parties will observe and perform, or will cause the observance and performance of, each of the following covenants:

(a) **No Amalgamation.** No Credit Party shall enter into any transaction or series of related transactions (whether by way of amalgamation, merger, winding-up, consolidation, reorganization, reconstruction, continuance, transfer, sale, lease or otherwise) whereby all or substantially all of its undertaking, properties, rights or assets would become the property of any other Person or, in the case of amalgamation or continuance, of the continuing corporation resulting therefrom without the prior written consent of FCC.

(b) **Indebtedness.** No Credit Party shall create, assume, issue or permit to exist, directly or indirectly, any Indebtedness except for Permitted Indebtedness.

(c) **No Liens.** No Credit Party shall create, assume, incur or suffer to exist any Lien in or upon any of its undertaking, property, rights or assets except for Permitted Liens.

(d) **No Guarantees.** No Credit Party shall be or become liable, directly or indirectly, contingently or otherwise, for any obligation of any other Person by Guarantee except for any Guarantee which constitutes Permitted Indebtedness.

(e) **Limitation on Investments and Loans.** No Credit Party shall make or permit to exist, directly or indirectly, any Investment or any other interest in any other Person (whether in one transaction or a series of transactions) except: (i) Investments in cash equivalents, (ii) Investments by one Credit Party to another Credit Party, (iii) Investments which constitute Permitted Acquisitions, and (iii) Investments for which the applicable Credit Party has obtained the prior written consent of FCC. No Credit Party shall make any loans, advances or other forms of Indebtedness to any Person other than loans, advances or other forms of Indebtedness which constitute Permitted Indebtedness.

(f) **Limitation on Acquisitions.** No Credit Party shall make, directly or indirectly, any Acquisition (whether in one transaction or a series of transactions) unless: (i) such Acquisition constitutes a Permitted Acquisition or has been approved by FCC in writing, or (ii) is an Acquisition of real property which exceeds the Net Capital Expenditure limits set out in Section 5.3 of this Agreement, and upon written request from FCC, the Credit Parties shall grant FCC security and a Lien over all such personal property, Persons or real property so acquired, together with supporting registrations and legal opinions, in each case, all in form and substance satisfactory to FCC.

(g) **Limitation on Asset Dispositions.** No Credit Party shall effect an Asset Disposition except for Permitted Asset Dispositions.

(h) **Change of Jurisdiction or Chief Executive Office; Relocation of Assets.** No Credit Party shall (i) change the jurisdiction of organization or move its registered office, principal place of business or chief executive office outside of the jurisdiction in which it was located as at the Closing Date or the date of its acquisition or creation, as the case may be, and (ii) maintain, store or relocate

Collateral at any location having a value in excess of $100,000 in the aggregate for all locations in any jurisdiction other than as disclosed in this Agreement as at the Closing Date, in each case, without the prior written consent of FCC and, in each case, until FCC shall have (A) taken all such steps necessary, if any, by FCC to ensure that the Liens created by the Security Documents to which any Credit Party is a party continue to constitute valid, enforceable and perfected Liens, and (B) received such third party estoppel letters and opinions of counsel with respect thereto as FCC may reasonable require.

(i) **Organizational Documents.** No Credit Party shall amend its articles of incorporation, amalgamation or continuance, partnership agreement, limited partnership agreement, shareholders agreement or similar document without the prior written consent of FCC.

(j) **Restricted Payments.** No Credit Party shall declare, pay or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except each Credit Party may make Restricted Payments:

(i) to any other Credit Party;

(ii) with respect to (A) salaries, bonuses, commissions, indemnities or other employment remuneration to employees, officers or directors of the Credit Parties in the ordinary course, and (B) reimbursement for reasonable out-of-pocket costs and expenses incurred by such employees, officers or directors in the ordinary course of carrying out their duties, paid in accordance with a reimbursement policy that is commercially reasonable;

(iii) with respect to dividends, shareholder loan repayments or reductions and other corporate distributions declared or paid to the shareholders of any Credit Party;

(iv) with respect to regular scheduled payments of interest in respect of Subordinated Debt; and

(v) as otherwise consented to in writing by FCC,

provided that, at the time of and immediately after making a Restricted Payment in respect of subsections (iii) and (iv) immediately above, (A) no Default or Event of Default shall have occurred; and (B) the Borrower shall be in compliance with the financial covenants set out in this Agreement. For greater certainty, the Restricted Payments permitted in this Section shall not be construed as authorizing any unusual capital withdrawals or payments to Affiliates in any year prior to the commencement of bankruptcy or insolvency proceedings in respect of any Credit Party.

(k) **Material Contracts.** No Credit Party shall: (i) cancel, terminate, amend or otherwise modify in any manner any material terms of any Subordinated Debt, (ii) cancel or terminate any Material Contract, or permit any Material Contract to be cancelled or terminated, or (iii) amend or otherwise modify any Material Contract, or waive any default or breach under any other Material Contract, in each case, without the prior written consent of FCC.

(l) **Change in Control.** No Credit Party shall cause, give effect to, consent to, participate in, process, register or record any Change in Control.

(m) **Financial Year; Accounting Changes.** No Credit Party shall (i) change its Financial Year end, or (ii) accounting treatment or reporting practices, except as required by the Accounting Standard or any Applicable Law.

(n) **Transactions with Affiliates.** No Credit Party will, directly or indirectly, purchase, acquire or lease any property or assets from, or sell, transfer or lease any property or assets to, or enter into any other transactions with, any officer, director, agent or other Person affiliated with or related to such Credit Party, except in the ordinary course of, and under the reasonable requirements of, the Credit Party's business, and upon fair and reasonable terms no less favourable to the Credit Party than they would obtain in a comparable arm's length transaction with an unaffiliated Person.

(o) **Sales and Leasebacks.** No Credit Party shall enter into any Sale/Leaseback Transaction without the prior written consent of FCC.

(p) **Creation of Subsidiaries.** No Credit Party shall, directly or indirectly, acquire or form any Subsidiary without the prior written consent of FCC.

(q) **Repayment of Indebtedness.** No Credit Party shall repay, prepay, redeem, repurchase, defease or otherwise make any payment on account of any Indebtedness except for: (i) payment on account of Indebtedness under this Agreement, (ii) any payment consented to in writing by FCC, and (iii) payment of Permitted Indebtedness; provided that, such payment is specifically permitted by Section 1.2(j).

(r) **Changes in Nature of Business.** No Credit Party shall (i) make any changes in any of its business objectives, purposes, or operations that could reasonably be expected to adversely affect repayment of the Outstanding Obligations or could reasonably be expected to have a Material Adverse Effect, or (ii) engage in any business other than the Core Business and activities or businesses incidental, complimentary or ancillary thereto.

(s) **Pension and Benefit Plans.** No Credit Party shall: (i) wind-up or terminate or convert or institute proceedings to wind-up or terminate or convert any Pension Plan in a manner, or take any other similar action with respect to any Pension Plan, which could reasonably be expected to have a Material Adverse Effect, (ii) fail to make full payment when due of all amounts which, under the provisions of any Benefit Plan, any agreement relating thereto or Applicable Law, it is required to pay as contributions thereto, except where the failure to make such payments would not reasonably be expected to have a Material Adverse Effect, (iii) permit to exist any accumulated funding deficiency, whether or not waived, with respect to any Pension Plan in an amount which could reasonably be expected to have a Material Adverse Effect, (iv) enter into, establish or acquire a Pension Plan or Benefit Plan, (v) contribute to or assume an obligation to contribute to, any "multi-employer pension plan" as such term is defined in the PBA, (vi) acquire an interest in any Person if such Person sponsors, maintains or contributes to, or at any time in the six (6) year period preceding such acquisition has sponsored, maintained, or contributed to any Pension Plan, and (vii) permit the actuarial present value of the benefit liabilities (computed on an accumulated benefit obligation basis in accordance with the Accounting Standard) under all Pension Plans in the aggregate to exceed the current value of the assets of all Pension Plans in the aggregate that are allocable to such benefit liabilities, in each case only to the extent such liabilities and assets relate to benefits to be paid to employees of the applicable Credit Party, by an amount that could reasonably be expected to have a Material Adverse Effect.

(t) **Limitation on Hedging.** No Credit Party shall enter into any interest rate, foreign exchange, commodity or other hedging program for speculative purposes.

2. Demand and Acceleration

2.1 *Events of Default*

Each of the following events shall constitute an event of default under this Agreement (each an "**Event of Default**"):

(a) **Failure to Pay Principal.** If the Borrower fails to make payment when due of any principal amount of the Outstanding Obligations.

(b) **Failure to Pay Interest or Fees.** If any Credit Party shall fail to pay any Outstanding Obligations (other than principal referenced in subsection (a) above), when and as the same shall become due and payable and such failure shall continue unremedied for a period of five (5) Banking Days.

(c) **False Representations.** If any representation or warranty made or given by any Credit Party in or in connection with any Loan Document, or any amendment or modification thereof or waiver thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with any Loan Document or any amendment or modification thereof or waiver thereunder, is materially false or incorrect, or lacking in any material facts, at the time that it is made or given, so as to make it materially misleading.

(d) **Non-Curable Defaults.** If any Credit Party shall fail to observe or perform any covenant, condition or agreement contained in Section 1.1(b) (use of proceeds), Section 1.1(f) (corporate existence), Section 1.2 (negative covenants) or any financial covenant set out in this Agreement.

(e) **Curable Defaults.** If any Credit Party fails in the observance or performance of any of the terms, conditions, provisions or covenants to be performed or observed by it under this Agreement (other than those specified in Sections 2.1 (a), (b) and (d) above) or contained in any other Loan Document, and such failure shall continue unremedied for a period of fifteen (15) Banking Days following the earlier of (i) the date upon which a senior officer of any Credit Party had knowledge or becomes aware of any such failure, and (ii) the date that FCC delivers notice of such failure to the Borrower.

(f) **Cross-Default.** If (i) any default or breach shall occur, which is not cured within any applicable grace period, in the payment when due, whether by acceleration or otherwise, of any Indebtedness (other than the Outstanding Obligations) of any Credit Party, having a principal amount, individually in excess of $100,000 or the equivalent amount thereof in any other currency or in the aggregate for all such Indebtedness of the Credit Parties, in excess of $250,000 or the equivalent amount thereof in any other currency, or (ii) if any other default or breach shall occur under any agreement, document or instrument to which any Credit Party is a party governing such Indebtedness which is not cured within any applicable grace period, and such default or breach causes or permits any holder of such Indebtedness or a trustee or agent to cause such Indebtedness to become due prior to its stated maturity or prior to its scheduled date of payment, regardless of whether such right is exercised by such holder, trustee or agent.

(g) **Cross-Default with FCC.** If any Credit Party shall default under any other credit facility, loan or security agreement with FCC.

(h) **Voluntary Insolvency and Bankruptcy Proceedings.** If any Credit Party:

(i) becomes insolvent, or generally does not or becomes unable to pay its debts or meet its liabilities as the same become due, or admits in writing its inability to pay its debts generally, or declares any general moratorium on its indebtedness, or proposes a compromise or arrangement between it and any class of its creditors;

(ii) makes an assignment of its property and assets for the general benefit of its creditors under the *Bankruptcy and Insolvency Act* (Canada), or makes a proposal (or files a notice of its intention to do so) under such Act;

(iii) institutes any proceeding seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, dissolution, winding-up, reorganization, compromise, arrangement, adjustment, protection, moratorium, relief, stay of proceedings of creditors generally (or any class of creditors), or composition of it or its debts or any other relief, under any federal, provincial or foreign Applicable Law now or hereafter in effect relating to bankruptcy, winding-up, insolvency, reorganization, receivership, plans of arrangement or relief or protection of debtors (including the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) and any applicable corporations legislation) or at common law or in equity, or files an answer admitting the material allegations of a petition filed against it in any such proceeding, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it;

(iv) applies for the appointment of, or the taking of possession by, a Receiver, sequestrator, conservator, custodian, administrator, trustee, liquidator or other similar official for it or any substantial part of its property; or

(v) threatens to do any of the foregoing, or takes any action, corporate or otherwise, to approve, effect, consent to or authorize any of the actions described in this Section 2.1(h) or in Section 2.1(i), or otherwise acts in furtherance thereof or fails to act in a timely and appropriate manner in defence thereof.

(i) **Involuntary Insolvency and Bankruptcy Proceedings.** If any petition is filed, application made or other proceeding instituted against or in respect of any Credit Party:

(i) seeking to adjudicate it a bankrupt or insolvent;

(ii) seeking a bankruptcy order against it under the *Bankruptcy and Insolvency Act* (Canada);

(iii) seeking liquidation, dissolution, winding-up, reorganization, compromise, arrangement, adjustment, protection, moratorium, relief, stay of proceedings of creditors generally (or any class of creditors), or composition of it or its debts or any other relief under any federal, provincial or foreign Applicable Law now or hereafter in effect relating to bankruptcy, winding-up, insolvency, reorganization, receivership, plans of arrangement or relief or protection of debtors (including the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) and any applicable corporations legislation at common law or in equity; or

(iv) seeking the entry of an order for relief or the appointment of, or the taking of possession by, a Receiver, sequestrator, conservator, custodian, administrator, trustee, liquidator or other similar official for it or any substantial part of its property,

and such petition, application or proceeding continues undismissed, or unstayed and in effect, for a period of forty-five (45) days after the institution thereof, provided that if an order, decree or judgment is granted or entered (whether or not entered or subject to appeal) against such Credit Party thereunder in the interim, such grace period will cease to apply, and provided further that if such Credit Party files an answer admitting the material allegations of a petition filed against it in any such proceeding, such grace period will cease to apply.

(j) **Winding-up, Liquidation or Dissolution.** If an order is made or an effective resolution passed for the winding-up, liquidation or dissolution of any Credit Party.

(k) **Loan Documents.** If this Agreement or any other Loan Document at any time for any reason terminates or ceases to be in full force and effect and a legally valid, binding and enforceable obligation of any Credit Party (except, for certainty, where any such agreement is terminated unilaterally by FCC), is declared to be void or voidable or is repudiated, or the validity, binding effect, legality or enforceability hereof or thereof is at any time contested by any Credit Party, or any Credit Party denies that it has any or any further liability or obligation hereunder or thereunder or any action or proceeding is commenced to enjoin or restrain the performance or observance by any Credit Party of any material terms hereof or thereof or to question the validity or enforceability hereof or thereof, or at any time it is unlawful or impossible for any Credit Party to perform any of its material obligations hereunder or thereunder.

(l) **Adverse Judgments.** If (i) one or more judgments for the payment of money in a cumulative amount in excess of $100,000 (or its then equivalent amount in any other currency) is rendered against any Credit Party or any combination of the Credit Parties, and (ii) the applicable Credit Party or Credit Parties have not provided for its or their discharge in accordance with its terms within sixty (60) days from the date of entry thereof, provided that, if enforcement and/or realization proceedings are lawfully commenced in respect thereof in the interim, such grace period will cease to apply except where the same is being Contested and the enforcement or levy has been stayed.

(m) **Execution, Distress.** If any writ, attachment, execution, sequestration, extent, distress or any other similar process becomes enforceable against any Credit Party or if a distress or any analogous process is levied against any of the properties or assets of any Credit Party having a fair market value in excess of

$100,000, except where the same is being Contested and the enforcement or levy has been stayed.

(n) **Unperfected Lien.** If any Lien purported to be created by any Security Document shall cease to be, or shall be asserted by any Credit Party not to be, a valid, perfected, first priority (except as otherwise expressly provided in this Agreement or such Security Document) Lien in Collateral (other than as a result of an act or omission of FCC).

(o) **Change of Control.** If there is a Change in Control.

(p) **Material Adverse Change.** If a Material Adverse Change shall occur.

(q) **Environmental Liability.** If any Credit Party violates any Environmental Law which results in an action request, violation notice or other notice or control order, cancellation of any license or certificate or approval that results in any material disruption of any Credit Party's business or that could reasonably be expected to have a Material Adverse Effect, save and except where the action request, violation notice or other notice or control order or cancellation is being Contested and the enforcement thereof has been stayed.

(r) **Environmental Order.** If any legally binding order relating to any Environmental Activity is issued by any Governmental Authority against any Credit Party and such order has not been satisfied or discharged within the time allowed for in such order or, if no time is specified in such order, within ninety (90) days after the date such order was received by any Credit Party or such longer period as FCC may agree to, acting reasonably, provided that such Credit Party is at all times acting diligently and in good faith to satisfy the order, save and except where the action request, violation notice or other notice or control order or cancellation is being Contested and the enforcement thereof has been stayed.

(s) **Suspension of Business.** If any Credit Party ceases the Core Business or a substantial part thereof or suspends the Core Business.

(t) **Assignment.** If any Credit Party assigns or purposes to assign any of its rights under this Agreement or any of the other Loan Documents, or any interest herein or therein, to a third party.

(u) **Sale.** If any Credit Party sells or otherwise disposes of, or agrees to sell or otherwise dispose of, all or a substantial part of its property, assets and undertaking whether in one transaction or a series of related transactions.

(v) **Insurance Lapse.** If any material amount of insurance on the assets, properties or undertaking of any Credit Party lapses and such coverage shall not be reinstated within five (5) Banking Days of such lapse.

(w) **Fraud/Misrepresentation.** The Credit Party has made any material misrepresentation to FCC, has committed fraud against FCC, if FCC becomes aware that any Credit Party has acted in a manner that calls into question its integrity and as a result will negatively impact FCC's reputation if FCC were to continue to do business with such Credit Party or if any Credit Party ceases to operate or operate materially in its Core Business, as determined by FCC in its sole discretion.

(x) **Impairment.** If FCC, in good faith and upon commercially reasonable grounds, believes that the prospect of repayment or performance of the Outstanding Obligations is, or is about to be, impaired or any Collateral is, or is about to be, in jeopardy.

2.2 ***Rights and Remedies***

Upon the occurrence of any Event of Default, and at any time thereafter if the Event of Default shall then be continuing, FCC may take any or all of the following actions:

(a) by written notice to the Borrower declare all principal amounts of all Advances and all accrued interest, fees and other Outstanding Obligations owing to be, whereupon the same shall become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower;

(b) by written notice to the Borrower declare the Credit Facilities to be terminated, whereupon the same shall terminate immediately and FCC shall have no further obligation to make any Advances available to the Borrower under any of the Credit Facilities;

(c) realize upon the Liens constituted by the Security Documents and any other security applicable to the liability of any Credit Party under the Loan Documents;

(d) may by instrument in writing appoint any Person as a Receiver of all or any part of the Collateral. FCC may from time to time remove or replace a Receiver, or make application to any court of competent jurisdiction for the appointment of a Receiver. Any Receiver appointed by FCC will (for purposes relating to responsibility for the Receiver's acts or omissions) be considered to be the Borrower's agent as the case may be. FCC may from time to time fix the Receiver's remuneration and the Borrower will pay FCC the amount of such remuneration. FCC will not be liable to the Borrower or any other Person in connection with appointing or not appointing a Receiver or in connection with the Receiver's actions or omissions;

(e) appoint by instrument in writing one or more Receivers of any or all of the property, assets and undertaking of any Credit Party or any or all of the Collateral with such rights, powers and authority (including any or all of the rights, powers and authority of FCC under this Agreement and the Security Documents) as may be provided for in the instrument of appointment or any supplemental instrument, and remove and replace any such Receiver from time to time;

(f) apply to a court of competent jurisdiction for the appointment of a Receiver of any or all of the property, assets and undertaking of any Credit Party or of any or all of the Collateral; and

(g) without limitation, exercise any other action, suit, remedy or proceeding authorized or permitted by the Loan Documents or by law or by equity.

Upon an Event of Default occurring under Section 2.1(h), Section 2.1(i) or Section 2.1(j) or in the event of an actual or deemed entry of an order for relief with respect to any Credit Party under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), or similar Applicable Laws in other jurisdictions:

(a) the obligation of FCC to make any further Advances available to the Borrower shall automatically be terminated; and

(b) all Outstanding Obligations shall automatically become due and payable; and

(c) the Security Documents shall become immediately enforceable, subject to the terms and conditions of the Security Documents and Applicable Law, and FCC may realize upon the Security Documents.

2.3 *Application of Proceeds After Default*

Notwithstanding any other provision of this Agreement, the proceeds of any realization under the Security Documents or any portion thereof shall be distributed in the following order:

(a) firstly, in payment of all costs and expenses incurred by FCC in connection with such realization including legal, accounting and receivers' fees and disbursements and in payment of all Liens or claims ranking prior to the Lien of the Security Documents;

(b) secondly, against the Outstanding Obligations in such manner and at such times as FCC consider appropriate; and

(c) thirdly, if all obligations of the Borrower listed above have been paid and satisfied in full, any surplus proceeds shall be paid in accordance with Applicable Law.

2.4 *Rights Under PPSA*

Before and after an Event of Default, FCC or a Receiver will have, in addition to the rights specifically provided in this Agreement or any other Loan Document, the rights and remedies of a secured party under the PPSA as well as the rights and remedies recognized at law and in equity.

2.5 *Appropriation of Funds*

Each Credit Party agrees that FCC may from time to time appropriate all monies realized by FCC from the enforcement of any Security Document on or towards the payment of the Outstanding Obligations or such part thereof as FCC in its sole discretion may determine, and each such Credit Party shall have no right to require or enforce any appropriation inconsistent therewith, and FCC shall have the right to change the application of any such proceeds and re-apply the same to any part or parts of the Outstanding Obligations as FCC may see fit notwithstanding any previous application.

2.6 *Non-Merger*

The taking of a judgment or judgments (other than a final order of foreclosure) or any other action or dealing whatsoever by FCC in respect of any Lien created by the Security Documents shall not operate as a merger of any indebtedness or liability of any Credit Party or in any way suspend payment or affect or prejudice the rights, remedies and powers, legal or equitable, which FCC may have in connection with such liabilities, and the surrender, cancellation or any other dealings with any security for such liabilities shall not release or affect the liability of the Credit Parties under this Agreement or under any other Loan Document held by FCC.

2.7 *Deficiency*

Each Credit Party shall remain liable to FCC for payment of any Outstanding Obligations that remains outstanding following realization of all or any part of the Collateral.

2.8 *FCC not Liable*

Neither FCC nor any Receiver will be liable to any Credit Party or any other Person for any failure or delay in exercising any of its rights under this Agreement or under any Security Document (including among other things any failure to take possession of, collect, or sell, lease or otherwise dispose of, any Collateral). Neither FCC, any Receiver or any agent of FCC (including, in Alberta, any sheriff) is required to take, or will have any liability for any failure to take or delay in taking, any steps necessary or advisable to preserve rights against other Persons under any chattel paper, securities or instrument (as those terms are respectively defined in the PPSA) in possession of FCC, a Receiver or their respective agents.

2.9 *Remedies Cumulative*

It is expressly understood and agreed that the rights and remedies of FCC under the Loan Documents are cumulative and are in addition to and not in substitution of any rights or remedies provided by law and any single or partial exercise by FCC of any right or remedy for a default or breach of any term, covenant, condition or agreement herein contained shall not be deemed to be a waiver of or to alter, affect, or prejudice any other right or remedy or other rights or remedies to which FCC may be lawfully entitled for the same default or breach, and any waiver by FCC of the strict observance, performance or compliance with any term, covenant, condition or agreement which contained and any indulgence granted by FCC shall be deemed not to be a waiver of any subsequent default. In the event that FCC shall have proceeded to enforce any such right, remedy or power contained in the Loan Documents and such proceedings shall have been discontinued or abandoned for any reason by written agreement between FCC and any Credit Party, then in each such event such Credit Party and FCC shall be restored to their former positions and the rights, remedies and powers of FCC shall continue as if no such proceedings have been taken.

3. Representations and Warranties

3.1 *Representations and Warranties*

Each Credit Party makes and gives the following representations and warranties to FCC, upon each of which FCC has relied in entering into this Agreement, and each of which will be deemed to be repeated on each Advance:

(a) **Due Incorporation.** Each Credit Party is duly incorporated, organized or formed pursuant to the laws of its organization or formation, is properly registered in every jurisdiction it does business and is current in all of its corporate filings. Each Credit Party has all necessary corporate power and authority to own its properties and assets and to carry on its business as now conducted by it and, in the case of any corporation that is a general partner of any Credit Party that is a limited partnership, has all requisite power and authority to act as general partner of such Credit Party, as the case may be. Each Credit Party is or will be duly licensed or registered or otherwise qualified in all jurisdictions wherein the nature of its assets or the business transacted by it makes such licensing, registration or qualification necessary.

(b) **Corporate Power; Authorization.** Each Credit Party has the power and authority to enter into and perform its obligations under each of the Loan Documents to which it is a party and the execution, delivery and performance of each of the Loan Documents to which it is a party has been duly authorized by all necessary action of such Credit Party (and, in the case of any Credit Party that is a limited partnership, its general partner).

(c) **Licences.** Each Credit Party has obtained all material licences, orders, consents, permits, registrations, and approvals necessary (i) to own its properties and assets, (ii) for the conduct and operation of the Core Business, and (iii) to carry on its business in each jurisdiction in which it does so.

(d) **No Conflicts.** The execution, delivery and performance by each of the Credit Parties of the Loan Documents (to which such Credit Party is a party) and the consummation of the transactions contemplated therein:

(i) do not and will not violate any Applicable Law or the constating documents, by-laws, shareholders agreement, limited partnership agreement or other organizational documents of any Credit Party or any order of any Governmental Authority;

(ii) do not require the consent or approval of, or registration or filing with, any Governmental Authority or any other Person;

(iii) do not and will not violate, conflict or result in a default under any indenture, agreement or other instrument binding upon any Credit Party or its respective assets, or give rise to a right thereunder to require any payment to be made by any Credit Party, except any such violations or defaults that individually or in the aggregate, do not, and could not reasonably be expected to, result in a Material Adverse Effect;

(iv) do not require the consent or approval of, or registration or filing with, any Governmental Authority or any other Person; and

(v) will not result in the creation or imposition of any Lien on any property or asset of any Credit Party, except for any Lien arising in favour FCC under the Loan Documents.

(e) **Enforceability.** Each Loan Document constitutes a legal, valid and binding obligation of each Credit Party (and, in the case of any Credit Party that is a limited partnership, its general partner), enforceable in accordance with its terms.

(f) **Compliance with Law.** Each Credit Party is in compliance: (i) with all Applicable Laws applicable to it or its property and assets, and (ii) with all indentures, agreements and other instruments binding upon it or its property and assets, except any such non-compliance that individually or in the aggregate, do not, and could not reasonably be expected to, result in a Material Adverse Effect.

(g) **Business.** The Credit Parties do not carry on any material business, activity or operation of any kind whatsoever other than the Core Business.

(h) **Taxes.** Each Credit Party has filed all tax returns required to be filed by it with any Governmental Authority and has paid all Taxes which were due and payable and all assessments and reassessments, and all other Taxes, governmental charges, penalties, interest and fines due and payable by it on or before the date of this Agreement, and there are no agreements, waivers, or other arrangements providing for an extension of time with respect to the filing of any tax return by it or the payment of any tax, governmental charges, penalties, interest or fines against it other than waivers of the normal reassessment period; there are no material actions, suits, proceedings, investigations or claims now threatened or pending against any Credit Party which, not resolved in favour of such Credit Party, would result in a material liability of such Credit Party, in respect of taxes, governmental charges, penalties, interest, fines, assessments and reassessments or any matters under discussion with any Governmental Authority relating to Taxes, governmental charges, penalties, interest, fines, or assessments and reassessments asserted by any such authority which, if not resolved in favour of such Credit Party, would result in a material liability of such Credit Party, and each Credit Party has withheld from each payment to each of its present and former officers, directors, and employees the amount of all Taxes and other amounts, including, but not limited to, income tax and other deductions, required to be withheld therefrom, and has paid the same or will pay the same when due to the proper tax or other receiving officers within the time required under the applicable tax legislation.

(i) **Validity and Priority of Security.** The Security Documents constitute assignments, fixed and specific mortgages and charges, floating charges or security interests, as applicable, on the property and assets of each Credit Party purported to be assigned, mortgaged, charged or subjected to a security interest thereby and ranks in priority to any other Liens upon such property and assets (subject only to Permitted Liens).

(j) **No Litigation.** There are no actions, suits, proceedings, litigation claims, inquiries or investigations existing, pending or, to the knowledge of any Credit Party, threatened against or adversely affecting any Credit Party in any court or before any federal, provincial, municipal or governmental department, commission, board, tribunal, bureau or agency, whether Canadian or foreign, or before any arbitrator, which might, if not resolved in favour of such Credit Party have a Material Adverse Effect.

(k) **No Judgments.** No Credit Party is subject to any judgment, order, writ, injunction, decree, award, or to any restriction, rule or regulation (other than customary or ordinary course restrictions, rules and regulations consistent or similar with those imposed on other Persons engaged in similar businesses) which could reasonably be expected to have a Material Adverse Effect.

(l) **No Defaults.** No Default or Event of Default has occurred and is continuing. No default or event of default has occurred and is continuing in respect of any Material Contract to which any Credit Party is now a party or is otherwise bound, entitling any other party thereto to accelerate the maturity of amounts of principal owing thereunder, or terminate any such Material Contract, which would result in a Material Adverse Change.

(m) **Financial Statements.** The financial statements of the Credit Parties which have been furnished to FCC have been duly prepared in accordance with the Accounting Standard and fairly present the financial condition and the results of the operations of the Credit Parties and disclose all liabilities, contingent, absolute or otherwise, required to be disclosed therein.

(n) **Title.** Each Credit Party has good and marketable title to all of its property and assets including, without limitation, the real property owned by it subject to the Security Documents (other than property leased or licensed to it) free and clear of any Lien, subject only to Permitted Liens and no Person has any agreement or right to acquire its interest in any of such properties, including leased or licensed properties, out of the ordinary course of business.

(o) **Environmental Compliance**

(i) All facilities and property owned or leased by any Credit Party including, without limitation, the real property subject to the Security Documents have been maintained in material compliance with all Environmental Laws;

(ii) there have been no past, and there are no pending and, to the best of the knowledge of any Credit Party, there are no (A) written claims, complaints, notices of violation or requests for information received by any Credit Party from any Governmental Authority with respect to any alleged violation of any Environmental Law, or (B) written complaints, notices or inquiries to any Credit Party regarding potential liability of any Credit Party under any Environmental Law that, in any case, could reasonably be expected to have a Material Adverse Effect;

(iii) there have been no releases of Contaminants at, on or under any property owned or leased by any Credit Party at any time while owned or leased by such Credit Party that, singly or in the aggregate, have, or may reasonably be expected to have, a Material Adverse Effect;

(iv) each Credit Party has been issued and is in material compliance with all permits, certificates, approvals, licences and other authorizations relating to environmental matters and required under any applicable Environmental Laws in connection with the operation of the Core Business;

(v) no property now or previously owned or leased by any Credit Party including, without limitation, the real property subject to the Security Documents, is listed or, to the knowledge of any Credit Party, proposed for listing on any publicly published and promulgated federal or provincial governmental list of sites requiring investigation or clean-up;

(vi) there are no underground storage tanks, active or abandoned, including petroleum storage tanks, on or under any property now or previously owned or leased by any Credit Party including, without limitation, the real property subject to the Security Documents, that, singly or in the aggregate, have, or may reasonably be expected to have, a Material Adverse Effect;

(vii) no Credit Party has directly transported or directly arranged for the transportation of any Contaminant to any location;

(viii) no property of any Credit Party is the subject of federal, provincial or local enforcement actions or other investigations which may lead to claims against any Credit Party for any remedial work, damage to natural resources or personal injury; and

(ix) there are no polychlorinated biphenyls or friable asbestos present at any property now or previously owned or leased by any Credit Party including, without limitation, the real property subject to the Security

Documents, that, singly or in the aggregate, have or may reasonably be expected to have, a Material Adverse Effect.

(p) **Chief Executive Office; Registered Office.** The chief executive office and the principal place of business of each Credit Party (within the meaning of the PPSA) and the registered office of each Credit Party is the location set out on the first page of this Agreement.

(q) **Location of Property and Assets.** Except as disclosed in writing to FCC, the Credit Parties have no property and assets located in any jurisdictions other than the Province of New Brunswick and no Credit Party owns any real property other than the real property which is subject to the Security Documents.

(r) **Wholly-owned Subsidiaries.** Except as disclosed in writing to FCC, as of the Closing Date, no Credit Party has (i) any Wholly-owned Subsidiaries other than those Wholly-owned Subsidiaries that are a party to this Agreement, and (ii) entered into any agreements for the acquisition or creation of any Wholly-owned Subsidiaries.

(s) **Employee Matters.** No Credit Party, nor any of their respective employees, is subject to any collective bargaining agreement. There are no strikes, slowdowns, work stoppages or controversies pending or, to the best knowledge of each Credit Party, threatened against any Credit Party, or its employees. No Credit Party is subject to any claim by or liability to any of their respective officers, directors or employees for salary (including vacation pay) or benefits which would rank in whole or in part *pari passu* with or prior to the Liens created by the Security Documents. Each Credit Party has paid, or accrued as a liability on its books and will pay, all amounts due from it to any employee, independent contractor or other Person on account of wages, workers' compensation or other compensation and, as applicable, employee health and welfare insurance and other benefits.

(t) **Pension and Benefit Plans.** The details of the Pension Plans and Benefit Plans maintained by the Credit Parties has been disclosed in writing to FCC (including identification of any Pension Plans that constitute a defined benefit plan). The Pension Plans are duly registered under the *Income Tax Act* (Canada) (the "**ITA**") and any other Applicable Laws which require registration, have been administered in accordance with the ITA and such other Applicable Laws and no event has occurred which would reasonably be expected to cause the loss of such registered status, except to the extent that any failure to do so could not reasonably be expected to have a Material Adverse Effect. All material obligations of each Credit Party (including fiduciary, funding, investment and administration obligations) required to be performed in connection with the Pension Plans, the Benefit Plans and the funding agreements therefor have been performed on a timely basis, except to the extent that any failure to do so could not reasonably be expected to have a Material Adverse Effect. As of the Closing Date, there are no outstanding disputes concerning the assets of any of the Pension Plans or Benefit Plans which would reasonably be expected to have a Material Adverse Effect. No promises of benefit improvements under any of the Pension Plans or the Benefit Plans have been made by any Credit Party. All employer and employee payments, contributions or premiums required to be made or paid by each Credit Party in respect of the Pension Plans and the Benefit Plans have been made on a timely basis in accordance with the terms of such plans and all Applicable Laws, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect, and all funding requirements applicable to such Pension Plans have been satisfied under the terms of such plans and in accordance with Applicable Law. There have been no improper withdrawals or applications of the assets of the Pension Plans. During the twelve-consecutive-month period prior to the date of the execution and delivery of this Agreement and prior to the date of any Advance, no steps have been taken to terminate (in whole or in part) any Pension Plan which could be reasonably likely to result in a material liability to any Credit Party, and no contribution failure has occurred with respect to any Pension Plan sufficient to give rise to a statutory deemed trust under any provision of the PBA. No condition exists or event or transaction has occurred with respect to any Pension Plan which could be reasonably likely to result in the incurrence by any Credit Party of any material liability, fine or penalty. No Credit Party has any contingent liability with respect to any post-retirement benefit under a Benefit Plan. No Credit Party has an intention to wind-up or terminate any Pension Plan, no declaration to wind-up any Pension Plan has been made, and no investigation is ongoing by any pension regulator as to a potential wind-up of any Pension Plan.

(u) **Full Disclosure.** Each Credit Party has disclosed to FCC (i) all agreements, instruments and corporate or other restrictions to which any Credit Party is subject, and (ii) all other matters known to it, that, in each case, individually or in the aggregate, could, by their existence or if breached by any Credit Party, reasonably be expected to result in a Material Adverse Effect. All material liabilities of the Credit Parties have been recorded in the financial statements of the Credit Parties and disclosed to FCC.

(v) **Insurance.** All policies of fire, liability, workers' compensation (if required), casualty, flood, business interruption and other forms of insurance owned or held by the Credit Parties are: (i) sufficient for compliance with all requirements of all Applicable Law and all Material Contracts to which any Credit Party is a party, and for compliance with this Agreement, (ii) are valid, outstanding and enforceable policies, and (iii) provide adequate insurance coverage for the property, assets and operations of the Credit Parties in at least such amounts and against at least such risks as are usually insured against in the same general area by Persons of a similar size of operations engaged in the same or a similar business. All such policies are in full force and effect, all premiums with respect thereto have been paid in accordance with their respective terms, and no notice of cancellation or termination has been received with respect to any such policy. The certificate of insurance delivered to FCC as a condition precedent to the initial Advance or from time to time contains an accurate and complete description of all policies of insurance owned or held by the Credit Parties.

(w) **No Material Adverse Effect.** Since the date of the most recent financial statements of the Borrower delivered to FCC, there has been no event, development or circumstance that has had or could reasonably be expected to have a Material Adverse Effect.

(x) **Non-Dilution; Retractable Shares.** No Person has any agreement, option or right capable of becoming an agreement or option for the pledge, purchase, subscription or issuance from any Credit Party of any Equity Securities of any Credit Party, issued or unissued. No Credit Party has issued any Equity Securities that are retractable at the option of the holder.

(y) **Partnership.** No Credit Party is in partnership with any Person and no Credit Party is a participant in any joint venture.

(z) **Solvency.** Each Credit Party is solvent and will not become insolvent after giving effect to this Agreement and the transactions contemplated in this Agreement.

(aa) **Indebtedness; Liens.** No Credit Party (i) has any Indebtedness other than Permitted Indebtedness, and (ii) has granted any Liens other than Permitted Liens.

(bb) **Shareholder Loans.** There are no outstanding loans and advances made to any Credit Party by any Person who does not deal at arm's length with any Credit Party, other than a shareholder of any Credit Party who has executed and delivered an assignment and postponement of claim in favour of FCC.

(cc) **Customer and Trade Relations.** There is not any actual or threatened termination or cancellation of, or any Material Adverse Change in, the business relationship between any Credit Party with any supplier or customer material to the operations of the Credit Parties except where any such termination or cancellation could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(dd) **Financial Year.** The Financial Year of the Borrower ends on April 30 of each calendar year and the Financial Year of HSF Foods Ltd. ends on April 30 of each calendar year.

(ee) **Cash Calls.** No Credit Party is subject to any mandatory obligation or requirement to provide funds or to make any Investment in any business or Person.

(ff) **Vendor Take-Back Obligations.** No Credit Party has any payment obligations under any vendor-take-back or other similar deferred purchase price obligations.

3.2 *Survival of Representations and Warranties*

All representations and warranties of the Credit Parties as set out in this Agreement or and other Loan Document shall survive each Advance and shall continue until all Outstanding Obligations have been satisfied and repaid in full and Credit Facilities terminated.

4. Change in Circumstances and Indemnities

4.1 *Losses*

The Credit Parties shall, from time to time, fully indemnify and hold FCC, and its directors, officers, employees and agents harmless from and against any and all costs, losses, expenses, damages or liabilities which such party may sustain or incur as a direct result of, without duplication:

(a) the failure of the Borrower to utilize any Advances under the Credit Facilities in the manner specified herein (including if such failure was caused by the failure of the Borrower to meet all conditions precedent except those conditions which have been waived by FCC in writing);

(b) the failure of the Borrower to pay any sum on its due date or within any cure period whichever is later; or

(c) any Default or Event of Default.

Without prejudice to the generality of the foregoing, the foregoing indemnity shall extend to any loss, premium, penalty or expense which may be incurred by FCC in liquidating deposits from third parties acquired to make, maintain or fund an Advance or any part thereof or any amount due or to become due under this Agreement.

4.2 ***Environmental Indemnity***

(a) The Credit Parties shall at all times indemnify and hold FCC and its directors, officers, employees and agents harmless against and from any and all claims, liabilities, suits, actions, debts, damages, costs, losses, obligations, judgments, charges, and expenses, of any nature whatsoever suffered or incurred by any such party (including any reasonable costs and expenses of defending or denying same) whether upon realization of any security for the Outstanding Obligations, or as lender to the Borrower, or as successor to or assignee of any right or interest of the Credit Parties, or as a result of any order, investigation or action by any Governmental Authority relating to any Credit Party or its business or assets, or as mortgagee in possession, or as successor-in-interest to any Credit Party by foreclosure deed or deed in lieu of foreclosure, under or on account of any Environmental Law including, without limitation, the assertion of any lien thereunder, with respect to:

(i) the release, discharge or emission of a Contaminant, the threat of the release, discharge or emission of any Contaminant, or the presence of any Contaminant;

(ii) any costs of removal or remedial action incurred by any Governmental Authority or any costs incurred by any other Person or damages from injury to, destruction of, or loss of natural resources, including reasonable costs of assessing such injury, destruction or loss incurred pursuant to any Environmental Law;

(iii) liability for personal injury or property damage arising under any statutory or common law tort theory, including, without limitation, damages assessed for the maintenance of a public or private nuisance or for the carrying on of a dangerous activity; or

(iv) any other environmental matter within the jurisdiction of any Governmental Authority.

(b) The Borrower acknowledges that FCC has agreed to make the Credit Facilities available in reliance upon the Credit Parties' indemnity in this Section. For this reason, it is the intention of the Credit Parties and FCC, that the provisions of this Section shall supersede any other provisions of this Agreement or any other Loan Document which might in any way limit the liability of the Credit Parties that the Credit Parties shall be liable for any obligations arising under this Section even if the amount of liability incurred exceeds the amount of outstanding Advances at any time, provided that the Credit Parties and FCC may enter into a mutually accepted agreement to limit such liability.

(c) This indemnity shall constitute an obligation separate and independent from the other obligations contained in this Agreement, shall give rise to a separate and independent cause of action, and shall apply irrespective of any indulgence granted by FCC from time to time. A separate action or actions may be brought and prosecuted against the Credit Parties or any Credit Party in respect of this indemnity, whether or not any action is brought against any other person or whether or not any other person is joined in such action or actions.

4.3 *Survival*

The obligations of the Credit Parties under this Section shall survive the payment of all Outstanding Obligations and the cancellation of the Credit Facilities.

5. Assignment and Participation

5.1 *Benefit of Agreement*

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns in accordance with this Section.

5.2 *Assignment by Credit Parties*

No Credit Party shall assign or transfer any rights or obligations hereunder without the prior written consent of FCC which may be refused in the absolute discretion of FCC.

5.3 *Assignment by FCC*

FCC reserves the right to sell, assign, transfer or grant a participation in the whole of its commitment to any Person (a "**Participant**") without the consent of the Credit Parties. For the purpose of selling, assigning, transferring or granting a participation in its commitment, FCC may disclose on a confidential basis to a potential Participant such information concerning the Credit Parties as FCC considers appropriate. Each Credit Party agrees to execute and deliver such further documentation and take such further action as FCC considers necessary or advisable to give effect to such sale, assignment, transfer or grant of participation. In the case of sale, assignment, transfer or granting of a participation, the Participant shall have, to the extent of such sale, assignment, transfer or grant of participation, the same rights and obligations as it would have if it were the lender on the Closing Date and as such had executed this Agreement and any other Loan Documents as required. FCC shall be relieved, to the extent of the sale, assignment, transfer or grant of participation, of its obligations under this Agreement with respect to its commitment which has been sold, assigned, transferred or granted. Each Credit Party hereby acknowledges and agrees that any sale, assignment, transfer or granting of a participation will give rise to a direct obligation of the Credit Parties to the Participant.

6. Miscellaneous

6.1 *Performance by FCC*

If any Credit Party fails to perform any of its obligations under any Loan Document, FCC may, but shall not be obligated to, perform any or all such obligations, and all costs, charges, expenses, fees, outlays and premiums incurred by FCC in connection with such performance shall be payable by the Borrower forthwith upon demand by FCC and shall bear interest from the date incurred by FCC at the highest rate provided for in this Agreement, calculated and compounded monthly and payable on demand, with interest on overdue interest at the same rate. Any such performance by FCC shall not constitute a waiver by FCC of any right, power, or privilege under this Agreement or any other Loan Document.

6.2 *Notice*

Any notice, request or other communication hereunder to any of the parties hereto shall be in writing and be well and sufficiently given if delivered personally or sent by prepaid registered mail to its address or by facsimile/telecopier to the number and to the attention of the person set forth below:

(a) In the case of any Credit Party or Credit Parties, a single notice to:

HSF Foods Ltd.
741 Central Street
Centreville, NB E7K 2M4
Attention: Benjamin Austin Brake
Fax: 506-276-3626

(b) In the case of FCC:

Farm Credit Canada
Loan Administration Centre
200-1133 St. George Boulevard
Moncton, New Brunswick E1E 4E1
Fax No.: 506.851.6613

Any such notice shall be deemed to be given and received, if delivered, when delivered, and if mailed, on the third Banking Day following the date on which it was mailed, unless an interruption of postal services occurs or is continuing on or within the three Banking Days after the date of mailing in which case the notice shall be deemed to have been received on the third Banking Day after postal service resumes and if sent by telecopier on the next Banking Day after the day on which the telecopy is sent. Any party may by notice to the other, given as aforesaid, designate a changed address or telecopier number.

Notices and other communications to FCC or any Credit Party under this Agreement may also be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved in writing by FCC.

Unless FCC otherwise prescribes: (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgment); provided that, if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Banking Day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

6.3 ***Statements and Reports***

Except as otherwise provided herein, all statements, reports, certificates, opinions, appraisals and other documents or information required to be furnished to FCC by the Borrower under this Agreement shall be supplied by the Borrower without any cost or expense to FCC.

6.4 *Approvals*

Where in this Agreement or any other Loan Document any matter is subject to the consent or approval of FCC, FCC will make a determination or assessment of the materiality of any event or circumstance, such consent, approval, determination or assessment shall be made in the sole discretion of FCC, acting reasonably, unless otherwise expressly provided herein or therein.

6.5 *Severability*

If any term, covenant, obligation or agreement contained in this Agreement, or the application of any such term, covenant, obligation or agreement to any Person or circumstance, shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such term, covenant, obligation or agreement to Persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected by such invalidity or unenforceability and each term, covenant, obligation or agreement contained in this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

6.6 *Time of Essence*

Time is of the essence of this Agreement and any forbearance by FCC or any of the Credit Parties of the strict application of this provision shall not operate as a continuing or subsequent forbearance.

6.7 *Further Assurances*

Each party to this Agreement shall from time to time and at all times hereafter, upon every reasonable request of another party, make, do, execute, and deliver or cause to be made, done, executed and delivered all such further acts, deeds, assurances and things as may be necessary in the opinion of the requesting party, acting reasonably, for implementing and carrying out the true intent and meaning of this Agreement.

6.8 *Entire Agreement*

This Agreement contains the entire understanding of the parties with respect to the subject matter hereof. There are no restrictions, agreements, promises, warranties, covenants or undertakings made by FCC or any of the Credit Parties other than those set forth in the Loan Documents. No amendment, modification, or termination of the Loan Documents shall be effective unless made in writing and signed by the party intended to be bound thereby.

6.9 *Conflict*

In the event that there is any conflict or inconsistency between the provisions contained in this Agreement and the provisions contained in any other Loan Document, such that the conflicting or inconsistent provisions cannot reasonably co-exist, then the provisions of this Agreement shall govern and shall override the provisions contained in such other Loan Document. For greater certainty, the existence of a particular representation, warranty, covenant or other provision in any Loan Document which is not contained in this Agreement shall not be deemed to be a conflict or inconsistency, and that particular representation, warranty, covenant or other provision shall continue to apply.

6.10 *No Third Party Beneficiaries*

Subject to paragraph 5 of Schedule "A" to this Agreement, this Agreement shall be for the sole benefit of FCC and the Borrower, and is not for the benefit of any other Person.

6.11 *Counterparts; Execution*

This Agreement may be executed in any number of counterparts or by facsimile or PDF electronic counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. Each party executing this Agreement by facsimile or PDF electronic counterpart shall provide two originally executed counterparts to each of the other parties within ten (10) Banking Days of its delivery of its facsimile or PDF electronic counterpart, but any failure or delay in so doing shall not derogate in any way from the sufficiency or effectiveness of that party having electronically transmitted its executed copy.

6.12 *Relationship to Parties*

The provisions contained in this Agreement shall not create or be deemed to create any relationship as between the Borrower and FCC other than that of borrower and lender or as between a Guarantor and FCC other than that of guarantor and lender.

6.13 *Amendments and Waivers*

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

6.14 *Review*

FCC shall conduct an annual review within 180 days following the fiscal year-end of the Borrower, and any other matters related to this Agreement as reasonably determined by FCC. The Credit Parties agree to execute and deliver to FCC such information, assurances and things as may be necessary in the opinion of FCC, acting reasonably, to satisfactorily complete the above referenced annual review.

6.15 *Confidentiality*

FCC agrees to use reasonable efforts to ensure that any financial statement or other information relating to the business, assets or condition, financial or otherwise, of any Credit Party which may be delivered to FCC pursuant to this Agreement which is not publicly filed or otherwise made available to the public generally (and which is not independently known to FCC) will, to the extent permitted by law, be treated confidentially by FCC and will not, except with the consent of the Credit Party, be distributed or otherwise made available by FCC to any Person other than FCC's employees, authorized agents, counsel or other representatives (provided such other representatives have agreed to keep all information confidential) required, in the reasonable opinion of FCC, to have such information. FCC is hereby authorized to deliver a copy of any financial statement or other information relating to the business, assets or financial condition of any Credit Party which may be furnished to it under this Agreement or otherwise, to (i) any actual or potential participant or assignee provided notice thereof is given to the Borrower and the participant or assignee agrees to keep all such information confidential in accordance with the provisions hereof; (ii) any court, regulatory body or agency having jurisdiction over FCC pursuant to any court order requiring such information to be given by it, provided that where FCC receives such an order, FCC shall, to the extent it is reasonably able to do so and it is appropriate in the circumstances, advise the Borrower of the order prior to disclosing such information; and (iii) any Affiliate of FCC required, in the reasonable opinion of FCC, to have such information such Affiliate agrees to keep all such information confidential in accordance with the provisions hereof.

6.16 *Evidence of Debt*

FCC shall maintain accounts and records evidencing the Outstanding Obligations of the Borrower to FCC hereunder. FCC's accounts and records shall constitute *prima facie* evidence of such Outstanding Obligations to FCC in the absence of manifest error. The Borrower acknowledges, confirms and agrees that all such records kept by FCC shall constitute *prima facie* evidence of the matters referred to above; provided, however, that the failure of FCC to make any entry or recording in any such records shall not limit or otherwise affect the Outstanding Obligations of the Borrower owed to FCC.

6.17 *Joint and Several Liability*

Where more than one Person signs this Agreement as a borrower, each such Person shall be jointly and severally liable for and obligated to repay all Outstanding Obligations under the Credit Facility without the necessity of restating the words "jointly and severally" or "joint and several" in respect thereof. Each Borrower acknowledges that it is fully responsible for all such Outstanding Obligations even though (i) it may not have requested a single Advance or received any proceeds from an Advance, (ii) a co-borrower may have fraudulently converted all Advances, and (iii) the manner in which FCC accounts for Advances on its books and records may differ from a joint and several basis. Each Borrower's obligations with respect to the Outstanding Obligations, and each Borrower's obligations arising as a result of the joint and several liability of each Borrower under this Agreement, shall be primary obligations of each Borrower. The joint and several liability and obligations of each Borrower under this Agreement shall, to the fullest extent permitted by law, be unconditional irrespective of (i) the validity, enforceability, avoidance or subordination of all or any part of the Outstanding Obligations of any other Borrower or of any Loan Document, (ii) the absence of any attempt by FCC to collect the Outstanding Obligations from any other Borrower or any Guarantor or under any Security Document, or the absence of any action to enforce the same, (iii) the waiver, consents, extension, forbearance or granting of any indulgence by FCC with respect to any provision of any agreement evidencing the obligations of any other Borrower, or any part thereof, or any other agreement now or hereafter executed by any other Borrower and delivered to FCC, (iv) the failure by FCC to take any steps to perfect and maintain its security interest in, or to preserve its rights to, any security or collateral for the obligations of any other Borrower, or (v) any other circumstances which might constitute a legal or equitable discharge or defence of any Borrower, any Guarantor or other Person obligated in connection with this Agreement (an "**Obligor**") or the Advances. Each Borrower waives, until all Outstanding Obligations are repaid in full, (ii) the Credit Facility has been terminated, and (iii) FCC has no commitment or obligation under this Agreement, any right to enforce any right of subrogation or any remedy which FCC now has or may hereafter have against any Obligor of all or any part of the Outstanding Obligations, and any benefit of, and any right to participate in, any security or collateral given to FCC to secure payment of the Outstanding Obligations any other liability of the Borrowers to FCC. Where more than one Person is liable as guarantor, if applicable for any covenant, obligation or agreement under this Agreement, then the liability of each such Person for such covenant, obligation or agreement is joint and several with each other such Person.

6.18 ***Currency***

Unless otherwise expressly stated, all monetary amounts set out in this Agreement refer to the lawful money of Canada.

6.19 ***Words and Phrases***

Where the context so requires, words importing the singular include the plural, and vice versa, and words importing gender include the masculine, feminine, and neuter genders.

6.20 ***Headings and Table of Contents***

The table of contents and the headings of all articles, sections, and paragraphs herein are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

6.21 ***Accounting Practices***

In the event of any change in Accounting Standard or practices used by a Borrower including any change resulting from a change in Accounting Standard made after the Closing Date, or the adoption of International Financial Reporting Standards by the Borrower, which, in any material respect, changes, or results in a change in the method of calculation of, or has an impact on, any financial covenant, financial ratio, term or provision applicable to the Borrower, as determined by FCC acting reasonably, the Borrower and FCC (with the approval of FCC) will negotiate in good faith to revise (if applicable) such financial covenant, financial ratio, term or provision. If the Borrower and FCC are unable to agree upon revisions to such financial covenant, financial ratio, term or provision, the Borrower shall continue to provide Financial Statements, certificates and other information required under this Agreement in accordance with the Accounting Standard as they exist on the Closing Date and all financial covenants, financial ratios, terms and provisions shall be applied, calculated and interpreted in accordance with the Accounting Standard as they exist on the Closing Date.

6.22 ***Computation of Time Periods***

The computation of any time period referred to herein, which is not a defined term, shall exclude the day of the occurrence of the event to which the period relates and shall include the last day of such period. Unless otherwise specifically provided herein in the event that any time period referred to herein ends on a day which is not a Banking Day, such time period shall be deemed to end on the next following Banking Day.

6.23 ***Statutory References***

References herein to any statute or' any provision thereof includes such statute or provision thereof as amended, revised, re-enacted and/or consolidated from time to time and any successor statute thereto or other legislation in *pari passu* material therewith.

6.24 ***Certificates and Opinions, etc.***

Whenever the delivery of a certificate or opinion is a condition precedent to the taking of any action by FCC under any Loan Document, the truth and accuracy of the facts and opinions stated in such certificate or opinion shall in each case be conditions precedent to the right of the Borrower to have such action taken, and each statement of fact contained therein shall be deemed to be a representation and warranty of the Borrower for the purpose of this Agreement. Whenever any certificate is to be delivered by the Borrower, such certificate shall be signed on behalf of the Borrower by a senior officer of the Borrower.

6.25 ***Determinations by Borrower***

All provisions contained herein requiring the Borrower to make a determination or assessment of any event or circumstance or other matter to the best of its knowledge shall be deemed to require the Borrower to make all inquiries and investigations as may be necessary or reasonable in the circumstances before making any such determination or assessment.

Schedule B – Standard Loan Features

A. Product-specific clauses

1. Advancer Loan

Loan number: 0000592847001

You agree that the funds You receive under this Advancer Loan will be used only for agricultural purposes that are directly related to Your operation.

You agree to immediately advise FCC if any of the funds You request under this Advancer Loan are used for any type of construction, equipment installation, manure or waste handling, clean-up of contaminated land or water, or for the purpose of altering animal or plant habitat or for importing animals or genetic material of a non- domestic species.

You agree that You will comply with all legal requirements for the holdback of funds on construction projects and any request to provide information about the environmental effects of such activities.

You agree that You will not permit any other Mortgage or charge to be registered against the property You have provided as security for Your Advancer Loan without first notifying FCC. You further agree that if You become aware of any encumbrance being registered against the property, such as a builder's lien, construction lien, judgment or execution, You will immediately advise FCC.

You agree that any charges such as builder's or construction liens, executions or judgments, other Mortgages, charges or caveats that are registered against the property which is the security for this Credit Facility, may be treated as an event of default under this Loan Agreement and the security documents and agreements securing this Credit Facility. FCC may demand full payment of the Loan or alter the repayment terms of the Loan.

Disbursements can be made by phone, fax or in person by any Borrower, or by any person authorized, in writing, by all Borrowers.

After the initial disbursement of funds under the Advancer Loan, for the purposes approved as part of the initial Credit Facility application, you agree to the following specific restrictions on the use of any additional Advancer Loan proceeds:

- None of the Loan proceeds will be used to pay any FCC debt;
- None of the Loan proceeds will be used to restructure any debt with other financial institutions.

The Credit Facility is a revolving loan. The Payment Amount (as set out in the table entitled "Subsequent payment schedule") is based on FCC fully disbursing the Credit Facility (up to the maximum Principal amount noted in the table entitled "Credit Facility Details") and You making the payments at the agreed-upon frequency. Any change to the amount disbursed or the frequency of payments will affect the amount of Your required payments.

Loan Repayable on Demand

If this Credit Facility involves an Advancer Loan or FCC Credit Line, it is agreed that those Loans are demand Loans and are to be repaid in full and cancelled upon FCC's demand.

Annual review and principal repayment

Your Loan will be reviewed annually. This review may result in future disbursements being restricted, the interest rate applicable to Your Loan reviewed and adjusted, or the repayment terms adjusted to require the repayment of principal as well as interest.

At any time FCC may, at its sole discretion, amend the repayment terms of Your Loan to include repayment of principal as well as interest. If FCC requires repayment of principal as well as interest, You will be given notice of such amendment including the new amount of each payment. Notice for the repayment of principal will generally be given only when the total owing on the Loan exceeds 75 per cent of total security value. This value will be determined by a security value estimate completed by FCC. We will determine the Amortization Period for the calculation of the principal and interest payments and advise You of the required payments and their frequency.

At any time after the applicable interest adjustment date, where a Loan is on an Advancer Loan - Variable Open Rate and if the Loan is not in default, You may convert or change the Term of all or part of the funds.

VARIABLE MORTGAGE RATE TERMS

Variable Interest Rate

Loan 0000685297001 is a Variable Mortgage Rate Loan.

The interest rate applicable to Loan 0000685297001 will be FCC's Variable Mortgage, Plus 3.2% as established from time to time (hereafter called the "Variable Rate"), during the term of this Loan which matures on the Balance Due Date. Interest will begin accruing at the Variable Rate upon first disbursement of any portion of this loan

The Variable Mortgage Rate is currently 4.95% per annum but may change from time to time without prior notice to You. You agree that FCC's publication of its Variable Mortgage Rate in its offices shall be conclusive and binding between the parties to determine the rate of interest applicable
to Your Credit Facility.

Interest Rate Guarantee

Variable Rate Loans have no interest rate guarantee.

Prepayment
You may pay out an Open Variable Mortgage Rate Loan or an Advancer Loan - Variable Open Loan at any time in part or in whole, without cost, during its Term.

Any prepayments to a Variable Mortgage Rate Loan are subject to an additional prepayment charge equal to 3 months' interest on the amount prepaid at the interest rate in effect on the applicable Loan as of the date of prepayment. Variable Mortgage Rate Loans include an annual pre-payment privilege of ten percent (10%) of the disbursed Loan, providing the Loan is not in default. This annual prepayment privilege can be exercised at any time during each calendar year (January 1 - December 31).

Convertibility

Any Loans that have an Open Variable Mortgage Rate term may be converted to any other available Mortgage term upon payment of a Conversion Fee.

Any Loans that have a Variable Mortgage Rate term may be converted to any available Fixed Mortgage term upon payment of a Conversion Fee.

Terming Out (Advancer Loan only)

At any time after the applicable Interest Adjustment Date, where a Loan is on an "Advancer Loan - Variable Open" rate and if the Loan is not in default, the Borrower may convert (Term-Out) all or part of the funds to a new Loan with any Mortgage rate and term available on any other FCC loan product generally available at the time of such conversion. Any such conversion shall be evidenced by the Borrower signing FCC's prescribed form and the payment of FCC's then current Conversion (Term-Out) Fee per Loan.

2. Fixed Rate Loans

All funds disbursed in the first 90 days will be at the lower of: (i) the interest rate quoted in this Loan Agreement, or (ii) the interest rate in effect on the date of first disbursement of the Loan.This same rate will apply to all funds disbursed after 90 days providing that 90% of the principal amountof a Loan is disbursed by the Interest Rate Guarantee Expiry Date.

If 90% of the principal amount of a Loan is not disbursed by the Interest Rate Guarantee Expiry Date,then all funds disbursed after the Interest Rate Guarantee Expiry Date will bear interest at the rate ineffect on the date of each disbursement. If this results in multiple interest rates for the Loan, FCC will calculate a weighted average interest rate for the entire Loan at the time of each disbursement.

For Mortgages, if the actual interest rate charged is higher than the registered rate, the funds will be advanced on the trust condition that you execute (and register, if appropriate) a Mortgage amending agreement reflecting the higher interest rate.

3. Construction clauses – Tier 3

The repayment option chosen by You for Loan(s)

1. The interest will be paid by You monthly starting 2018-11-15 until the end of the Deferral Period.

   (a) FCC has agreed to provide financing to You for construction or renovation work, the installation of fixed equipment, or the completion of improvements, as outlined in the Credit Facility purposes paragraph of this contract, and that We will refer to as the "Project." You agree that You will use the construction funds only for the completion of the Project.

   (b) You agree to complete the Project expediently according to the plans and specifications that You have provided to FCC. You agree to undertake and complete the Project in compliance with all applicable federal, provincial and local zoning, building and environmental requirements, and You will provide FCC with evidence that You have obtained all required permits and licenses upon FCC's request. You agree that You will not start the Project without first obtaining the required permits and licenses.

(c) You will provide FCC with project plans and specifications, a budget and supporting quotes, estimated completion date and project milestones for the Project, in a form acceptable to FCC. You will complete the Project expediently, according to the plans and specifications that You have provided to FCC.

(d) You agree to advise FCC of the completion date of the Project, which will be on or before January 1, 2019.

(e) Major project milestones are, i) completion of the Office Building and ii) completion Cogeneration Project.

(f) (If we require a general contractor:

You agree to enter into a construction contract acceptable to FCC with a reputable contractor or project manager who has sufficient experience to complete the Project. You will provide FCC with a copy of the contract for Our approval prior to starting the Project. You agree that the construction of the Project will be according to the contract FCC has approved and any changes to the contract must have FCC's prior written consent.

(g) ***[intentionally deleted]***

(h) You will arrange course of construction insurance, commercial general liability insurance and property insurance, and have it in effect to protect You from loss and liability during and after completion of the Project. You may be required to designate FCC as beneficiary on the course of construction insurance and property insurance in amounts and on terms acceptable to FCC. When requested, You will provide FCC with evidence of Yourinsurance coverage in a form acceptable to FCC.

(i) You agree to allow FCC representatives to inspect the Project.

(j) FCC will advance funds to You for the Project at its discretion based on evidence of project costs You provide and on Our assessment of the progress of the Project, the value of the work completed and the estimated costs to complete the Project.

(k) FCC will advance construction funds to You, directly to You by cheque or electronic funds transfer into an account into which You have authorized Us to deposit funds. We may deduct costs for disbursements and title searches from the advances to You, or We may charge these costs to Your account

(l) You agree that as the owner of the Project, You will maintain lien holdbacks and administer project funds as required by the governing Builder's Lien Act, Construction Lien Act, Mechanic's Lien Act, or any other provincial legislation or regulations that apply to construction projects in the province where the Project is located. You will not hold FCC liable if You fail to properly maintain and administer holdbacks.

(m) If a lien is registered against the Project, You agree to allow FCC to withhold from any advance to You or to pay into court from this Loan any amounts that We, at Our discretion, consider necessary to maintain Our priority and to protect Our interests under the provisions of any provincial legislation and regulations.

(n) You agree that nothing in this Agreement will be interpreted to make FCC an "owner" or "payer" as defined by the applicable provincial lien legislation. You agree that FCC has no obligation to retain any holdback or to maintain any holdback on Your behalf.

(o) FCC will consider any notification of a pending lien against the Project to be the same as the registration of a lien against the Project. You authorize Us to provide information about Your Credit Facility and the Mortgage on the Project to any person claiming a construction, builder's or mechanic's lien against the Project. You agree to reimburse Us for Our legal expenses if any lien against the Project names Us as a party to legal proceedings to enforce a construction lien or trust claim relating to the Project.

(p) You agree that cost overruns on the Project are Your responsibility and FCC is not obligated to provide additional financing. FCC may consider additional financing for the Project in a cost overrun situation

(q) We will consider You to be in default of this Agreement if:

(i) You use construction funds for other purposes without Our prior written consent
(ii) You do not complete the Project according to the plans and specifications provided to FCC
(iii) there are unreasonable delays in the progress of the Project
(iv) You or the contractor abandon the Project
(v) You have not obtained the necessary permits and licenses for the Project
(vi) a lien is registered against the Project and You do not promptly discharge it or otherwise deal with it to FCC's satisfaction
(vii) You authorize changes to the Project or construction contracts without FCC's prior written approval
(viii) other project investments or funding required from other sources are not deposited into the Project

Schedule C – Definitions

In this Agreement, unless the context otherwise requires, the following terms shall have the meaning set out below:

"Accounting Standard" means (i) Canadian Generally Accepted Accounting Principles with respect to any Credit Party that reports its financial statements using such principles, or (ii) International Financial Reporting Standards with respect to any Credit Party that reports its financial results using such standards.

"Acquisition" means any transaction, or any series of related transactions, consummated after the Closing Date, by which any Credit Party, directly or indirectly, by means of a Take-Over Bid, tender offer, amalgamation, merger, investment, purchase of property and assets or otherwise:

(a) acquires any business, line of business or business unit or all or substantially all of the property and assets of any Person engaged in any business, line of business or constituting a business unit, or constitutes all or a material part of a business unit, division or line of business of such Person;

(b) acquires control of securities of a Person engaged in a business representing more than 50% of the ordinary voting power for the election of directors or other governing position if the business affairs of such Person are managed by a board of directors or other governing body;

(c) acquires control of more than 50% of the ownership interests or economic interests in any Person engaged in any business that is not managed by a board of directors or other governing body; or

(d) acquires Control of a Person.

"Advance" means an advance under any Credit Facility by FCC, and **"Advances"** means all such advances under any Credit Facility or the Credit Facilities, as the context may require.

"Affiliate" means with respect to any person, any person which, directly or indirectly, controls or is controlled by or is under common control with such person and for the purposes of this definition, "control" (including with correlative meanings, the terms "controlled by" and "under common control with") shall have the meaning set forth in the *Canada Business Corporations Act* as amended, revised, replaced or re-enacted from time to time.

"Agreement" means the credit agreement between, inter alia, FCC and the Borrower to which this Schedule is attached, including this Schedule and any other schedules hereto or thereto, as may be amended, restated, renewed, extended, supplemented or otherwise modified from time to time.

"Applicable Law" means (i) any domestic or foreign statute, law (including common and civil law), treaty, code, ordinance, rule, regulation, restriction or by-law (zoning or otherwise), (ii) any judgment, order, writ, injunction, decision, ruling, decree or award, (iii) any regulatory policy, practice, guideline or directive, or (iv) any franchise, licence, qualification, authorization, consent, exemption, waiver, right, permit or other approval of any Governmental Authority, binding on or affecting the Person referred to in the context in which the term is used or binding on or affecting the property of such Person, in each case whether or not having the force of law.

"Asset Disposition" means, with respect to any Person, the sale, lease, license, transfer, assignment or other disposition of, or the expropriation or condemnation of, all or any portion of its business, assets, rights, revenues or property, real, personal or mixed, tangible or intangible, moveable or immoveable, and whether in one transaction or a series of transactions.

"Balance Due Date" means the balance due date for each credit facility as set out in Section 2 or any subsequent date to which the applicable balance due date is extended by FCC in writing and accordance with this Agreement.

"Banking Day" means any day other than Saturday or Sunday, on which FCC's corporate office in Regina, Saskatchewan, is open for normal business.

"Benefit Plan" means any plan, fund, program or policy, whether oral or written, formal or informal, funded or unfunded, insured or uninsured, providing employee benefits, including medical, hospital care, dental, sickness, accident, disability, life insurance, pension, retirement or savings benefits, maternity or parental benefits, supplemental unemployment benefits, bonus, profit sharing, executive compensation, current or deferred compensation, incentive compensation, stock compensation, stock purchase, stock option, stock appreciation or phantom stock option, maintained or contributed to by any Credit Party at any time or under which any Credit Party has any liability with respect to any employee or former employee who works or worked, as the case may be, in Canada but excluding any Pension Plan.

"Borrowers" or **"Borrower"** means HSF Foods Ltd., a corporation formed under the laws of the Province of New Brunswick, and its respective successors and assigns. Each reference to the word Borrower (singular) in this Agreement shall include the word Borrowers (plural) as the context may require.

"Capital Expenditures" means, for any period, any and all expenditures incurred in connection with the acquisition, whether by way of purchase, lease or otherwise, of capital property.

"Capital Lease Obligations" of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under the Accounting Standard, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with the Accounting Standard.

"Change in Control" means the occurrence of any one of the following:

(e) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group of Persons acting jointly or otherwise in concert, in a single transaction or in a related series of transactions, of Equity Securities representing 50% or more of the aggregate ordinary voting power represented by the issued and outstanding Equity Securities of the Borrower or any other Credit Party;

(f) the Borrower ceases to own, directly or indirectly, all of the issued and outstanding Equity Securities of any other Credit Party; or

(g) there is any change in the composition of the officers or directors of any Credit Party from those (i) in existence as at the Closing Date, or (ii) Persons which have been approved in writing by FCC from time to time after the Closing Date.

"CIBC" means the Canadian Imperial Bank of Commerce;

"Closing Date" means such date as may be agreed upon among the parties to this Agreement.

"Collateral" means any and all real and personal property now owned or hereafter acquired by any Credit Party and all proceeds thereof including, without limitation, all real and personal property upon which FCC has, or is entitled to have, or may hereafter have, any Lien under or pursuant to any of the Security Documents.

"Contaminant" means any pollutants, dangerous substances, liquid waste, industrial waste, hauled liquid waste, toxic substances, hazardous wastes, hazardous materials, hazardous substances or other like substances or material that is regulated by any Environmental Law.

"Contested" means contested in good faith by appropriate proceedings promptly initiated and actively and diligently conducted.

"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 and, including, without limitation, acting in the capacity of general partner of a limited partnership; and **"Controlling"** and **"Controlled"** shall have an analogous meaning.

"Core Business" means agri-business including, without limitation, businesses related to or ancillary to the agricultural and food processing industries and the current operations of the Credit Parties.

"Credit Facilities" means, collectively, all loans and credit facilities established by FCC in favour of the Borrower from time to time and **"Credit Facility"** means any of them as the context may require.

"Credit Parties" means, collectively, the Borrower and the Guarantors, and **"Credit Party"** means any one of them.

"Default" means any event or condition that constitutes an Event of Default or that would constitute an Event of Default except for satisfaction of any condition subsequent required to make the event or condition an Event of Default, including giving of any notice, passage of time, or both.

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

"Environmental Law" means any common law and any federal, provincial, state, municipal or local law, statute, regulation, code, treaty, order, judgment, decree, ordinance, official directive, authorization, policy, guideline, convention or standard relating in any way to the environment, occupational health and safety, or any Environmental Activity.

"Equity Securities" means, with respect to any Person, any and all shares, stock or units of, interests, participations or rights in, or other equivalents (however designated and whether voting and non-voting) of, such Person's capital, whether outstanding on the date hereof or issued after the date hereof, including any interest in a partnership, limited partnership, limited liability company or other similar Person and any beneficial interest in a trust, and any and all rights, warrants, debt securities, options or other rights exchangeable for or convertible into any of the foregoing.

"Financial Year" means, with respect to any Credit Party, the 12-month fiscal period on which such Credit Party reports it annual financial results in accordance with the Accounting Standard.

"Governmental Authority" means any nation, federal government, province, state, municipality or other political subdivision of any of the foregoing, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing.

"Guarantee" means, with respect to a Person, any absolute or contingent liability of that Person under any guarantee, agreement, endorsement (other than for collection or deposit in the ordinary course of business), discount with recourse or other obligation to pay, purchase, repurchase or otherwise be or become liable or obligated upon or in respect of any Indebtedness of any other Person and including any absolute or contingent obligations to:

(h) advance or supply funds for the payment or purchase of any Indebtedness of any other Person;

(i) purchase, sell or lease (as lessee or lessor) any property, assets, goods, services, materials or supplies primarily for the purpose of enabling any other Person to make payment of Indebtedness or to assure the holder thereof against loss; or

(j) indemnify or hold harmless any other Person from or against any losses, liabilities or damages, in circumstances intended to enable such other Person to incur or pay any Indebtedness or to comply with any agreement relating thereto or otherwise to assure or protect creditors against loss in respect of such Indebtedness.

Each Guarantee shall be deemed to be in an amount equal to the amount of the Indebtedness in respect of which the Guarantee is given, unless the Guarantee is limited to a determinable amount in which case the amount of the Guarantee shall be deemed to be the lesser of the amount of the Indebtedness in respect of which the Guarantee is given and such determinable amount.

"Guarantors" means, collectively:

(k) Hillspring Farms Ltd, Burbank Water & Wastewater Inc., Hillspring Thaw Ltd., Hillspring Warehouse & Logistics Inc., Sunrise Seed Farms Ltd., Burbank Industrial Supply Inc., Jeremy Benjamin Brake and Benjamin Austin Brake and their respective successors and permitted assigns and heirs, executors or representatives, as applicable;

(l) any other present or future direct or indirect Subsidiary of the Borrower or any other Credit Party that is required to deliver security pursuant to Section 1.1(o) of Schedule "A" attached hereto; and

(m) any other Person that, with the prior written consent of FCC, at any time in the future guarantees any of the Outstanding Obligations pursuant to a Guarantee or other guarantee agreement and grants security in support thereof, all in form and substance satisfactory to FCC,

and **"Guarantor"** means any one of them.

"Indebtedness" means, with respect to any Person, but without duplication, (i) an obligation of such Person for borrowed money, (ii) an obligation of such Person evidenced by a note, bond, debenture or other similar instrument, (iii) an obligation of such Person for the deferred purchase price of property or services, excluding trade payables and other accrued current liabilities incurred in the ordinary course of business in accordance with customary commercial terms, (iv) a capitalized lease obligation of such Person, (v) a guarantee, indemnity, or financial support obligation of such Person, determined in accordance with the Accounting Standard, (vi) an obligation of such Person or of any other Person secured by a Lien on any property of such Person, even though such Person has not otherwise assumed or become liable for the payment of such obligation, (vii) an obligation arising in connection with an acceptance facility or letter of credit issued for the account of such Person, or (viii) a share in the capital of such Person that is redeemable by such Person either at a fixed time or on demand by the holder of such share (valued at the maximum purchase price at which such person may be required to redeem, repurchase or otherwise acquire such share). For greater certainty, **"Indebtedness"** excludes trade payables of such Person incurred in the ordinary course of business, the payment of which is not overdue by more than 30 days under the applicable supplier's payment terms.

"Investment" means, as applied to any Person (the "investor"):

(n) any direct or indirect purchase or other acquisition by the investor of, or a beneficial interest in, Equity Securities of any other Person that does not otherwise constitute an Acquisition, including any exchange of Equity Securities for indebtedness;

(o) any direct or indirect loan, advance (other than advances to employees for moving and travel expenses, drawing accounts and similar expenditures in the ordinary course of business) or capital contribution (by way of cash or property) by the investor to any other Person, including all indebtedness and accounts receivable owing to the investor from such other Person that did not arise from sales or services rendered to such other Person in the ordinary course of the investor's business; or

(p) any direct or indirect purchase or other acquisition of bonds, notes, debentures or other debt securities of, any other Person.

The amount of any Investment shall be the original cost of such Investment plus the cost of all additions thereto, without any adjustments for increases or decreases in value, or write-ups, write-downs or write-offs with respect to such Investment minus any amounts: (i) realized upon the disposition of assets comprising an Investment (including the value of any liabilities assumed by any Person other than a Credit Party in connection with such disposition), (ii) constituting repayments of Investments that are loans or advances, or (iii) constituting cash returns of principal or capital thereon (including any dividend, redemption or repurchase of equity that is accounted for, in accordance with the Accounting Standard, as a return of principal or capital).

"Lien" means any mortgage, hypothec, title retention, prior claim, pledge, assignment, lien, right of set-off/compensation, charge, security interest or other encumbrance whatsoever, whether fixed or floating and howsoever created or arising.

"Loan Documents" means, collectively, this Agreement, the Security Documents and all other documents and instruments in favour of FCC related hereto and any other document which, pursuant to the provisions of this Agreement, is stated to be a Loan Document, and, in each case, as may be amended, supplemented, restated, replaced or otherwise modified from time to time.

"Material Adverse Change" means any event, development, circumstance or situation that has had or could have a Material Adverse Effect.

"Material Adverse Effect" means a material adverse effect on: (i) the business, property, assets, liabilities, operations, condition (financial or otherwise), affairs or prospects of the Credit Parties taken as a whole; (ii) the ability of the Credit Parties, taken as a whole, to perform their obligations under any of the Loan Documents; and (iii) the ability of FCC to enforce its rights and remedies under any of the Loan Documents.

"Material Contract" means: (i) all pension plans and benefit plans operated by any Credit Party, if any, and (ii) any other agreement, contract or similar instrument to which any Credit Party is a party or to which any of their property and assets may be subject for which breach, non-performance, cancellation or failure to renew could reasonably be expected to have a Material Adverse Effect.

"Outstanding Obligations" means, at any time without duplication, the aggregate of: (i) all outstanding Advances, (ii) all due and unpaid interest, fees, charges, indemnities and expenses in respect of this Agreement and any other Loan Document required to be paid by any Credit Party to FCC, (iii) all other indebtedness, liabilities and obligations of any Credit Party to FCC, direct or indirect, contingent or otherwise, as principal or as surety, and all unpaid interest, fees, charges, indemnities and expenses in respect thereof required to be paid by any Credit Party to FCC, and (iv) any and all expenses and charges, whether for legal expenses or otherwise, suffered or incurred by FCC in collecting or enforcing any of such indebtedness, obligations, and liabilities outlined in paragraphs (i), (ii) and (iii) immediately above or in realizing on or protecting or preserving any security held therefor, including, without limitation, the Security Documents.

"PBA" means the *Pension Benefits Act* (New Brunswick) and the regulations thereunder as in effect from time to time.

"Pension Plan" means any plan, program or arrangement that is a pension plan for the purposes of any applicable pension benefits legislation or any tax laws of Canada or a Province thereof, whether or not registered under Canadian federal or provincial law, that is maintained or contributed to by, or to which there is or may be an obligation to contribute by, any Credit Party for its employees or former employees, but does not include the Canada Pension Plan or the Quebec Pension Plan as maintained by the Government of Canada or the Province of Quebec.

"Permitted Acquisitions" means Acquisitions by any one or more of the Credit Parties which satisfy the following conditions:

(q) the target must be in a similar or complimentary line of Core Business as the Credit Parties and reside in Canada;

(r) the Acquisition must be non-hostile and the target must become a wholly-owned subsidiary of one of the Credit Parties and, in the case of a limited partnership, one of the Borrower's wholly-owned Subsidiaries becomes the general partner of such limited partnership;

(s) the Credit Parties shall be in compliance with all terms of this Agreement;

(t) FCC shall have received financial information, in form and substance satisfactory to FCC, prior to the entry into by the applicable Credit Party of any agreement in respect of the Acquisition demonstrating pro forma compliance by the Borrower of the financial covenants set out in this Agreement for the next four (4) fiscal quarters following completion of the Acquisition;

(u) within thirty (30) days of closing the Acquisition, the applicable Credit Party will provide FCC with a Lien in the acquired entity; and

(v) at the time of and immediately after making any such Acquisition, no Default or Event of Default shall have occurred and be continuing or would result therefrom.

"Permitted Asset Disposition" means an Asset Disposition by any Credit Party which satisfies any of the following conditions (without duplication):

(w) such Asset Disposition is of inventory in the ordinary course of its business upon customary credit terms;

(x) such Asset Disposition is between any two Credit Parties;

(y) such Asset Disposition consists of land and buildings, machinery, equipment or inventory of any Credit Party which is surplus, obsolete, worn-out or redundant;

(z) the net proceeds from the sale of all such property and assets which have been sold are applied to acquire new assets having a similar use or performing a similar function to those assets which are the subject of such Asset Disposition within one hundred and eighty (180) days of such Asset Disposition; or

(aa) Asset Dispositions that have been specifically approved by FCC in writing.

"Permitted Indebtedness" means the following Indebtedness of the Credit Parties (without duplication):

(bb) the Outstanding Obligations;

(cc) current accounts payable and accrued expenses arising in the ordinary course of business from the purchase or sale of goods and services, including sureties, guarantees and indemnities given in respect thereof;

(dd) Purchase Money Obligations of the Credit Parties; provided that, the Credit Parties shall be in compliance with the financial covenants set out in this Agreement;

(ee) Capital Lease Obligations of the Credit Parties; provided that, the Credit Parties shall be in compliance with the financial covenants set out in this Agreement;

(ff) Indebtedness in the nature of a Guarantee of any Permitted Indebtedness of any Credit Party;

(gg) unsecured intercompany loans and advances between the Credit Parties;

(hh) Indebtedness under the loan agreement with CIBC;

(ii) Subordinated Debt; provided that, the subordinated lender has executed and delivered a subordination and postponement agreement to FCC and it remains in full force and effect at all times; and

(jj) other Indebtedness in respect of which FCC has provided its prior written consent.

"Permitted Liens" means, with respect to any property or asset of any Person, the following Liens:

(kk) encumbrances, including, without limitation, easements, rights of way, encroachments, restrictive covenants, servitudes or other similar rights in land granted to or reserved by other Persons, rights of way for sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real / immovable properties which encumbrances, easements, servitudes, rights of way, other similar rights and restrictions do not in the aggregate materially detract from the value of the said properties or materially impair their use in the operation of the business of such Persons;

(ll) any right reserved to or vested in any Governmental Authority by the terms of any lease, licence, franchise, grant or permit acquired by such Person, or by any statutory provision to terminate any such lease, licence, franchise, grant or permit, or to require annual or other periodic payments as a condition of the continuance thereof;

(mm) security or deposits given by such Person to a public utility or any Governmental Authority when required by such utility or Governmental Authority in connection with the operations of such Person and in the ordinary course of its business;

(nn) reservations, limitations, provisos and conditions, if any, expressed in any original grants from the Crown;

(oo) any lien for taxes or assessments not yet due or, if due, are being Contested and for which a reasonable reserve satisfactory to FCC has been provided;

(pp) any carriers, warehousemen, contractors, subcontractors, suppliers, mechanics or material liens arising in the ordinary course of business in respect of charges accruing in favour of any Person, so long as such charges are not yet due or, if due, are being Contested and for which a reasonable reserve satisfactory to FCC has been provided;

(qq) undetermined or inchoate liens, privileges, hypothecs or charges arising in the ordinary course of business which have not at such time been filed (or are not required to be filed) pursuant to law against such person's property or assets or which relate to obligations not due or delinquent;

(rr) Liens or deposits to secure the performance of bids, tenders, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature (other than for borrowed money) incurred in the ordinary course of business;

(ss) Purchase Money Liens;

(tt) Liens in favour of FCC in respect of the Outstanding Obligations;

(uu) Liens in favour of CIBC; provided that, any such Liens are subject to an intercreditor agreement between FCC and CIBC which is and remains in effect at all times; and

(vv) any Liens in respect of which FCC has given its prior written consent,

provided, however, that: (i) the designation in any Loan Document of a lien, encumbrance or claim as a "Permitted Lien" is not, and shall not be deemed to be, an acknowledgment by FCC that the lien, encumbrance or claim shall have priority over the liens, encumbrances and claims of FCC against any one or more of the Credit Parties or their respective assets, and (ii) any reference in any Loan Document to "subject to Permitted Liens" or "other than Permitted Liens" shall not be construed to be a subordination or postponement of any lien, encumbrance or claim of FCC to any holder of a Permitted Lien, nor shall such reference elevate the priority of any Permitted Lien above the level it would otherwise have under Applicable Law against any one or more of the Credit Parties or their respective assets.

"Person" means an individual, a partnership, a corporation, a trust, an unincorporated organization, a government or any department or agency thereof or any other entity whatsoever and the heirs, executors, administrators or other legal representatives of an individual.

"PPSA" means the *Personal Property Security Act* applicable to the Borrower based on the Borrower's location, as such legislation is amended, revised, replaced or re-enacted from time to time.

"Purchase Money Lien" means any Lien which secures a Purchase Money Obligation permitted by this Agreement; provided that, such Lien is created not later than 30 days after such Purchase Money

Obligation is incurred and does not affect any asset other than the asset financed by such Purchase Money Obligation.

"Purchase Money Obligations" means any Indebtedness (including without limitation a capitalized lease obligation) incurred or assumed to finance all or any part of the acquisition price of any asset acquired by the Credit Parties or to finance all or any part of the cost of any improvement to any asset of any of the Credit Parties; provided that, such obligation is incurred or assumed prior to or within 30 days after the acquisition of such asset or the completion of such improvement and does not exceed the lesser of the acquisition price payable by the applicable Credit Party for such asset or improvement and the fair market value of such asset or improvement; and includes any extension, renewal or refunding of any such obligation so long as the principal amount thereof outstanding on the date of such extension, renewal or refunding is not increased.

"Related Parties" means, with respect to any Person, such Person's Affiliates and associates, and the directors, officers, employees, agents and advisors of such Person and of such Person's Affiliates and associates (the term "associate" having the meaning ascribed thereto in the *Canada Business Corporations Act*) and **"Related Party"** means any one of them.

"Receiver" means a receiver or a receiver and manager and includes, without limitation, an interim receiver under the *Bankruptcy and Insolvency Act* (Canada).

"Restricted Payment" means, with respect to any Person, any payment by such Person: (a) of any dividends or other distributions on any of its Equity Securities, (b) on account of, or for the purpose of setting apart any property for a sinking or other analogous fund for, the purchase, redemption, retirement or other acquisition of any of the Equity Securities of such Person or any of its Subsidiaries or any warrants, options or rights to acquire any such Equity Securities, or the making by such Person of any other distribution in respect of any of such Equity Securities, (c) of any principal of, or interest or premium on, or of any amount in respect of a sinking or analogous fund or defeasance fund for, any Indebtedness of such Person ranking in right of payment subordinate to any liability of such Person under the Loan Documents (including any Subordinated Debt), (d) of any principal of, or interest or premium on, or of any amount in respect of a sinking or analogous fund or defeasance fund for, any Indebtedness of such Person to a shareholder of such Person or to any non arm's length party (within the meaning of the *Income Tax Act* (Canada) of such Person or shareholder, or (e) of any: (i) any management, consulting or similar fee or any bonus payment or comparable payment, (ii) by way of gift or other gratuity, or (iii) for services rendered, property leased or acquired, or for any other reason, in each case, to any Related Party or any non arm's length party (within the meaning of the *Income Tax Act* (Canada) of such Person.

"Sale/Leaseback Transaction" means any arrangement with any Person (other than a Credit Party) providing, directly or indirectly, for the leasing by any Credit Party of property (except a lease for a temporary period not to exceed three years by the end of which it is intended that the use of such property by the lessee will be discontinued), which has been or is to be sold or transferred by any Credit Party to such other Person or to any other Person to whom funds have been or are to be advanced by such Person on the security of such property.

"Security Documents" means, collectively, all guarantees, mortgages, hypothecs, security agreements, pledges, assignments and charges executed by any Credit Party in favour of FCC from time to time including, without limitation, any pre-existing guarantees, mortgages, hypothecs, security agreements, pledges, assignments and charges which are by their terms or the terms of this Agreement intended to secure payment and performance of the Outstanding Obligations.

"Subordinated Debt" means, at any time, Indebtedness of any Credit Party (i) the primary terms of which (including, without limitation, its interest rate, payment schedule, maturity date and applicable acceleration rights and the proposed use of such funds) are all satisfactory to FCC in its sole discretion, (ii) which has been validly postponed and subordinated in right of payment and collection to the repayment in full of the Outstanding Obligations to the satisfaction of FCC in its sole discretion, and (iii) all security, if any, held for such Indebtedness has been fully subordinated and postponed to the Security Documents to the satisfaction of FCC in its sole discretion.

"**Subsidiary**" has the meaning attributed to the term "subsidiary body corporate" in the *Canada Business Corporations Act* in effect on the date hereof. For certainty, a limited partnership shall be a Subsidiary of any Person (the "**Parent**") if the general partner of such limited partnership is the Parent or one of its Subsidiaries regardless of the level of such Parent's direct or indirect ownership of limited partnership interests.

"**Taxes**" means, with respect to any Person, for any particular period, all taxes, rates, levies, imposts, assessments, government fees, dues, stamp taxes, duties, ad valorem taxes or levies, charges to tax, fees, deductions, withholdings and similar impositions paid or payable, levied, collected, withheld or assessed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"**Take-Over Bid**" shall mean a "take-over bid" as defined by the *Securities Act* (Ontario) except that all references to "Ontario" shall be amended to "any jurisdiction in the world".

"**Wholly-owned Subsidiaries**" means, with respect to any Person at any date, any Subsidiary in respect of which such Person, directly or indirectly, owns 100% of all issued and outstanding Equity Securities in such Subsidiary.

Schedule D– Pre-Authorized Payment Authority (the "Authority")

1. **Bank account information**

Branch number: **00494**
Institution number: **010**
Account number: **3607011**
Institution name: **Canadian Imperial Bank of Commerce**
Address: **370 Connell Street Unit 143, Woodstock NB**

Pre-authorized payment type	Payment amount	Payment start date	Frequency	Loan
Auto	Interest Only	2018-11-15	Monthly	01
Auto	$44,579.19 (Blended)	2019-01-15	Monthly	01

You hereby instruct and authorize FCC to debit your above bank account (the "**Account**") with the above payments for the purpose of repaying Your New Credit Facility(ies) and related indebtedness to FCC. You undertake to inform FCC, in writing, of any change in the Account information provided in this Agreement prior to the next due date of the pre-authorized payment

____
Accountholder Initial here

You waive the pre-notification requirements of Payments Canada, including Your right to receive pre-notification of the amount and/or date of any pre-authorized payments. You agree that You do not require advance notice of the amount and/or date of any pre-authorized payments before the debt is processed. You acknowledge that FCC may send You payment notices but that these payment notices do not constitue the pre-notification requirements of Payments Canada.

The above payment(s) are made for Business Purpose

FCC reserves the right to cancel this Authority at its discretion and without notice. This Authority may be cancelled at any time upon notice being provided by You, either in writing or orally with proper authorization to verify Your indentity, to FCC within 30 days before the next payment is to be made. You may obtain a sample cancellation form, or more information on Your rights to cancel this Authority, by contacting Your financial institution or by visiting www.payments.ca.

You have certain recourse rights if any debit does not comply with this Authority. For example, You have the right to receive reimbursement for any debit that is not authorized or is not consistent with this Authority. To obtain more information on Your recourse rights, You may contact Your financial institution or visit. www.payments.ca. You may contact FCC to make inquiries or obtain information about this Authority at:

Farm Credit Canada
Customer Service Centre
1800 Hamilton Street, P.O. Box 4320
Regina, SK S4P 4L3
Telephone: 1-888-332-3301 Fax: 1-306-780-8919 email: csc@fcc-fac.ca

Farm Credit Canada
Customer Service Centre
1133 St-George Blvd
Moncton, NB E1E 4E1
Telephone: 1-888-332-3301 Fax: 1-800-284-6436 email: csc@fcc-fac.ca

You warrant and guarantee tha You are duly authorized, in accordance with Your account agreement at the financial institution identifed above, to debt the Account.

[THE REMAINDER OF THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK]

DATED October _____, 2018

HSF FOODS LTD.

Per: ________________________________

Name:

Title:

Per: ________________________________

Name:

Title:

I/we have authority to bind the Corporation

Schedule E

Existing Credit Facility details

Credit Facility Number	Borrower(s)	Guarantor(s)
593564000 637876000 662904000	HSF Foods	Hillspring Farms Ltd Benjamin Brake Jeremy Brake

Credit Facility No.	Product	Principal Not Due	End of Amortization	Rate	Payment Frequency	Term	Balance Due Date
593564001	Advancer Loan Variable Open	$999,981.98	N/A	5.100%	Monthly	5 year	2020-05-01
593564002	Capacity Builder Variable Open	$1,380,688.70	2033-11-01	5.000%	Monthly	5 year	2020-11-02
593564003	Fixed Rate Loan	$941,826.83	2032-05-03	4.418%	Monthly	7 year	2022-05-02
593564004	Fixed RateLloan	$946,766.32	2032-05-03	4.832%	Monthly	10 year	2025-05-01
593564005	Fixed Rate Loan	$1,525,111.31	2022-05-02	4.418%	Monthly	7 year	2022-05-02
593564006	Construction Loan Variable Open	$2,741,543.90	2022-05-02	5.00%	Monthly	5 year	2020-05-01
637876001	Variable Rate Loan	$2,303,163.47	2037-03-16	5.100%	Monthly	5 year	2022-03-15
637876002	Variable Rate Loan	$1,910,259.14	2037-03-16	5.100%	Monthly	5 year	2022-03-15
637876003	Variable Rate Loan	$1,451,086.92	2037-03-16	5.100%	Monthly	5 year	2022-03-15
637876004	Variable Rate Loan	$2,882,977.77	2037-03-16	5.100%	Monthly	5 year	2022-03-15
637876005	Variable Rate Loan	$2,128,100.72	2027-06-15	5.100%	Monthly	5 year	2022-03-15
662904001	Fixed Rate Loan	$280,676.95	2033-03-15	5.150%	Monthly	5 year	2023-03-15
662904002	Fixed Rate Loan	$208,307.28	2033-03-15	5.150%	Monthly	5 year	2023-03-15
662904003	Fixed Rate Loan	$440,085.79	2033-03-15	5.150%	Monthly	5 year	2023-03-15

Schedule "F"

Security Documents

Real Property Security

From HSF Foods Ltd.

(a) A collateral mortgage from HSF Foods Ltd. registered October 6, 2009 in the New Brunswick Land Titles Office as Instrument #27860494 as a first charge on properties identifiable by property identification numbers 10284115 (previously part of PID 10080562) 10153278, 10284172 (previously part of PID 10121937), 10284206 (previously part of PID 10080562) and 10284099 (previously part of PID 10080562).

(b) A collateral mortgage from HSF Foods Ltd. registered May 1, 2013 in the New Brunswick Land Titles Office as Instrument #32621907 as a first charge on properties identifiable by property identification numbers 35177328, 35159078 and 35345537.

(c) A collateral mortgage from HSF Foods Ltd. registered May 6, 2015 in the New Brunswick Land Titles Office as instrument # 34811720 as a first charge on the properties identifiable by property identification numbers 10264810.

(d) A collateral mortgage from HSF Foods Ltd. registered January 11, 2018 in the New Brunswick Land Titles Office as instrument # 37715373 as a first charge on the properties identifiable by propert identification numbers 10121499, 10277069 and 65201444.

From Hillspring Farms

(a) A collateral mortgage from the Hillspring Farms Ltd. registered January 26, 2009 in the New Brunswick Land Titles Office as Instrument #26757782 as a first charge on property identifiable by property identification number 10094092.

(b) A collateral mortgage from Hillspring Farms Ltd. registered May 21, 2009 in the New Brunswick Land Titles Office as Instrument #27178467 as a first charge on property identifiable by property identification number 10096105.

(c) A collateral mortgage from Hillspring Farms Ltd. registered May 22, 2009 in the New Brunswick Land Titles Office as Instrument #27181420 as a first charge on property identifiable by property identification number 10088706.

(d) A collateral mortgage from Hillspring Farms Ltd. registered October 6, 2009 in the New Brunswick Land Titles Office as Instrument #27860528 as a first charge on properties identifiable by property identification numbers 10087500, 10096105, 10087740, 10093995, 10091536, 10090611, 10088847, 10260560, 65114944, 65034977, 10161412, 10087492, 10087724, 10088706, 10158970, 10161420,10161438, 10205094, 10220846, 10231371, 10252666, 10161248, 10158988,10094092 and 10089258.

(f) A collateral mortgage from Hillspring Farms Ltd. registered April 30, 2010 in the New Brunswick Land Titles Office as Instrument #28652049 as a first charge on properties identifiable by property identification numbers 10167013, 10167039, 10167005, 10167021 and 10167047.

(g) A collateral mortgage from Hillspring Farms Ltd. registered August 26, 2011 in the New Brunswick Land Titles Office as Instrument #30516745 as a first charge on properties identifiable by property identification numbers 10002939, 10002830, 10221976 and 10004265.

(h) A collateral mortgage from Hillspring Farms Ltd. registered April 3, 2012 in the New Brunswick Land Titles Office as Instrument #31319560 as a first charge on property identifiable by property identification number 10094175.

(i) A collateral mortgage from Hillspring Farms Ltd. registered May 1, 2012 in the New Brunswick Land Titles Office as Instrument #31409791 as a first charge on property identifiable by property identification number 10259836.

(j) A collateral mortgage from Hillspring Farms Ltd. registered October 31, 2013 in the New Brunswick Land Titles Office as Instrument #33269102 as a first charge on properties identifiable by property identification numbers 10166981, 10258127, 10166957, 10094472, 10094514 and 10090850.

(k) A collateral mortgage from Hillspring Farms Ltd. registered September 25, 2014 in the New Brunswick Land Titles Office as Instrument #34212507 as a first charge on properties identifiable by property identification numbers 10092187, 10087757 and 10167906.

(l) A collateral mortgage from Hillspring Farms Ltd. registered May 5, 2015 in the New Brunswick Land Titles Office as Instrument #34807256 as a first charge on properties identifiable by property identification numbers 10091163, 10089159, 10091593, 10094100, 10095875, 10096790, 10159069, 10207280, 10278232, 10278240, 10278257, 10278273,65034662, 65034688,65112096,65114555, 10095883

(m) A collateral mortgage from Hillspring Farms Ltd. registered April 25, 2016 in the New Brunswick Land Titles Office as Instrument #35871228 as a first charge on properties identifiable by property identification numbers 10091916, 10089472, 10091155, 10211076, 10094407, 10095206, 10161669, 10167468, 10248300, 10277788,10279982, 10161685, 10280022, 10161677 and 10281095

(n) A collateral mortgage from Hillspring Farms Ltd. registered April 26, 2016 in the New Brunswick Land Titles Office as Instrument #35873406 as a first charge on properties identifiable by property identification numbers 10280097, 10280105, 10280113

(o) A collateral mortgage from Hillspring Farms Ltd. registered May 13, 2016 in the New Brunswick Land Titles Office as Instrument #35971267 as a first charge on properties identifiable by property identification numbers 10095065, 10091676, 10091742, 10092682, 10095628, 10166783, 10234128, 10280253

(p) A collateral mortgage from Hillspring Farms Ltd. registered December 23, 2016 in the New Brunswick Land Titles Office as Instrument #36648500 as a first charge on properties identifiable by property identification number 65085060,65085094,65087835,65087900, 65088627,65158438,65172827,65084857, 65084865,65084881,65084899,65084915, 65084923, 65087314, 65150757, 65215741, 65084949,65087413,65088619,65217515, 65116725,65116790,65150807,65152761

(q) A collateral mortgage from Hillspring Farms Ltd. registered January 16, 2017 in the New Brunswick Land Titles Office as Instrument #36687813 as a first charge on properties identifiable by property identification number 65114027,65085342,65138661,65138679, 65111486,65085284

(r) A collateral mortgage from Hillspring Farms Ltd. registered January 30, 2017 in the New Brunswick Land Titles Office as Instrument #36722636 as a first charge on properties identifiable by property identification numbers 35159151, 35159060

(s) A collateral mortgage from Hillspring Farms Ltd. registered January 31, 2017 in the New Brunswick Land Titles Office as Instrument #36719731 as a first charge on properties identifiable by property identification numbers 65160202, 65085268

(t) A collateral mortgage from Hillspring Farms Ltd. registered February 01, 2017 in the New Brunswick Land Titles Office as Instrument #36727890 as a first charge on properties identifiable by property identification numbers 10281772,10090652

(u) A collateral mortgage from Hillspring Farms Ltd. registered February 2, 2017 in the New Brunswick Land Titles Office as Instrument #36729433 as a first charge on properties identifiable by property identification numbers 65205981, 65089229

(v) A collateral mortgage from the Borrower registered September 1, 2017 in the New Brunswick Land Titles Office as Instrument #37338739 as a first charge on properties identifiable by property identification numbers 10275584, 10218063, 10137792, 10282580, 10260792, 10217982, 10260800, 10217974, 10232791 and 10272482.

(w) A collateral mortgage from the Borrower registered January 16, 2017 in the New Brunswick Land Titles Office as Instrument #36687284 as a first charge on properties identifiable by property identification numbers 10281723, 10281731, 10008506, 10281749, 10002186, 10183937, 10002848, 10002442, 10007235, 10003762, 10003226, 10226611, 10218659, 10127900, 10003093 and 10008993

(x) A collateral mortgage from the Borrower registered January 11, 2018 in the New Brunswick Land Titles Office as Instrument #37715365 as a first charge on properties identifiable by property identification numbers 65220535, 65084931, 65041188, 10282358, 10282333, 10282325, 10187029, 10158251, 10090413, 10273993, 10216125, 10093987, 10162048, 10088631, 10087732 and 1002913

From Burbank Water & Wastewater Inc.

(a) A collateral mortgage from Burbank Water & Wastewater Inc. registgered on April 23, 2018 in the New Brunswick Land Titles Office as instrument #37938678 as a first charge on property identifiable by property identifier number 10284198, subject to the terms and conditions of an intercreditor agreement among FCC, Business Development Bank of Canada and Burbank Water & Wastewater Inc. dated May 1, 2018.

Personal Property Security

(a) A security agreement executed by Hillspring Farms Ltd. in favour of FCC creating a first ranking security interest in all present and after-acquired personal property of Hillspring Farms Ltd. registerd May 4, 2015 as instrument/registration number 25772195, subject to the Priority Agreement.

(b) A security agreement executed by Hillspring Farms Ltd in favour of FCC creating a first ranking security interest in specific equipment of Hillspring Farms Ltd. registered May 13, 2015 as instrument-registration number 25823063 as more particularly described therein.

(c) A security agreement executed by HSF Foods Ltd. in favour of FCC creating a first ranking security interest in all present and after-acquired personal property of HSF Foods

Ltd. registered May 04, 2015 as instrument/registration number 25772203 subject to the Priority Agreement.

(d) A security agreement executed by HSF Foods Ltd. in favour of FCC creating a first ranking security interest in specific equipment of HSF Foods Ltd. registered May 15, 2015 as instrument-registration number 25835406 as more particularly described therein.

(e) A security agreement executed by Burbank Water & Wastewater Inc. in favour of FCC creating a first ranking security interest in all present and after-acquired personal property of Burbank Water & Wastewater Inc. registered on April 17, 2018 as registration number 30440408, subject to the terms and conditions of an intercreditor agreement among FCC, Business Development Bank of Canada and Burbank Water & Wastewater Inc. dated May 1, 2018.

Guarantees

(a) An unlimited guarantee from Jeremy Benjamin Brake in favour of FCC in respect of all indebtedness, liabilities and obligations of the Borrower.

(b) An unlimited guarantee from Burbank Water & Wastewater Inc. in favour of FCC in respect of all indebtedness, liabilities and obligations of the Borrower.

(c) An unlimited guarantee from Hillspring Thaw Ltd. in favour of FCC in respect of all indebtedness, liabilities and obl igations of the Borrower.

(d) An unlimited guarantee from Hillspring Warehouse & Logistics Inc. in favour of FCC in respect of all indebtedness, liabilities and obligations of the Borrower.

(e) An unlimited guarantee from Sunrise Seed Farms Ltd. in favour of FCC in respect of all indebtedness, liabilities and obligations of the Borrower.

(f) An unlimited guarantee from Burbank Industrial Supply Inc. in favour of FCC in respect of all indebtedness, liabilities and obligations of the Borrower.

(g) Existing unlimited guarantee from Hillspring Farms Ltd. dated June 3, 2015.

(h) Existing unlimited guarantee from Benjamin Austin Brake dated June 3, 2015.

Assignment, Postponement and Subordination Agreement

An assignment, postponement and subordination agreement from Benjamin Austin Brake in favour of FCC in respect of the indebtedness, liabilities and obligations owed by the Borrower to Benjamin Austin Brake.

An assignment, postponement and subordination agreement from Jeremy Benjamin Brake in favour of FCC in respect of the indebtedness, liabilities and obligations owed by Hillpring Thaw Ltd., Hillspring Warehouse & Logistics Inc., Sunrise Seed Farms Ltd., Burbank Industrial Supply Inc., and Burbank Water & Wastewater Inc. to Jeremy Benjamin Brake.

Inter-Creditor Arrangements

An intercreditor agreement dated February 23, 2010 among FCC, CIBC, the Borrower and HSF Foods Ltd. (the "Priority Agreement") granting first priority to CIBC in respect of the inventory, accounts receivable, cash deposits with CIBC and foreign exchange contracts of the Borrower and Hillspring Farms Ltd., first priority to FCC in respect of all of the other personal property of the Borrower and HSF Foods Ltd. and second priority to FCC in respect of the inventory, accounts receivable, cash deposits with CIBC and foreign exchange contracts of the Borrower and Hillspring Farms Ltd.

An intercreditor agreement dated May 1, 2018 among FCC, Business Development Bank of Canada and Burbank Water & Wastewater Inc., wherein the parties agreed that certain real property security and personal property security, granted by Burbank Water & Wastewater Inc. to each of FCC and Business Development Bank of Canada, shall rank *pari passu* and whereby the proceeds from any enforcement thereof shall be allocated 47% to Business Development Bank of Canada and 53% to FCC.

SCHEDULE G – Compliance Certificate

Farm Credit Canada

COMPLIANCE CERTIFICATE

PROTECTED

To: Farm Credit Canada ("FCC") Date:

From: ________________________________ (the "Borrower")

Re: Credit Agreement between FCC, the Borrower and others dated __________________ (as amended, restated, modified or replaced, the "Credit Agreement") and the Borrower's annual review engagement financial statements and those of ____________________ for the period ending , ________:

I, , , hereby certify for and on behalf of the Borrower, that:

1. I am an officer of the Borrower and I make these representations, warranties and certifications knowing that FCC will be acting in reliance thereon in extending or continuing to extend credit under the credit facilities in favour of the Borrower under the Credit Agreement.

2. I am familiar with and have examined the provisions of the Credit Agreement and have made reasonable investigations of corporate records and inquiries of other officers and senior personnel of the Borrower,

3. In accordance with the terms of our Credit Agreement, attached hereto are our annual review engagement financial statements and annual notice to reader financial statements, respectively, for the period ending [•]. We [are/are not] in compliance with all financial covenants set out in the Credit Agreement for such period end. The calculations made to determine compliance were the following:

Financial Covenant	Calculation	Compliance
Debt Service Coverage Ratio		[Yes/No]
Debt to Equity Ratio		[Yes/No]

4. I have further reviewed the Credit Agreement and have no knowledge of the occurrence of any events of default thereunder or any event that, with the passage of time, would constitute an event of default.

5. No events, circumstances or developments have arisen that would have a material adverse effect or would cause any information or other matter previously disclosed to FCC by or on behalf of the Borrower or any of its affiliates, representatives or advisers to be incorrect in any material and adverse respect as at and immediately following the date of such financial statements or the date of delivery of the last Compliance Certificate.

(Borrower)

Name:
Title:

Name:
Title:

I have authority to bind the Corporation

This is Exhibit "B" to the Affidavit of Bailey Campbell SWORN TO at the City of Saint John, Province of New Brunswick, this 18th day of June 2020.

BEFORE ME:

Caleb Hunter

Notary Public in and for the Province of New Brunswick

Caleb G. Hunter

Farm Credit Canada Canadä

PROTECTED

Customer number: 100163788

Guarantee

To: **Farm Credit Canada ("FCC", "us", "we" or "our")**

Provided by: HILLSPRING FARMS LTD.

("you", "your")

Read this Guarantee carefully. By signing this Guarantee, you are agreeing to a significant financial commitment. We recommend that you obtain independent legal advice as to the meaning of this Guarantee. In some cases, independent legal advice may be required.

1. What this guarantee does

(a) FCC has agreed to lend money to

HSF FOODS LTD.

(the "**Borrower**") pursuant to one or more agreements or credit facilities (the "**Credit Facility**"), but only if you provide us with this Guarantee.

(b) In consideration of FCC lending money to the Borrower under the credit facility, you are signing this agreement to guarantee the obligations of the borrower to us in accordance with the terms and conditions of this Guarantee.

(c) You are guaranteeing payment of money owing by the borrower to us at any time under the credit facility including:

(i) all principal advanced by us to or for the account of the Borrower,

(ii) all interest on that principal at the rate applicable under the Credit Facility,

(iii) all fees and other amounts owing to us by the Borrower at any time under the Credit Facility, and

(iv) compensation for any costs we may incur if the Borrower fails to pay any amount due under the Credit Facility, or to perform any other obligation under the Credit Facility.

You are guaranteeing payment of these obligations in the amount specified in section 2 below. The amount that you are guaranteeing is called the "guaranteed amount". In addition to the Guaranteed Amount, you shall also be liable to pay amounts specified in sections 3(c) and 3(d) below.

(d) In addition to guaranteeing payment of the guaranteed amount, you are also guaranteeing that the Borrower shall observe all terms and conditions of the credit facility and comply with all of the Borrower's obligations under the Credit Facility. These obligations are called the "**Guaranteed Obligations**".

2. Guaranteed amount

The guaranteed amount that you shall be liable to pay to us is: ☒unlimited

- Unlimited (the "**Guaranteed Amount**")

3. Your obligations

By signing this Guarantee, you agree to do the following:

(a) You promise to pay the entire Guaranteed Amount to us immediately after you receive our written demand for payment.

(b) You promise to perform the Guaranteed Obligations if the Borrower fails do so and if we ask.

(c) If you do not pay us the Guaranteed Amount when we demand, you promise to pay:

(i) interest on the Guaranteed Amount at the rate of 18 % per year, calculated daily, and if you do not pay the interest, we shall charge interest at this same rate on all unpaid interest, and

(ii) the costs we incur in collecting the guaranteed amount from you.

(d) If you do not perform the Guaranteed Obligations when we ask, you promise to compensate us for any costs we incur on your behalf in performing such Guaranteed Obligations.

4. Absolute Guarantee

(a) Your obligations to pay the Guaranteed Amount and perform the Guaranteed Obligations are equivalent to the Borrower's Obligations under the Credit Facility.

(b) If the Borrower fails to pay us, we may call on you to pay us the Guaranteed Amount even if we do not:

(i) request further payment from the Borrower

(ii) realize on any security given to us by the Borrower or any other person

(iii) take action or exercise any of our rights or remedies against the Borrower or

(iv) take action against any other guarantor of the Borrower's Obligations.

(c) You are obligated to pay the Guaranteed Amount and perform the Guaranteed Obligations, even if:

(i) the Credit Facility or any security for the Credit Facility is invalid, illegal or unenforceable

(ii) the Borrower becomes bankrupt or insolvent or is wound-up, liquidated or dissolved

(iii) any law, order or other circumstance discharges the Borrower or any other guarantor of the Borrower's Obligations from the obligations owing to us

(iv) the Borrower is a corporation that subsequently changes in any way including if it reorganizes, sells its business, amalgamates or changes its name, business, corporate constitution or shareholders

(v) the Borrower's directors or officers were not authorized to borrow from us or

(vi) the Borrower dies.

5. Waiver of rights, and no release

By signing this Guarantee, you agree to the following:

(a) We may deal with the Borrower, any other guarantor or any security we hold to secure the Borrower's Obligations in any way we see fit without any notice to you, and you consent to all such dealings.

(b) You waive any right that you may have to argue that you are released from your obligations under the Guarantee if:

(i) we do not notify you when the Borrower fails to pay us,

(ii) we do not demand the Borrower pay us before we demand you pay the Guaranteed Amount,

(iii) we grant the Borrower more time to pay any amount owing to us under the Credit Facility,

(iv) we make any compromise or arrangement with the Borrower or if one is imposed or recommended by a court,

(v) we give any concession or waiver to the Borrower as an exception to the strict terms of the Credit Facility,

(vi) we fail to exercise any rights we have against the Borrower or any other guarantor or any security we hold to secure the Borrower's Obligations, or if we delay in exercising any of these rights,

(vii) the provisions of the Credit Facility or any other agreement relating to the Borrower's Obligations are amended, extended, changed or replaced in any way,

(viii) we advance all or any part of the loan to the Borrower while the Borrower is in default under the Credit Facility or in any other situation where we could lawfully withhold the advance,

(ix) we give up any security or any other guarantee we have for the Borrower's Obligations, fail to properly register any security or commit any error that reduces our ability to enforce our rights against the Borrower,

(x) we do not insure or require the Borrower to insure any property of the Borrower, or

(xi) we do not otherwise ensure that the Borrower performs its obligations under the Credit Facility.

6. What you agree not to do

By signing this Guarantee, you agree not to do the following until all amounts owing to us under the Credit Facility are paid in full:

(a) You shall not sue the Borrower to recover payment of any amounts that you paid to us on account of the Guaranteed Amount.

(b) You shall not receive, request or accept any payment, benefit or security from the Borrower, unless otherwise authorized by FCC in writing.

(c) You shall not rank as a creditor in the bankruptcy, receivership or liquidation of the Borrower in competition with us.

Until all amounts owing to us under the Credit Facility are paid in full, you must hold in trust (and as mandatary if this Guarantee is governed by the laws of Québec) for us any payment or benefit that you receive from the Borrower and immediately provide the payment or benefit to us, even if we have settled with the Borrower or have otherwise discharged the Borrower from the Borrower's Obligations under the Credit Facility.

7. Continuing guarantee

(a) This Guarantee is a continuing guarantee, which means that your obligations under the Guarantee shall continue until we receive the full Guarantee Amount owing by the Borrower to FCC and the Borrower has satisfied all of the obligations owed to FCC. It also means that this Guarantee:

(i) has no limits as to the length of time it remains in effect,

(ii) shall not be reduced by any other guarantee or security we may hold for any of the obligations of the Borrower,

(iii) is in addition to any other guarantee or security we may have from you or any other person, and

(iv) shall not terminate upon any termination of or change in the relationship that exists between you and the Borrower, and

(v) secures the entire Guaranteed Amount for as long as that amount is owing to us at any time by the Borrower, including if the Borrower repays and then re-borrows any amount owing to us.

(b) You may limit the future Guaranteed Amount or terminate your obligations under this Guarantee if you give us at least 60 days advance notice in writing. This means that:

(i) you shall continue to be responsible for the entire Guaranteed Amount owing at the end of the 60-day notice period, including any amounts we advance to the Borrower within the 60-day notice period,

(ii) you cannot reduce, limit or terminate your obligation to pay the Guaranteed Amount owing by the Borrower at the end of the 60-day notice period, but you shall have no obligation to pay for any amounts we lend to the Borrower after the 60-day notice period expires, and

(iii) you shall continue to be responsible for performing the Guaranteed Obligations beyond the end of the 60-day notice period if the Borrower was required to perform but failed to perform such obligations prior to the end of the 60-day notice period.

8. Demanding payment of the Guaranteed Amount

(a) We may demand you pay us the entire Guaranteed Amount at any time after the Borrower defaults. We shall provide you with a written demand for payment either by hand delivery, ordinary mail or registered mail at your last address known to us.

(b) The balance that is showing in our books and records as owing by the Borrower or which is admitted by the Borrower or any representatives of the Borrower shall be conclusive evidence of the amount of the Borrower's debt to us. This is the only evidence we need in order to prove that the Guaranteed Amount is in fact owing to us by the Borrower under the Credit Facility, and by you under this Guarantee.

9. Failure to pay or perform

If you fail to pay us the Guaranteed Amount within the time period specified in our written demand, we shall:

(a) commence a legal action against you to recover payment of the Guaranteed Amount and the costs of collecting the Guaranteed Amount as well as all losses we suffered or incurred by your failure to perform the Guaranteed Obligations.

(b) enforce any security that you have provided in support of this Guarantee.

10. Payments

(a) All moneys, securities, payments or other property that we receive from the Borrower or any other person which may reduce the amounts owing under the Credit Facility shall be regarded as conditional, and shall not be deducted from the amounts owing under the Credit Facility or this Guarantee until such payments become absolutely final and unconditional.

(b) No payment from the Borrower or any other person or any realization on any security shall relieve you from any of your obligations under this Guarantee until all obligations under the Credit Facility have been paid or performed.

11. Other clauses that apply to this guarantee

(a) This Guarantee is in addition to any other guarantee that you or any other person may have previously provided to us, or that you or any other person may provide in the future. This Guarantee does not replace or terminate any of those other guarantees.

(b) You agree that we did not make any representations to you or agree to any conditions that must be met before we demand you to pay the Guaranteed Amount, other than those included in this Guarantee.

(c) If any part of this Guarantee turns out to be invalid for any reason, the rest of this Guarantee shall remain in full force and effect and this Guarantee shall be read as if the invalid part was not included in it.

(d) We may transfer any of our rights or interests under this Guarantee, the Credit Facility or any security granted to us without obtaining your consent.

(e) This Guarantee is governed by the laws of the Province of New Brunswick. We may commence an action or other court proceeding on this Guarantee in the courts of this province and you agree to submit to the jurisdiction of such courts and be bound by any judgment that any such court may make. We also reserve the right to start an action or other court proceeding against you anywhere outside this province.

(f) In Québec, you renounce the benefit of division and discussion and understand that your liability for the Guaranteed Obligations is solidary with the Borrower.

(g) This Guarantee benefits our successors and assigns and binds your heirs, legal representatives, successors and assigns.

(h) You agree that this Guarantee and any related document shall be drafted and executed in English.

Vous acceptez que cette garantie ainsi que les documents connexes seront rédigés et signés en anglais.

(i) If more than one person has signed this Guarantee with us, everyone who has signed is responsible to us for the obligations specified in this Guarantee on a joint and several basis.

I have read this guarantee and agree to its terms.

Dated this 3rd day of June, 2015, at Woodstock in the Province of New Brunswick.

Corporation/company

HILLSPRING FARMS LTD. (Print corporate/company name),

by (Print name of person signing on behalf of the corporation/company)

Benjamin A. Brake President (Print title of person signing on behalf of the corporation/company)

(Signature of person signing on behalf of the corporation/company)
I have authority to bind the corporation/company.

(Corporate seal if available)

If a Certificate of Independent Legal Advice has been completed respecting each guarantor, it is attached hereto.

Farm Credit Canada Canadä

PROTECTED

Guarantee

Customer number: 100163788

To: Farm Credit Canada ("FCC", "us", "we" or "our")

Provided by: BENJAMIN AUSTIN BRAKE

("you", "your")

Read this Guarantee carefully. By signing this Guarantee, you are agreeing to a significant financial commitment. We recommend that you obtain independent legal advice as to the meaning of this Guarantee. In some cases, independent legal advice may be required.

1. What this guarantee does

(a) FCC has agreed to lend money to
HSF FOODS LTD.

(the "**Borrower**") pursuant to one or more agreements or credit facilities (the "**Credit Facility**"), but only if you provide us with this Guarantee.

(b) In consideration of FCC lending money to the Borrower under the credit facility, you are signing this agreement to guarantee the obligations of the borrower to us in accordance with the terms and conditions of this Guarantee.

(c) You are guaranteeing payment of money owing by the borrower to us at any time under the credit facility including:

(i) all principal advanced by us to or for the account of the Borrower,

(ii) all interest on that principal at the rate applicable under the Credit Facility,

(iii) all fees and other amounts owing to us by the Borrower at any time under the Credit Facility, and

(iv) compensation for any costs we may incur if the Borrower fails to pay any amount due under the Credit Facility, or to perform any other obligation under the Credit Facility.

You are guaranteeing payment of these obligations in the amount specified in section 2 below. The amount that you are guaranteeing is called the "guaranteed amount". In addition to the Guaranteed Amount, you shall also be liable to pay amounts specified in sections 3(c) and 3(d) below.

(d) In addition to guaranteeing payment of the guaranteed amount, you are also guaranteeing that the Borrower shall observe all terms and conditions of the credit facility and comply with all of the Borrower's obligations under the Credit Facility. These obligations are called the "**Guaranteed Obligations**".

2. Guaranteed amount

The guaranteed amount that you shall be liable to pay to us is: ☒unlimited

- Unlimited (the "**Guaranteed Amount**")

3. Your obligations

By signing this Guarantee, you agree to do the following:

(a) You promise to pay the entire Guaranteed Amount to us immediately after you receive our written demand for payment.

(b) You promise to perform the Guaranteed Obligations if the Borrower fails do so and if we ask.

(c) If you do not pay us the Guaranteed Amount when we demand, you promise to pay:

(i) interest on the Guaranteed Amount at the rate of 18 % per year, calculated daily, and if you do not pay the interest, we shall charge interest at this same rate on all unpaid interest, and

(ii) the costs we incur in collecting the guaranteed amount from you.

(d) If you do not perform the Guaranteed Obligations when we ask, you promise to compensate us for any costs we incur on your behalf in performing such Guaranteed Obligations.

4. Absolute Guarantee

(a) Your obligations to pay the Guaranteed Amount and perform the Guaranteed Obligations are equivalent to the Borrower's Obligations under the Credit Facility.

(b) If the Borrower fails to pay us, we may call on you to pay us the Guaranteed Amount even if we do not:

(i) request further payment from the Borrower

(ii) realize on any security given to us by the Borrower or any other person

(iii) take action or exercise any of our rights or remedies against the Borrower or

(iv) take action against any other guarantor of the Borrower's Obligations.

(c) You are obligated to pay the Guaranteed Amount and perform the Guaranteed Obligations, even if:

(i) the Credit Facility or any security for the Credit Facility is invalid, illegal or unenforceable

(ii) the Borrower becomes bankrupt or insolvent or is wound-up, liquidated or dissolved

(iii) any law, order or other circumstance discharges the Borrower or any other guarantor of the Borrower's Obligations from the obligations owing to us

(iv) the Borrower is a corporation that subsequently changes in any way including if it reorganizes, sells its business, amalgamates or changes its name, business, corporate constitution or shareholders

(v) the Borrower's directors or officers were not authorized to borrow from us or

(vi) the Borrower dies.

5. Walver of rights, and no release

By signing this Guarantee, you agree to the following:

(a) We may deal with the Borrower, any other guarantor or any security we hold to secure the Borrower's Obligations in any way we see fit without any notice to you, and you consent to all such dealings.

(b) You waive any right that you may have to argue that you are released from your obligations under the Guarantee if:

(i) we do not notify you when the Borrower fails to pay us,

(ii) we do not demand the Borrower pay us before we demand you pay the Guaranteed Amount,

(iii) we grant the Borrower more time to pay any amount owing to us under the Credit Facility,

(iv) we make any compromise or arrangement with the Borrower or if one is imposed or recommended by a court,

(v) we give any concession or waiver to the Borrower as an exception to the strict terms of the Credit Facility,

(vi) we fail to exercise any rights we have against the Borrower or any other guarantor or any security we hold to secure the Borrower's Obligations, or if we delay in exercising any of these rights,

(vii) the provisions of the Credit Facility or any other agreement relating to the Borrower's Obligations are amended, extended, changed or replaced in any way,

(viii) we advance all or any part of the loan to the Borrower while the Borrower is in default under the Credit Facility or in any other situation where we could lawfully withhold the advance,

(ix) we give up any security or any other guarantee we have for the Borrower's Obligations, fail to properly register any security or commit any error that reduces our ability to enforce our rights against the Borrower,

(x) we do not insure or require the Borrower to insure any property of the Borrower, or

(xi) we do not otherwise ensure that the Borrower performs its obligations under the Credit Facility.

6. What you agree not to do

By signing this Guarantee, you agree not to do the following until all amounts owing to us under the Credit Facility are paid in full:

(a) You shall not sue the Borrower to recover payment of any amounts that you paid to us on account of the Guaranteed Amount.

(b) You shall not receive, request or accept any payment, benefit or security from the Borrower, unless otherwise authorized by FCC in writing.

(c) You shall not rank as a creditor in the bankruptcy, receivership or liquidation of the Borrower in competition with us.

Until all amounts owing to us under the Credit Facility are paid in full, you must hold in trust (and as mandatary if this Guarantee is governed by the laws of Québec) for us any payment or benefit that you receive from the Borrower and immediately provide the payment or benefit to us, even if we have settled with the Borrower or have otherwise discharged the Borrower from the Borrower's Obligations under the Credit Facility.

7. Continuing guarantee

(a) This Guarantee is a continuing guarantee, which means that your obligations under the Guarantee shall continue until we receive the full Guarantee Amount owing by the Borrower to FCC and the Borrower has satisfied all of the obligations owed to FCC. It also means that this Guarantee:

(i) has no limits as to the length of time it remains in effect,

(ii) shall not be reduced by any other guarantee or security we may hold for any of the obligations of the Borrower,

(iii) is in addition to any other guarantee or security we may have from you or any other person, and

(iv) shall not terminate upon any termination of or change in the relationship that exists between you and the Borrower, and

(v) secures the entire Guaranteed Amount for as long as that amount is owing to us at any time by the Borrower, including if the Borrower repays and then re-borrows any amount owing to us.

(b) You may limit the future Guaranteed Amount or terminate your obligations under this Guarantee if you give us at least 60 days advance notice in writing. This means that:

(i) you shall continue to be responsible for the entire Guaranteed Amount owing at the end of the 60-day notice period, including any amounts we advance to the Borrower within the 60-day notice period,

(ii) you cannot reduce, limit or terminate your obligation to pay the Guaranteed Amount owing by the Borrower at the end of the 60-day notice period, but you shall have no obligation to pay for any amounts we lend to the Borrower after the 60-day notice period expires, and

(iii) you shall continue to be responsible for performing the Guaranteed Obligations beyond the end of the 60-day notice period if the Borrower was required to perform but failed to perform such obligations prior to the end of the 60-day notice period.

8. Demanding payment of the Guaranteed Amount

(a) We may demand you pay us the entire Guaranteed Amount at any time after the Borrower defaults. We shall provide you with a written demand for payment either by hand delivery, ordinary mail or registered mail at your last address known to us.

(b) The balance that is showing in our books and records as owing by the Borrower or which is admitted by the Borrower or any representatives of the Borrower shall be conclusive evidence of the amount of the Borrower's debt to us. This is the only evidence we need in order to prove that the Guaranteed Amount is in fact owing to us by the Borrower under the Credit Facility, and by you under this Guarantee.

9. Failure to pay or perform

If you fail to pay us the Guaranteed Amount within the time period specified in our written demand, we shall:

(a) commence a legal action against you to recover payment of the Guaranteed Amount and the costs of collecting the Guaranteed Amount as well as all losses we suffered or incurred by your failure to perform the Guaranteed Obligations.

(b) enforce any security that you have provided in support of this Guarantee.

10. Payments

(a) All moneys, securities, payments or other property that we receive from the Borrower or any other person which may reduce the amounts owing under the Credit Facility shall be regarded as conditional, and shall not be deducted from the amounts owing under the Credit Facility or this Guarantee until such payments become absolutely final and unconditional.

(b) No payment from the Borrower or any other person or any realization on any security shall relieve you from any of your obligations under this Guarantee until all obligations under the Credit Facility have been paid or performed.

11. Other clauses that apply to this guarantee

(a) This Guarantee is in addition to any other guarantee that you or any other person may have previously provided to us, or that you or any other person may provide in the future. This Guarantee does not replace or terminate any of those other guarantees.

(b) You agree that we did not make any representations to you or agree to any conditions that must be met before we demand you to pay the Guaranteed Amount, other than those included in this Guarantee.

(c) If any part of this Guarantee turns out to be invalid for any reason, the rest of this Guarantee shall remain in full force and effect and this Guarantee shall be read as if the invalid part was not included in it.

(d) We may transfer any of our rights or interests under this Guarantee, the Credit Facility or any security granted to us without obtaining your consent.

(e) This Guarantee is governed by the laws of the Province of New Brunswick. We may commence an action or other court proceeding on this Guarantee in the courts of this province and you agree to submit to the jurisdiction of such courts and be bound by any judgment that any such court may make. We also reserve the right to start an action or other court proceeding against you anywhere outside this province.

(f) In Québec, you renounce the benefit of division and discussion and understand that your liability for the Guaranteed Obligations is solidary with the Borrower.

(g) This Guarantee benefits our successors and assigns and binds your heirs, legal representatives, successors and assigns.

(h) You agree that this Guarantee and any related document shall be drafted and executed in English.

Vous acceptez que cette garantie ainsi que les documents connexes seront rédigés et signés en anglais.

(i) If more than one person has signed this Guarantee with us, everyone who has signed is responsible to us for the obligations specified in this Guarantee on a joint and several basis.

I have read this guarantee and agree to its terms.

Dated this 3rd day of June, 2015, at Woodstock
in the Province of New Brunswick.

Guarantor

(Witness signature)

(Guarantor signature)

Peter E. Crocco, Q.C.
(Print witness name)

BENJAMIN AUSTIN BRAKE
(Print guarantor name)

If a Certificate of Independent Legal Advice has been completed respecting each guarantor, it is attached hereto.

Farm Credit Canada Canada

Guarantee

Customer number: 100163788

To: **Farm Credit Canada ("FCC", "us", "we" or "our")**

Provided by: Jeremy Benjamin Brake
("you", "your")

Read this Guarantee carefully. By signing this Guarantee, you are agreeing to a significant financial commitment. We recommend that you obtain independent legal advice as to the meaning of this Guarantee. In some cases, independent legal advice may be required.

1. **What this guarantee does**

(a) FCC has agreed to lend money to

HSF Foods Ltd.

(the **"Borrower"**) pursuant to one or more agreements or credit facilities (the **"Credit Facility"**), but only if you provide us with this Guarantee.

(b) In consideration of FCC lending money to the Borrower under the credit facility, you are signing this agreement to guarantee the obligations of the borrower to us in accordance with the terms and conditions of this Guarantee.

(c) You are guaranteeing payment of money owing by the borrower to us at any time under the credit facility including:

(i) all principal advanced by us to or for the account of the Borrower,
(ii) all interest on that principal at the rate applicable under the Credit Facility,
(iii) all fees and other amounts owing to us by the Borrower at any time under the Credit Facility, and
(iv) compensation for any costs we may incur if the Borrower fails to pay any amount due under the Credit Facility, or to perform any other obligation under the Credit Facility.

You are guaranteeing payment of these obligations in the amount specified in section 2 below. The amount that you are guaranteeing is called the "guaranteed amount". In addition to the Guaranteed Amount, you shall also be liable to pay amounts specified in sections 3(c) and 3(d) below.

(d) In addition to guaranteeing payment of the guaranteed amount, you are also guaranteeing that the Borrower shall observe all terms and conditions of the credit facility and comply with all of the Borrower's obligations under the Credit Facility. These obligations are called the **"Guaranteed Obligations"**.

2. **Guaranteed amount**

The guaranteed amount that you shall be liable to pay to us is:

- Unlimited (the **"Guaranteed Amount"**)

3. **Your obligations**

By signing this Guarantee, you agree to do the following:

(a) You promise to pay the entire Guaranteed Amount to us immediately after you receive our written demand for payment.

(b) You promise to perform the Guaranteed Obligations if the Borrower fails do so and if we ask.

(c) If you do not pay us the Guaranteed Amount when we demand, you promise to pay:

(i) interest on the Guaranteed Amount at the rate of 18 % per year, calculated daily, and if you do not pay the interest, we shall charge interest at this same rate on all unpaid interest, and
(ii) the costs we incur in collecting the guaranteed amount from you.

(d) If you do not perform the Guaranteed Obligations when we ask, you promise to compensate us for any costs we incur on your behalf in performing such Guaranteed Obligations.

4. Absolute Guarantee

(a) Your obligations to pay the Guaranteed Amount and perform the Guaranteed Obligations are equivalent to the Borrower's Obligations under the Credit Facility.

(b) If the Borrower fails to pay us, we may call on you to pay us the Guaranteed Amount even if we do not:

(i) request further payment from the Borrower
(ii) realize on any security given to us by the Borrower or any other person
(iii) take action or exercise any of our rights or remedies against the Borrower or
(iv) take action against any other guarantor of the Borrower's Obligations.

(c) You are obligated to pay the Guaranteed Amount and perform the Guaranteed Obligations, even if:

(i) the Credit Facility or any security for the Credit Facility is invalid, illegal or unenforceable
(ii) the Borrower becomes bankrupt or insolvent or is wound-up, liquidated or dissolved
(iii) any law, order or other circumstance discharges the Borrower or any other guarantor of the Borrower's Obligations from the obligations owing to us
(iv) the Borrower is a corporation that subsequently changes in any way including if it reorganizes, sells its business, amalgamates or changes its name, business, corporate constitution or shareholders
(v) the Borrower's directors or officers were not authorized to borrow from us or
(vi) the Borrower dies.

5. Waiver of rights, and no release

By signing this Guarantee, you agree to the following:

(a) We may deal with the Borrower, any other guarantor or any security we hold to secure the Borrower's Obligations in any way we see fit without any notice to you, and you consent to all such dealings.

(b) You waive any right that you may have to argue that you are released from your obligations under the Guarantee if:

(i) we do not notify you when the Borrower fails to pay us,
(ii) we do not demand the Borrower pay us before we demand you pay the Guaranteed Amount,
(iii) we grant the Borrower more time to pay any amount owing to us under the Credit Facility,
(iv) we make any compromise or arrangement with the Borrower or if one is imposed or recommended by a court,
(v) we give any concession or waiver to the Borrower as an exception to the strict terms of the Credit Facility,
(vi) we fail to exercise any rights we have against the Borrower or any other guarantor or any security we hold to secure the Borrower's Obligations, or if we delay in exercising any of these rights,
(vii) the provisions of the Credit Facility or any other agreement relating to the Borrower's Obligations are amended, extended, changed or replaced in any way,
(viii) we advance all or any part of the loan to the Borrower while the Borrower is in default under the Credit Facility or in any other situation where we could lawfully withhold the advance,
(ix) we give up any security or any other guarantee we have for the Borrower's Obligations, fail to properly register any security or commit any error that reduces our ability to enforce our rights against the Borrower,
(x) we do not insure or require the Borrower to insure any property of the Borrower, or
(xi) we do not otherwise ensure that the Borrower performs its obligations under the Credit Facility.

6. What you agree not to do

By signing this Guarantee, you agree not to do the following until all amounts owing to us under the Credit Facility are paid in full:

(a) You shall not sue the Borrower to recover payment of any amounts that you paid to us on account of the Guaranteed Amount.

(b) You shall not receive, request or accept any payment, benefit or security from the Borrower, with the exception of salaries and dividends in the ordinary course of business unless otherwise authorized by FCC in writing.

(c) You shall not rank as a creditor in the bankruptcy, receivership or liquidation of the Borrower in competition with us.

Until all amounts owing to us under the Credit Facility are paid in full, you must hold in trust (and as mandatary if this Guarantee is governed by the laws of Québec) for us any payment or benefit that you receive from the Borrower and immediately provide the payment or benefit to us, even if we have settled with the Borrower or have otherwise discharged the Borrower from the Borrower's Obligations under the Credit Facility.

7. Continuing guarantee

(a) This Guarantee is a continuing guarantee, which means that your obligations under the Guarantee shall continue until we receive the full Guarantee Amount owing by the Borrower to FCC and the Borrower has satisfied all of the obligations owed to FCC. It also means that this Guarantee:

(i) has no limits as to the length of time it remains in effect,

(ii) shall not be reduced by any other guarantee or security we may hold for any of the obligations of the Borrower,

(iii) is in addition to any other guarantee or security we may have from you or any other person, and

(iv) shall not terminate upon any termination of or change in the relationship that exists between you and the Borrower, and

(v) secures the entire Guaranteed Amount for as long as that amount is owing to us at any time by the Borrower, including if the Borrower repays and then re-borrows any amount owing to us.

(b) You may limit the future Guaranteed Amount if you give us at least 30 days advance notice in writing. This means that:

(i) you shall continue to be responsible for the entire Guaranteed Amount owing at the end of the 30-day notice period, including any amounts we advance to the Borrower within the 30-day notice period,

(ii) you cannot reduce, limit or terminate your obligation to pay the Guaranteed Amount owing by the Borrower at the end of the 30-day notice period, but you shall have no obligation to pay for any amounts we lend to the Borrower after the 30-day notice period expires, and

(iii) you shall continue to be responsible for performing the Guaranteed Obligations beyond the end of the 30-day notice period if the Borrower was required to perform but failed to perform such obligations prior to the end of the 30-day notice period.

8. Demanding payment of the Guaranteed Amount

(a) We may demand you pay us the entire Guaranteed Amount at any time after the Borrower defaults. We shall provide you with a written demand for payment either by hand delivery, ordinary mail or registered mail at your last address known to us.

(b) The balance that is showing in our books and records as owing by the Borrower or which is admitted by the Borrower or any representatives of the Borrower shall be conclusive evidence of the amount of the Borrower's debt to us. This is the only evidence we need in order to prove that the Guaranteed Amount is in fact owing to us by the Borrower under the Credit Facility, and by you under this Guarantee.

9. Failure to pay or perform

If you fail to pay us the Guaranteed Amount within the time period specified in our written demand, we shall:

(a) commence a legal action against you to recover payment of the Guaranteed Amount and the costs of collecting the Guaranteed Amount as well as all losses we suffered or incurred by your failure to perform the Guaranteed Obligations.

(b) enforce any security that you have provided in support of this Guarantee.

10. Payments

(a) All moneys, securities, payments or other property that we receive from the Borrower or any other person which may reduce the amounts owing under the Credit Facility shall be regarded as conditional, and shall not be deducted from the amounts owing under the Credit Facility or this Guarantee until such payments become absolutely final and unconditional.

(b) No payment from the Borrower or any other person or any realization on any security shall relieve you from any of your obligations under this Guarantee until all obligations under the Credit Facility have been paid or performed.

11. Other clauses that apply to this guarantee

(a) This Guarantee is in addition to any other guarantee that you or any other person may have previously provided to us, or that you or any other person may provide in the future. This Guarantee does not replace or terminate any of those other guarantees.

(b) You agree that we did not make any representations to you or agree to any conditions that must be met before we demand you to pay the Guaranteed Amount, other than those included in this Guarantee.

(c) If any part of this Guarantee turns out to be invalid for any reason, the rest of this Guarantee shall remain in full force and effect and this Guarantee shall be read as if the invalid part was not included in it.

(d) We may transfer any of our rights or interests under this Guarantee, the Credit Facility or any security granted to us without obtaining your consent.

(e) This Guarantee is governed by the laws of the Province of New Brunswick. We may commence an action or other court proceeding on this Guarantee in the courts of this province and you agree to submit to the jurisdiction of such courts and be bound by any judgment that any such court may make. We also reserve the right to start an action or other court proceeding against you anywhere outside this province.

(f) In Québec, you renounce the benefit of division and discussion and understand that your liability for the Guaranteed Obligations is solidary with the Borrower.

(g) This Guarantee benefits our successors and assigns and binds your heirs, legal representatives, successors and assigns.

(h) You agree that this Guarantee and any related document shall be drafted and executed in English.

Vous acceptez que cette garantie ainsi que les documents connexes seront rédigés et signés en anglais.

(i) If more than one person has signed this Guarantee with us, everyone who has signed is responsible to

I have read this guarantee and agree to its terms.

Dated this 26 day of October, 2018, at Woodstock
in the Province of New Brunswick.

Guarantor

(Guarantor signature)

Jeremy Benjamin Brake

(Print guarantor name)

If a Certificate of Independent Legal Advice has been completed respecting each guarantor, it is attached hereto.

Farm Credit Canada Canada

Guarantee

Customer number: 200821073

To: Farm Credit Canada ("FCC", "us", "we" or "our")

Provided by: Jeremy Brake
("you", "your")

Read this Guarantee carefully. By signing this Guarantee, you are agreeing to a significant financial commitment. We recommend that you obtain independent legal advice as to the meaning of this Guarantee. In some cases, independent legal advice may be required.

1. What this guarantee does

(a) FCC has agreed to lend money to

HSF Foods Ltd.

(the "**Borrower**") pursuant to one or more agreements or credit facilities (the "**Credit Facility**"), but only if you provide us with this Guarantee.

(b) In consideration of FCC lending money to the Borrower under the credit facility, you are signing this agreement to guarantee the obligations of the borrower to us in accordance with the terms and conditions of this Guarantee.

(c) You are guaranteeing payment of money owing by the borrower to us at any time under the credit facility including:

(i) all principal advanced by us to or for the account of the Borrower,
(ii) all interest on that principal at the rate applicable under the Credit Facility,
(iii) all fees and other amounts owing to us by the Borrower at any time under the Credit Facility, and
(iv) compensation for any costs we may incur if the Borrower fails to pay any amount due under the Credit Facility, or to perform any other obligation under the Credit Facility.

You are guaranteeing payment of these obligations in the amount specified in section 2 below. The amount that you are guaranteeing is called the "guaranteed amount". In addition to the Guaranteed Amount, you shall also be liable to pay amounts specified in sections 3(c) and 3(d) below.

(d) In addition to guaranteeing payment of the guaranteed amount, you are also guaranteeing that the Borrower shall observe all terms and conditions of the credit facility and comply with all of the Borrower's obligations under the Credit Facility. These obligations are called the "**Guaranteed Obligations**".

2. Guaranteed amount

The guaranteed amount that you shall be liable to pay to us is:

- Limited to $3,000,000.00 (the "**Guaranteed Amount**")

3. Your obligations

By signing this Guarantee, you agree to do the following:

(a) You promise to pay the entire Guaranteed Amount to us immediately after you receive our written demand for payment.

(b) You promise to perform the Guaranteed Obligations if the Borrower fails do so and if we ask.

(c) If you do not pay us the Guaranteed Amount when we demand, you promise to pay:

(i) interest on the Guaranteed Amount at the rate of 18 % per year, calculated daily, and if you do not pay the interest, we shall charge interest at this same rate on all unpaid interest, and
(ii) the costs we incur in collecting the guaranteed amount from you.

(d) If you do not perform the Guaranteed Obligations when we ask, you promise to compensate us for any costs we incur on your behalf in performing such Guaranteed Obligations.

4. **Absolute Guarantee**

(a) Your obligations to pay the Guaranteed Amount and perform the Guaranteed Obligations are equivalent to the Borrower's Obligations under the Credit Facility.

(b) If the Borrower fails to pay us, we may call on you to pay us the Guaranteed Amount even if we do not:

(i) request further payment from the Borrower
(ii) realize on any security given to us by the Borrower or any other person
(iii) take action or exercise any of our rights or remedies against the Borrower or
(iv) take action against any other guarantor of the Borrower's Obligations.

(c) You are obligated to pay the Guaranteed Amount and perform the Guaranteed Obligations, even if:

(i) the Credit Facility or any security for the Credit Facility is invalid, illegal or unenforceable
(ii) the Borrower becomes bankrupt or insolvent or is wound-up, liquidated or dissolved
(iii) any law, order or other circumstance discharges the Borrower or any other guarantor of the Borrower's Obligations from the obligations owing to us
(iv) the Borrower is a corporation that subsequently changes in any way including if it reorganizes, sells its business, amalgamates or changes its name, business, corporate constitution or shareholders
(v) the Borrower's directors or officers were not authorized to borrow from us or
(vi) the Borrower dies.

5. **Waiver of rights, and no release**

By signing this Guarantee, you agree to the following:

(a) We may deal with the Borrower, any other guarantor or any security we hold to secure the Borrower's Obligations in any way we see fit without any notice to you, and you consent to all such dealings.

(b) You waive any right that you may have to argue that you are released from your obligations under the Guarantee if:

(i) we do not notify you when the Borrower fails to pay us,
(ii) we do not demand the Borrower pay us before we demand you pay the Guaranteed Amount,
(iii) we grant the Borrower more time to pay any amount owing to us under the Credit Facility,
(iv) we make any compromise or arrangement with the Borrower or if one is imposed or recommended by a court,
(v) we give any concession or waiver to the Borrower as an exception to the strict terms of the Credit Facility,
(vi) we fail to exercise any rights we have against the Borrower or any other guarantor or any security we hold to secure the Borrower's Obligations, or if we delay in exercising any of these rights,
(vii) the provisions of the Credit Facility or any other agreement relating to the Borrower's Obligations are amended, extended, changed or replaced in any way,
(viii) we advance all or any part of the loan to the Borrower while the Borrower is in default under the Credit Facility or in any other situation where we could lawfully withhold the advance,
(ix) we give up any security or any other guarantee we have for the Borrower's Obligations, fail to properly register any security or commit any error that reduces our ability to enforce our rights against the Borrower,
(x) we do not insure or require the Borrower to insure any property of the Borrower, or
(xi) we do not otherwise ensure that the Borrower performs its obligations under the Credit Facility.

6. **What you agree not to do**

By signing this Guarantee, you agree not to do the following until all amounts owing to us under the Credit Facility are paid in full:

(a) You shall not sue the Borrower to recover payment of any amounts that you paid to us on account of the Guaranteed Amount.

(b) You shall not receive, request or accept any payment, benefit or security from the Borrower, with the exception of salaries and dividends in the ordinary course of business unless otherwise authorized by FCC in writing.

(c) You shall not rank as a creditor in the bankruptcy, receivership or liquidation of the Borrower in competition with us.

Until all amounts owing to us under the Credit Facility are paid in full, you must hold in trust (and as mandatary if this Guarantee is governed by the laws of Québec) for us any payment or benefit that you receive from the Borrower and immediately provide the payment or benefit to us, even if we have settled with the Borrower or have otherwise discharged the Borrower from the Borrower's Obligations under the Credit Facility.

7. **Continuing guarantee**

(a) This Guarantee is a continuing guarantee, which means that your obligations under the Guarantee shall continue until we receive the full Guarantee Amount owing by the Borrower to FCC and the Borrower has satisfied all of the obligations owed to FCC. It also means that this Guarantee:

(i) has no limits as to the length of time it remains in effect,
(ii) shall not be reduced by any other guarantee or security we may hold for any of the obligations of the Borrower,
(iii) is in addition to any other guarantee or security we may have from you or any other person, and
(iv) shall not terminate upon any termination of or change in the relationship that exists between you and the Borrower, and
(v) secures the entire Guaranteed Amount for as long as that amount is owing to us at any time by the Borrower, including if the Borrower repays and then re-borrows any amount owing to us.

(b) You may limit the future Guaranteed Amount if you give us at least 30 days advance notice in writing. This means that:

(i) you shall continue to be responsible for the entire Guaranteed Amount owing at the end of the 30-day notice period, including any amounts we advance to the Borrower within the 30-day notice period,
(ii) you cannot reduce, limit or terminate your obligation to pay the Guaranteed Amount owing by the Borrower at the end of the 30-day notice period, but you shall have no obligation to pay for any amounts we lend to the Borrower after the 30-day notice period expires, and
(iii) you shall continue to be responsible for performing the Guaranteed Obligations beyond the end of the 30-day notice period if the Borrower was required to perform but failed to perform such obligations prior to the end of the 30-day notice period.

8. Demanding payment of the Guaranteed Amount

(a) We may demand you pay us the entire Guaranteed Amount at any time after the Borrower defaults. We shall provide you with a written demand for payment either by hand delivery, ordinary mail or registered mail at your last address known to us.

(b) The balance that is showing in our books and records as owing by the Borrower or which is admitted by the Borrower or any representatives of the Borrower shall be conclusive evidence of the amount of the Borrower's debt to us. This is the only evidence we need in order to prove that the Guaranteed Amount is in fact owing to us by the Borrower under the Credit Facility, and by you under this Guarantee.

9. Failure to pay or perform

If you fail to pay us the Guaranteed Amount within the time period specified in our written demand, we shall:

(a) commence a legal action against you to recover payment of the Guaranteed Amount and the costs of collecting the Guaranteed Amount as well as all losses we suffered or incurred by your failure to perform the Guaranteed Obligations.

(b) enforce any security that you have provided in support of this Guarantee.

10. Payments

(a) All moneys, securities, payments or other property that we receive from the Borrower or any other person which may reduce the amounts owing under the Credit Facility shall be regarded as conditional, and shall not be deducted from the amounts owing under the Credit Facility or this Guarantee until such payments become absolutely final and unconditional.

(b) No payment from the Borrower or any other person or any realization on any security shall relieve you from any of your obligations under this Guarantee until all obligations under the Credit Facility have been paid or performed.

11. Other clauses that apply to this guarantee

(a) This Guarantee is in addition to any other guarantee that you or any other person may have previously provided to us, or that you or any other person may provide in the future. This Guarantee does not replace or terminate any of those other guarantees.

(b) You agree that we did not make any representations to you or agree to any conditions that must be met before we demand you to pay the Guaranteed Amount, other than those included in this Guarantee.

(c) If any part of this Guarantee turns out to be invalid for any reason, the rest of this Guarantee shall remain in full force and effect and this Guarantee shall be read as if the invalid part was not included in it.

(d) We may transfer any of our rights or interests under this Guarantee, the Credit Facility or any security granted to us without obtaining your consent.

(e) This Guarantee is governed by the laws of the Province of New Brunswick. We may commence an action or other court proceeding on this Guarantee in the courts of this province and you agree to submit to the jurisdiction of such courts and be bound by any judgment that any such court may make. We also reserve the right to start an action or other court proceeding against you anywhere outside this province.

(f) In Québec, you renounce the benefit of division and discussion and understand that your liability for the Guaranteed Obligations is solidary with the Borrower.

(g) This Guarantee benefits our successors and assigns and binds your heirs, legal representatives, successors and assigns.

(h) You agree that this Guarantee and any related document shall be drafted and executed in English.

Vous acceptez que cette garantie ainsi que les documents connexes seront rédigés et signés en anglais.

(i) If more than one person has signed this Guarantee with us, everyone who has signed is responsible to

I have read this guarantee and agree to its terms.

Dated this 20 day of April, 2018, at Woodstock in the Province of New Brunswick.

Guarantor

(Guarantor signature)

Jeremy Brake

(Print guarantor name)

If a Certificate of Independent Legal Advice has been completed respecting each guarantor, it is attached hereto.

Farm Credit Canada

Canada

Guarantee

Customer number: 100163788

To: **Farm Credit Canada ("FCC", "us", "we" or "our")**

Provided by: Burbank Water & Wastewater Inc.
("you", "your")

Read this Guarantee carefully. By signing this Guarantee, you are agreeing to a significant financial commitment. We recommend that you obtain independent legal advice as to the meaning of this Guarantee. In some cases, independent legal advice may be required.

1. What this guarantee does

(a) FCC has agreed to lend money to

HSF Foods Ltd.

(the "**Borrower**") pursuant to one or more agreements or credit facilities (the "**Credit Facility**"), but only if you provide us with this Guarantee.

(b) In consideration of FCC lending money to the Borrower under the credit facility, you are signing this agreement to guarantee the obligations of the borrower to us in accordance with the terms and conditions of this Guarantee.

(c) You are guaranteeing payment of money owing by the borrower to us at any time under the credit facility including:

(i) all principal advanced by us to or for the account of the Borrower,
(ii) all interest on that principal at the rate applicable under the Credit Facility,
(iii) all fees and other amounts owing to us by the Borrower at any time under the Credit Facility, and
(iv) compensation for any costs we may incur if the Borrower fails to pay any amount due under the Credit Facility, or to perform any other obligation under the Credit Facility.

You are guaranteeing payment of these obligations in the amount specified in section 2 below. The amount that you are guaranteeing is called the "guaranteed amount". In addition to the Guaranteed Amount, you shall also be liable to pay amounts specified in sections 3(c) and 3(d) below.

(d) In addition to guaranteeing payment of the guaranteed amount, you are also guaranteeing that the Borrower shall observe all terms and conditions of the credit facility and comply with all of the Borrower's obligations under the Credit Facility. These obligations are called the "**Guaranteed Obligations**".

2. Guaranteed amount

The guaranteed amount that you shall be liable to pay to us is:

- Unlimited (the "**Guaranteed Amount**")

3. Your obligations

By signing this Guarantee, you agree to do the following:

(a) You promise to pay the entire Guaranteed Amount to us immediately after you receive our written demand for payment.

(b) You promise to perform the Guaranteed Obligations if the Borrower fails do so and if we ask.

(c) If you do not pay us the Guaranteed Amount when we demand, you promise to pay:

(i) interest on the Guaranteed Amount at the rate of 18 % per year, calculated daily, and if you do not pay the interest, we shall charge interest at this same rate on all unpaid interest, and
(ii) the costs we incur in collecting the guaranteed amount from you.

(d) If you do not perform the Guaranteed Obligations when we ask, you promise to compensate us for any costs we incur on your behalf in performing such Guaranteed Obligations.

4. Absolute Guarantee

(a) Your obligations to pay the Guaranteed Amount and perform the Guaranteed Obligations are equivalent to the Borrower's Obligations under the Credit Facility.

(b) If the Borrower fails to pay us, we may call on you to pay us the Guaranteed Amount even if we do not:

(i) request further payment from the Borrower
(ii) realize on any security given to us by the Borrower or any other person
(iii) take action or exercise any of our rights or remedies against the Borrower or
(iv) take action against any other guarantor of the Borrower's Obligations.

(c) You are obligated to pay the Guaranteed Amount and perform the Guaranteed Obligations, even if:

(i) the Credit Facility or any security for the Credit Facility is invalid, illegal or unenforceable
(ii) the Borrower becomes bankrupt or insolvent or is wound-up, liquidated or dissolved
(iii) any law, order or other circumstance discharges the Borrower or any other guarantor of the Borrower's Obligations from the obligations owing to us
(iv) the Borrower is a corporation that subsequently changes in any way including if it reorganizes, sells its business, amalgamates or changes its name, business, corporate constitution or shareholders
(v) the Borrower's directors or officers were not authorized to borrow from us or
(vi) the Borrower dies.

5. Waiver of rights, and no release

By signing this Guarantee, you agree to the following:

(a) We may deal with the Borrower, any other guarantor or any security we hold to secure the Borrower's Obligations in any way we see fit without any notice to you, and you consent to all such dealings.

(b) You waive any right that you may have to argue that you are released from your obligations under the Guarantee if:

(i) we do not notify you when the Borrower fails to pay us,
(ii) we do not demand the Borrower pay us before we demand you pay the Guaranteed Amount,
(iii) we grant the Borrower more time to pay any amount owing to us under the Credit Facility,
(iv) we make any compromise or arrangement with the Borrower or if one is imposed or recommended by a court,
(v) we give any concession or waiver to the Borrower as an exception to the strict terms of the Credit Facility,
(vi) we fail to exercise any rights we have against the Borrower or any other guarantor or any security we hold to secure the Borrower's Obligations, or if we delay in exercising any of these rights,
(vii) the provisions of the Credit Facility or any other agreement relating to the Borrower's Obligations are amended, extended, changed or replaced in any way,
(viii) we advance all or any part of the loan to the Borrower while the Borrower is in default under the Credit Facility or in any other situation where we could lawfully withhold the advance,
(ix) we give up any security or any other guarantee we have for the Borrower's Obligations, fail to properly register any security or commit any error that reduces our ability to enforce our rights against the Borrower,
(x) we do not insure or require the Borrower to insure any property of the Borrower, or
(xi) we do not otherwise ensure that the Borrower performs its obligations under the Credit Facility.

6. What you agree not to do

By signing this Guarantee, you agree not to do the following until all amounts owing to us under the Credit Facility are paid in full:

(a) You shall not sue the Borrower to recover payment of any amounts that you paid to us on account of the Guaranteed Amount.

(b) You shall not receive, request or accept any payment, benefit or security from the Borrower, with the exception of salaries and dividends in the ordinary course of business unless otherwise authorized by FCC in writing.

(c) You shall not rank as a creditor in the bankruptcy, receivership or liquidation of the Borrower in competition with us.

Until all amounts owing to us under the Credit Facility are paid in full, you must hold in trust (and as mandatary if this Guarantee is governed by the laws of Québec) for us any payment or benefit that you receive from the Borrower and immediately provide the payment or benefit to us, even if we have settled with the Borrower or have otherwise discharged the Borrower from the Borrower's Obligations under the Credit Facility.

7. Continuing guarantee

(a) This Guarantee is a continuing guarantee, which means that your obligations under the Guarantee shall continue until we receive the full Guarantee Amount owing by the Borrower to FCC and the Borrower has satisfied all of the obligations owed to FCC. It also means that this Guarantee:

(i) has no limits as to the length of time it remains in effect,
(ii) shall not be reduced by any other guarantee or security we may hold for any of the obligations of the Borrower,
(iii) is in addition to any other guarantee or security we may have from you or any other person, and
(iv) shall not terminate upon any termination of or change in the relationship that exists between you and the Borrower, and
(v) secures the entire Guaranteed Amount for as long as that amount is owing to us at any time by the Borrower, including if the Borrower repays and then re-borrows any amount owing to us.

(b) You may limit the future Guaranteed Amount if you give us at least 30 days advance notice in writing. This means that:

(i) you shall continue to be responsible for the entire Guaranteed Amount owing at the end of the 30-day notice period, including any amounts we advance to the Borrower within the 30-day notice period,
(ii) you cannot reduce, limit or terminate your obligation to pay the Guaranteed Amount owing by the Borrower at the end of the 30-day notice period, but you shall have no obligation to pay for any amounts we lend to the Borrower after the 30-day notice period expires, and
(iii) you shall continue to be responsible for performing the Guaranteed Obligations beyond the end of the 30-day notice period if the Borrower was required to perform but failed to perform such obligations prior to the end of the 30-day notice period.

8. Demanding payment of the Guaranteed Amount

(a) We may demand you pay us the entire Guaranteed Amount at any time after the Borrower defaults. We shall provide you with a written demand for payment either by hand delivery, ordinary mail or registered mail at your last address known to us.

(b) The balance that is showing in our books and records as owing by the Borrower or which is admitted by the Borrower or any representatives of the Borrower shall be conclusive evidence of the amount of the Borrower's debt to us. This is the only evidence we need in order to prove that the Guaranteed Amount is in fact owing to us by the Borrower under the Credit Facility, and by you under this Guarantee.

9. Failure to pay or perform

If you fail to pay us the Guaranteed Amount within the time period specified in our written demand, we shall:

(a) commence a legal action against you to recover payment of the Guaranteed Amount and the costs of collecting the Guaranteed Amount as well as all losses we suffered or incurred by your failure to perform the Guaranteed Obligations.

(b) enforce any security that you have provided in support of this Guarantee.

10. Payments

(a) All moneys, securities, payments or other property that we receive from the Borrower or any other person which may reduce the amounts owing under the Credit Facility shall be regarded as conditional, and shall not be deducted from the amounts owing under the Credit Facility or this Guarantee until such payments become absolutely final and unconditional.

(b) No payment from the Borrower or any other person or any realization on any security shall relieve you from any of your obligations under this Guarantee until all obligations under the Credit Facility have been paid or performed.

11. Other clauses that apply to this guarantee

(a) This Guarantee is in addition to any other guarantee that you or any other person may have previously provided to us, or that you or any other person may provide in the future. This Guarantee does not replace or terminate any of those other guarantees.

(b) You agree that we did not make any representations to you or agree to any conditions that must be met before we demand you to pay the Guaranteed Amount, other than those included in this Guarantee.

(c) If any part of this Guarantee turns out to be invalid for any reason, the rest of this Guarantee shall remain in full force and effect and this Guarantee shall be read as if the invalid part was not included in it.

(d) We may transfer any of our rights or interests under this Guarantee, the Credit Facility or any security granted to us without obtaining your consent.

(e) This Guarantee is governed by the laws of the Province of New Brunswick. We may commence an action or other court proceeding on this Guarantee in the courts of this province and you agree to submit to the jurisdiction of such courts and be bound by any judgment that any such court may make. We also reserve the right to start an action or other court proceeding against you anywhere outside this province.

(f) In Québec, you renounce the benefit of division and discussion and understand that your liability for the Guaranteed Obligations is solidary with the Borrower.

(g) This Guarantee benefits our successors and assigns and binds your heirs, legal representatives, successors and assigns.

(h) You agree that this Guarantee and any related document shall be drafted and executed in English.

Vous acceptez que cette garantie ainsi que les documents connexes seront rédigés et signés en anglais.

(i) If more than one person has signed this Guarantee with us, everyone who has signed is responsible to

I have read this guarantee and agree to its terms.

Dated this 26 day of October, 2018, at Woodstock in the Province of New Brunswick.

Corporation/company

Burbank Water & Wastewater Inc. (Print corporate/company name),

by Jeremy Brake (Print name of person signing on behalf of the corporation/company)

President (Print title of person signing on behalf of the corporation/company)

(Signature of person signing on behalf of the corporation/company)

I have authority to bind the corporation/company.

Burbank Water & Wastewater Inc. CORPORATED 2017 NEW BRUNSWICK

(Corporate seal if available)

If a Certificate of Independent Legal Advice has been completed respecting each guarantor, it is attached hereto.

Farm Credit Canada Canada

Guarantee

Customer number: 100163788

To: **Farm Credit Canada ("FCC", "us", "we" or "our")**

Provided by: Hillspring Thaw Ltd.
("you", "your")

Read this Guarantee carefully. By signing this Guarantee, you are agreeing to a significant financial commitment. We recommend that you obtain independent legal advice as to the meaning of this Guarantee. In some cases, independent legal advice may be required.

1. **What this guarantee does**

(a) FCC has agreed to lend money to

HSF Foods Ltd.

(the "**Borrower**") pursuant to one or more agreements or credit facilities (the "**Credit Facility**"), but only if you provide us with this Guarantee.

(b) In consideration of FCC lending money to the Borrower under the credit facility, you are signing this agreement to guarantee the obligations of the borrower to us in accordance with the terms and conditions of this Guarantee.

(c) You are guaranteeing payment of money owing by the borrower to us at any time under the credit facility including:

(i) all principal advanced by us to or for the account of the Borrower,
(ii) all interest on that principal at the rate applicable under the Credit Facility,
(iii) all fees and other amounts owing to us by the Borrower at any time under the Credit Facility, and
(iv) compensation for any costs we may incur if the Borrower fails to pay any amount due under the Credit Facility, or to perform any other obligation under the Credit Facility.

You are guaranteeing payment of these obligations in the amount specified in section 2 below. The amount that you are guaranteeing is called the "guaranteed amount". In addition to the Guaranteed Amount, you shall also be liable to pay amounts specified in sections 3(c) and 3(d) below.

(d) In addition to guaranteeing payment of the guaranteed amount, you are also guaranteeing that the Borrower shall observe all terms and conditions of the credit facility and comply with all of the Borrower's obligations under the Credit Facility. These obligations are called the "**Guaranteed Obligations**".

2. **Guaranteed amount**

The guaranteed amount that you shall be liable to pay to us is:

- Unlimited (the "**Guaranteed Amount**")

3. **Your obligations**

By signing this Guarantee, you agree to do the following:

(a) You promise to pay the entire Guaranteed Amount to us immediately after you receive our written demand for payment.

(b) You promise to perform the Guaranteed Obligations if the Borrower fails do so and if we ask.

(c) If you do not pay us the Guaranteed Amount when we demand, you promise to pay:

(i) interest on the Guaranteed Amount at the rate of 18 % per year, calculated daily, and if you do not pay the interest, we shall charge interest at this same rate on all unpaid interest, and
(ii) the costs we incur in collecting the guaranteed amount from you.

(d) If you do not perform the Guaranteed Obligations when we ask, you promise to compensate us for any costs we incur on your behalf in performing such Guaranteed Obligations.

4. **Absolute Guarantee**

(a) Your obligations to pay the Guaranteed Amount and perform the Guaranteed Obligations are equivalent to the Borrower's Obligations under the Credit Facility.

(b) If the Borrower fails to pay us, we may call on you to pay us the Guaranteed Amount even if we do not:

(i) request further payment from the Borrower
(ii) realize on any security given to us by the Borrower or any other person
(iii) take action or exercise any of our rights or remedies against the Borrower or
(iv) take action against any other guarantor of the Borrower's Obligations.

(c) You are obligated to pay the Guaranteed Amount and perform the Guaranteed Obligations, even if:

(i) the Credit Facility or any security for the Credit Facility is invalid, illegal or unenforceable
(ii) the Borrower becomes bankrupt or insolvent or is wound-up, liquidated or dissolved
(iii) any law, order or other circumstance discharges the Borrower or any other guarantor of the Borrower's Obligations from the obligations owing to us
(iv) the Borrower is a corporation that subsequently changes in any way including if it reorganizes, sells its business, amalgamates or changes its name, business, corporate constitution or shareholders
(v) the Borrower's directors or officers were not authorized to borrow from us or
(vi) the Borrower dies.

5. **Walver of rights, and no release**

By signing this Guarantee, you agree to the following:

(a) We may deal with the Borrower, any other guarantor or any security we hold to secure the Borrower's Obligations in any way we see fit without any notice to you, and you consent to all such dealings.

(b) You waive any right that you may have to argue that you are released from your obligations under the Guarantee if:

(i) we do not notify you when the Borrower fails to pay us,
(ii) we do not demand the Borrower pay us before we demand you pay the Guaranteed Amount,
(iii) we grant the Borrower more time to pay any amount owing to us under the Credit Facility,
(iv) we make any compromise or arrangement with the Borrower or if one is imposed or recommended by a court,
(v) we give any concession or waiver to the Borrower as an exception to the strict terms of the Credit Facility,
(vi) we fail to exercise any rights we have against the Borrower or any other guarantor or any security we hold to secure the Borrower's Obligations, or if we delay in exercising any of these rights,
(vii) the provisions of the Credit Facility or any other agreement relating to the Borrower's Obligations are amended, extended, changed or replaced in any way,
(viii) we advance all or any part of the loan to the Borrower while the Borrower is in default under the Credit Facility or in any other situation where we could lawfully withhold the advance,
(ix) we give up any security or any other guarantee we have for the Borrower's Obligations, fail to properly register any security or commit any error that reduces our ability to enforce our rights against the Borrower,
(x) we do not insure or require the Borrower to insure any property of the Borrower, or
(xi) we do not otherwise ensure that the Borrower performs its obligations under the Credit Facility.

6. **What you agree not to do**

By signing this Guarantee, you agree not to do the following until all amounts owing to us under the Credit Facility are paid in full:

(a) You shall not sue the Borrower to recover payment of any amounts that you paid to us on account of the Guaranteed Amount.

(b) You shall not receive, request or accept any payment, benefit or security from the Borrower, with the exception of salaries and dividends in the ordinary course of business unless otherwise authorized by FCC in writing.

(c) You shall not rank as a creditor in the bankruptcy, receivership or liquidation of the Borrower in competition with us.

Until all amounts owing to us under the Credit Facility are paid in full, you must hold in trust (and as mandatary if this Guarantee is governed by the laws of Québec) for us any payment or benefit that you receive from the Borrower and immediately provide the payment or benefit to us, even if we have settled with the Borrower or have otherwise discharged the Borrower from the Borrower's Obligations under the Credit Facility.

7. **Continuing guarantee**

(a) This Guarantee is a continuing guarantee, which means that your obligations under the Guarantee shall continue until we receive the full Guarantee Amount owing by the Borrower to FCC and the Borrower has satisfied all of the obligations owed to FCC. It also means that this Guarantee:

(i) has no limits as to the length of time it remains in effect,
(ii) shall not be reduced by any other guarantee or security we may hold for any of the obligations of the Borrower,
(iii) is in addition to any other guarantee or security we may have from you or any other person, and
(iv) shall not terminate upon any termination of or change in the relationship that exists between you and the Borrower, and
(v) secures the entire Guaranteed Amount for as long as that amount is owing to us at any time by the Borrower, including if the Borrower repays and then re-borrows any amount owing to us.

(b) You may limit the future Guaranteed Amount if you give us at least 30 days advance notice in writing. This means that:

(i) you shall continue to be responsible for the entire Guaranteed Amount owing at the end of the 30-day notice period, including any amounts we advance to the Borrower within the 30-day notice period,
(ii) you cannot reduce, limit or terminate your obligation to pay the Guaranteed Amount owing by the Borrower at the end of the 30-day notice period, but you shall have no obligation to pay for any amounts we lend to the Borrower after the 30-day notice period expires, and
(iii) you shall continue to be responsible for performing the Guaranteed Obligations beyond the end of the 30-day notice period if the Borrower was required to perform but failed to perform such obligations prior to the end of the 30-day notice period.

8. Demanding payment of the Guaranteed Amount

(a) We may demand you pay us the entire Guaranteed Amount at any time after the Borrower defaults. We shall provide you with a written demand for payment either by hand delivery, ordinary mail or registered mail at your last address known to us.

(b) The balance that is showing in our books and records as owing by the Borrower or which is admitted by the Borrower or any representatives of the Borrower shall be conclusive evidence of the amount of the Borrower's debt to us. This is the only evidence we need in order to prove that the Guaranteed Amount is in fact owing to us by the Borrower under the Credit Facility, and by you under this Guarantee.

9. Failure to pay or perform

If you fail to pay us the Guaranteed Amount within the time period specified in our written demand, we shall:

(a) commence a legal action against you to recover payment of the Guaranteed Amount and the costs of collecting the Guaranteed Amount as well as all losses we suffered or incurred by your failure to perform the Guaranteed Obligations.

(b) enforce any security that you have provided in support of this Guarantee.

10. Payments

(a) All moneys, securities, payments or other property that we receive from the Borrower or any other person which may reduce the amounts owing under the Credit Facility shall be regarded as conditional, and shall not be deducted from the amounts owing under the Credit Facility or this Guarantee until such payments become absolutely final and unconditional.

(b) No payment from the Borrower or any other person or any realization on any security shall relieve you from any of your obligations under this Guarantee until all obligations under the Credit Facility have been paid or performed.

11. Other clauses that apply to this guarantee

(a) This Guarantee is in addition to any other guarantee that you or any other person may have previously provided to us, or that you or any other person may provide in the future. This Guarantee does not replace or terminate any of those other guarantees.

(b) You agree that we did not make any representations to you or agree to any conditions that must be met before we demand you to pay the Guaranteed Amount, other than those included in this Guarantee.

(c) If any part of this Guarantee turns out to be invalid for any reason, the rest of this Guarantee shall remain in full force and effect and this Guarantee shall be read as if the invalid part was not included in it.

(d) We may transfer any of our rights or interests under this Guarantee, the Credit Facility or any security granted to us without obtaining your consent.

(e) This Guarantee is governed by the laws of the Province of New Brunswick. We may commence an action or other court proceeding on this Guarantee in the courts of this province and you agree to submit to the jurisdiction of such courts and be bound by any judgment that any such court may make. We also reserve the right to start an action or other court proceeding against you anywhere outside this province.

(f) In Québec, you renounce the benefit of division and discussion and understand that your liability for the Guaranteed Obligations is solidary with the Borrower.

(g) This Guarantee benefits our successors and assigns and binds your heirs, legal representatives, successors and assigns.

(h) You agree that this Guarantee and any related document shall be drafted and executed in English.

Vous acceptez que cette garantie ainsi que les documents connexes seront rédigés et signés en anglais.

(i) If more than one person has signed this Guarantee with us, everyone who has signed is responsible to

I have read this guarantee and agree to its terms.

Dated this 26 day of October, 2018, at Woodstock
in the Province of New Brunswick.

Corporation/company

Hillspring Thaw Ltd. (Print corporate/company name),
by Jeremy Brake (Print name of person signing on behalf of the corporation/company)
President (Print title of person signing on behalf of the corporation/company)

(Signature of person signing on behalf of the corporation/company)
I have authority to bind the corporation/company.

(Corporate seal if available)

Hillspring Thaw 2016 Brunswick

If a Certificate of Independent Legal Advice has been completed respecting each guarantor, it is attached hereto.

Farm Credit Canada Canada

Guarantee

Customer number: 100163788

To: Farm Credit Canada ("FCC", "us", "we" or "our")

Provided by: Hillspring Warehouse & Logistics Inc.
("you", "your")

Read this Guarantee carefully. By signing this Guarantee, you are agreeing to a significant financial commitment. We recommend that you obtain independent legal advice as to the meaning of this Guarantee. In some cases, independent legal advice may be required.

1. What this guarantee does

(a) FCC has agreed to lend money to

HSF Foods Ltd.

(the "**Borrower**") pursuant to one or more agreements or credit facilities (the "**Credit Facility**"), but only if you provide us with this Guarantee.

(b) In consideration of FCC lending money to the Borrower under the credit facility, you are signing this agreement to guarantee the obligations of the borrower to us in accordance with the terms and conditions of this Guarantee.

(c) You are guaranteeing payment of money owing by the borrower to us at any time under the credit facility including:

(i) all principal advanced by us to or for the account of the Borrower,
(ii) all interest on that principal at the rate applicable under the Credit Facility,
(iii) all fees and other amounts owing to us by the Borrower at any time under the Credit Facility, and
(iv) compensation for any costs we may incur if the Borrower fails to pay any amount due under the Credit Facility, or to perform any other obligation under the Credit Facility.

You are guaranteeing payment of these obligations in the amount specified in section 2 below. The amount that you are guaranteeing is called the "guaranteed amount". In addition to the Guaranteed Amount, you shall also be liable to pay amounts specified in sections 3(c) and 3(d) below.

(d) In addition to guaranteeing payment of the guaranteed amount, you are also guaranteeing that the Borrower shall observe all terms and conditions of the credit facility and comply with all of the Borrower's obligations under the Credit Facility. These obligations are called the "**Guaranteed Obligations**".

2. Guaranteed amount

The guaranteed amount that you shall be liable to pay to us is:

- Unlimited (the "**Guaranteed Amount**")

3. Your obligations

By signing this Guarantee, you agree to do the following:

(a) You promise to pay the entire Guaranteed Amount to us immediately after you receive our written demand for payment.

(b) You promise to perform the Guaranteed Obligations if the Borrower fails do so and if we ask.

(c) If you do not pay us the Guaranteed Amount when we demand, you promise to pay:

(i) interest on the Guaranteed Amount at the rate of 18 % per year, calculated daily, and if you do not pay the interest, we shall charge interest at this same rate on all unpaid interest, and
(ii) the costs we incur in collecting the guaranteed amount from you.

(d) If you do not perform the Guaranteed Obligations when we ask, you promise to compensate us for any costs we incur on your behalf in performing such Guaranteed Obligations.

4. **Absolute Guarantee**

(a) Your obligations to pay the Guaranteed Amount and perform the Guaranteed Obligations are equivalent to the Borrower's Obligations under the Credit Facility.

(b) If the Borrower fails to pay us, we may call on you to pay us the Guaranteed Amount even if we do not:

(i) request further payment from the Borrower
(ii) realize on any security given to us by the Borrower or any other person
(iii) take action or exercise any of our rights or remedies against the Borrower or
(iv) take action against any other guarantor of the Borrower's Obligations.

(c) You are obligated to pay the Guaranteed Amount and perform the Guaranteed Obligations, even if:

(i) the Credit Facility or any security for the Credit Facility is invalid, illegal or unenforceable
(ii) the Borrower becomes bankrupt or insolvent or is wound-up, liquidated or dissolved
(iii) any law, order or other circumstance discharges the Borrower or any other guarantor of the Borrower's Obligations from the obligations owing to us
(iv) the Borrower is a corporation that subsequently changes in any way including if it reorganizes, sells its business, amalgamates or changes its name, business, corporate constitution or shareholders
(v) the Borrower's directors or officers were not authorized to borrow from us or
(vi) the Borrower dies.

5. **Waiver of rights, and no release**

By signing this Guarantee, you agree to the following:

(a) We may deal with the Borrower, any other guarantor or any security we hold to secure the Borrower's Obligations in any way we see fit without any notice to you, and you consent to all such dealings.

(b) You waive any right that you may have to argue that you are released from your obligations under the Guarantee if:

(i) we do not notify you when the Borrower fails to pay us,
(ii) we do not demand the Borrower pay us before we demand you pay the Guaranteed Amount,
(iii) we grant the Borrower more time to pay any amount owing to us under the Credit Facility,
(iv) we make any compromise or arrangement with the Borrower or if one is imposed or recommended by a court,
(v) we give any concession or waiver to the Borrower as an exception to the strict terms of the Credit Facility,
(vi) we fail to exercise any rights we have against the Borrower or any other guarantor or any security we hold to secure the Borrower's Obligations, or if we delay in exercising any of these rights,
(vii) the provisions of the Credit Facility or any other agreement relating to the Borrower's Obligations are amended, extended, changed or replaced in any way,
(viii) we advance all or any part of the loan to the Borrower while the Borrower is in default under the Credit Facility or in any other situation where we could lawfully withhold the advance,
(ix) we give up any security or any other guarantee we have for the Borrower's Obligations, fail to properly register any security or commit any error that reduces our ability to enforce our rights against the Borrower,
(x) we do not insure or require the Borrower to insure any property of the Borrower, or
(xi) we do not otherwise ensure that the Borrower performs its obligations under the Credit Facility.

6. **What you agree not to do**

By signing this Guarantee, you agree not to do the following until all amounts owing to us under the Credit Facility are paid in full:

(a) You shall not sue the Borrower to recover payment of any amounts that you paid to us on account of the Guaranteed Amount.

(b) You shall not receive, request or accept any payment, benefit or security from the Borrower, with the exception of salaries and dividends in the ordinary course of business unless otherwise authorized by FCC in writing.

(c) You shall not rank as a creditor in the bankruptcy, receivership or liquidation of the Borrower in competition with us.

Until all amounts owing to us under the Credit Facility are paid in full, you must hold in trust (and as mandatary if this Guarantee is governed by the laws of Québec) for us any payment or benefit that you receive from the Borrower and immediately provide the payment or benefit to us, even if we have settled with the Borrower or have otherwise discharged the Borrower from the Borrower's Obligations under the Credit Facility.

7. **Continuing guarantee**

(a) This Guarantee is a continuing guarantee, which means that your obligations under the Guarantee shall continue until we receive the full Guarantee Amount owing by the Borrower to FCC and the Borrower has satisfied all of the obligations owed to FCC. It also means that this Guarantee:

(i) has no limits as to the length of time it remains in effect,
(ii) shall not be reduced by any other guarantee or security we may hold for any of the obligations of the Borrower,
(iii) is in addition to any other guarantee or security we may have from you or any other person, and
(iv) shall not terminate upon any termination of or change in the relationship that exists between you and the Borrower, and
(v) secures the entire Guaranteed Amount for as long as that amount is owing to us at any time by the Borrower, including if the Borrower repays and then re-borrows any amount owing to us.

(b) You may limit the future Guaranteed Amount if you give us at least 30 days advance notice in writing. This means that:

(i) you shall continue to be responsible for the entire Guaranteed Amount owing at the end of the 30-day notice period, including any amounts we advance to the Borrower within the 30-day notice period,
(ii) you cannot reduce, limit or terminate your obligation to pay the Guaranteed Amount owing by the Borrower at the end of the 30-day notice period, but you shall have no obligation to pay for any amounts we lend to the Borrower after the 30-day notice period expires, and
(iii) you shall continue to be responsible for performing the Guaranteed Obligations beyond the end of the 30-day notice period if the Borrower was required to perform but failed to perform such obligations prior to the end of the 30-day notice period.

8. Demanding payment of the Guaranteed Amount

(a) We may demand you pay us the entire Guaranteed Amount at any time after the Borrower defaults. We shall provide you with a written demand for payment either by hand delivery, ordinary mail or registered mail at your last address known to us.

(b) The balance that is showing in our books and records as owing by the Borrower or which is admitted by the Borrower or any representatives of the Borrower shall be conclusive evidence of the amount of the Borrower's debt to us. This is the only evidence we need in order to prove that the Guaranteed Amount is in fact owing to us by the Borrower under the Credit Facility, and by you under this Guarantee.

9. Failure to pay or perform

If you fail to pay us the Guaranteed Amount within the time period specified in our written demand, we shall:

(a) commence a legal action against you to recover payment of the Guaranteed Amount and the costs of collecting the Guaranteed Amount as well as all losses we suffered or incurred by your failure to perform the Guaranteed Obligations.

(b) enforce any security that you have provided in support of this Guarantee.

10. Payments

(a) All moneys, securities, payments or other property that we receive from the Borrower or any other person which may reduce the amounts owing under the Credit Facility shall be regarded as conditional, and shall not be deducted from the amounts owing under the Credit Facility or this Guarantee until such payments become absolutely final and unconditional.

(b) No payment from the Borrower or any other person or any realization on any security shall relieve you from any of your obligations under this Guarantee until all obligations under the Credit Facility have been paid or performed.

11. Other clauses that apply to this guarantee

(a) This Guarantee is in addition to any other guarantee that you or any other person may have previously provided to us, or that you or any other person may provide in the future. This Guarantee does not replace or terminate any of those other guarantees.

(b) You agree that we did not make any representations to you or agree to any conditions that must be met before we demand you to pay the Guaranteed Amount, other than those included in this Guarantee.

(c) If any part of this Guarantee turns out to be invalid for any reason, the rest of this Guarantee shall remain in full force and effect and this Guarantee shall be read as if the invalid part was not included in it.

(d) We may transfer any of our rights or interests under this Guarantee, the Credit Facility or any security granted to us without obtaining your consent.

(e) This Guarantee is governed by the laws of the Province of New Brunswick. We may commence an action or other court proceeding on this Guarantee in the courts of this province and you agree to submit to the jurisdiction of such courts and be bound by any judgment that any such court may make. We also reserve the right to start an action or other court proceeding against you anywhere outside this province.

(f) In Québec, you renounce the benefit of division and discussion and understand that your liability for the Guaranteed Obligations is solidary with the Borrower.

(g) This Guarantee benefits our successors and assigns and binds your heirs, legal representatives, successors and assigns.

(h) You agree that this Guarantee and any related document shall be drafted and executed in English.

Vous acceptez que cette garantie ainsi que les documents connexes seront rédigés et signés en anglais.

(i) If more than one person has signed this Guarantee with us, everyone who has signed is responsible to

I have read this guarantee and agree to its terms.

Dated this 26 day of October, 2018, at Woodstock
in the Province of New Brunswick.

Corporation/company

Hillspring Warehouse & Logistics Inc. (Print corporate/company name),
by Jeremy Brake (Print name of person signing on behalf of the corporation/company)
President (Print title of person signing on behalf of the corporation/company)

(Signature of person signing on behalf of the corporation/company)
I have authority to bind the corporation/company.

(Corporate seal if available)

Hillspring Warehouse & Logistics Inc. 2016 New Brunswick

If a Certificate of Independent Legal Advice has been completed respecting each guarantor, it is attached hereto.

Farm Credit Canada Canada

Guarantee

Customer number: 100163788

To: **Farm Credit Canada ("FCC", "us", "we" or "our")**

Provided by: Sunrise Seed Farms Ltd.
("you", "your")

Read this Guarantee carefully. By signing this Guarantee, you are agreeing to a significant financial commitment. We recommend that you obtain independent legal advice as to the meaning of this Guarantee. In some cases, independent legal advice may be required.

1. **What this guarantee does**

(a) FCC has agreed to lend money to

HSF Foods Ltd.

(the **"Borrower"**) pursuant to one or more agreements or credit facilities (the **"Credit Facility"**), but only if you provide us with this Guarantee.

(b) In consideration of FCC lending money to the Borrower under the credit facility, you are signing this agreement to guarantee the obligations of the borrower to us in accordance with the terms and conditions of this Guarantee.

(c) You are guaranteeing payment of money owing by the borrower to us at any time under the credit facility including:

(i) all principal advanced by us to or for the account of the Borrower,
(ii) all interest on that principal at the rate applicable under the Credit Facility,
(iii) all fees and other amounts owing to us by the Borrower at any time under the Credit Facility, and
(iv) compensation for any costs we may incur if the Borrower fails to pay any amount due under the Credit Facility, or to perform any other obligation under the Credit Facility.

You are guaranteeing payment of these obligations in the amount specified in section 2 below. The amount that you are guaranteeing is called the "guaranteed amount". In addition to the Guaranteed Amount, you shall also be liable to pay amounts specified in sections 3(c) and 3(d) below.

(d) In addition to guaranteeing payment of the guaranteed amount, you are also guaranteeing that the Borrower shall observe all terms and conditions of the credit facility and comply with all of the Borrower's obligations under the Credit Facility. These obligations are called the **"Guaranteed Obligations"**.

2. **Guaranteed amount**

The guaranteed amount that you shall be liable to pay to us is:

- Unlimited (the **"Guaranteed Amount"**)

3. **Your obligations**

By signing this Guarantee, you agree to do the following:

(a) You promise to pay the entire Guaranteed Amount to us immediately after you receive our written demand for payment.

(b) You promise to perform the Guaranteed Obligations if the Borrower fails do so and if we ask.

(c) If you do not pay us the Guaranteed Amount when we demand, you promise to pay:

(i) interest on the Guaranteed Amount at the rate of 18 % per year, calculated daily, and if you do not pay the interest, we shall charge interest at this same rate on all unpaid interest, and
(ii) the costs we incur in collecting the guaranteed amount from you.

(d) If you do not perform the Guaranteed Obligations when we ask, you promise to compensate us for any costs we incur on your behalf in performing such Guaranteed Obligations.

4. **Absolute Guarantee**

(a) Your obligations to pay the Guaranteed Amount and perform the Guaranteed Obligations are equivalent to the Borrower's Obligations under the Credit Facility.

(b) If the Borrower fails to pay us, we may call on you to pay us the Guaranteed Amount even if we do not:

(i) request further payment from the Borrower
(ii) realize on any security given to us by the Borrower or any other person
(iii) take action or exercise any of our rights or remedies against the Borrower or
(iv) take action against any other guarantor of the Borrower's Obligations.

(c) You are obligated to pay the Guaranteed Amount and perform the Guaranteed Obligations, even if:

(i) the Credit Facility or any security for the Credit Facility is invalid, illegal or unenforceable
(ii) the Borrower becomes bankrupt or insolvent or is wound-up, liquidated or dissolved
(iii) any law, order or other circumstance discharges the Borrower or any other guarantor of the Borrower's Obligations from the obligations owing to us
(iv) the Borrower is a corporation that subsequently changes in any way including if it reorganizes, sells its business, amalgamates or changes its name, business, corporate constitution or shareholders
(v) the Borrower's directors or officers were not authorized to borrow from us or
(vi) the Borrower dies.

5. **Waiver of rights, and no release**

By signing this Guarantee, you agree to the following:

(a) We may deal with the Borrower, any other guarantor or any security we hold to secure the Borrower's Obligations in any way we see fit without any notice to you, and you consent to all such dealings.

(b) You waive any right that you may have to argue that you are released from your obligations under the Guarantee if:

(i) we do not notify you when the Borrower fails to pay us,
(ii) we do not demand the Borrower pay us before we demand you pay the Guaranteed Amount,
(iii) we grant the Borrower more time to pay any amount owing to us under the Credit Facility,
(iv) we make any compromise or arrangement with the Borrower or if one is imposed or recommended by a court,
(v) we give any concession or waiver to the Borrower as an exception to the strict terms of the Credit Facility,
(vi) we fail to exercise any rights we have against the Borrower or any other guarantor or any security we hold to secure the Borrower's Obligations, or if we delay in exercising any of these rights,
(vii) the provisions of the Credit Facility or any other agreement relating to the Borrower's Obligations are amended, extended, changed or replaced in any way,
(viii) we advance all or any part of the loan to the Borrower while the Borrower is in default under the Credit Facility or in any other situation where we could lawfully withhold the advance,
(ix) we give up any security or any other guarantee we have for the Borrower's Obligations, fail to properly register any security or commit any error that reduces our ability to enforce our rights against the Borrower,
(x) we do not insure or require the Borrower to insure any property of the Borrower, or
(xi) we do not otherwise ensure that the Borrower performs its obligations under the Credit Facility.

6. **What you agree not to do**

By signing this Guarantee, you agree not to do the following until all amounts owing to us under the Credit Facility are paid in full:

(a) You shall not sue the Borrower to recover payment of any amounts that you paid to us on account of the Guaranteed Amount.

(b) You shall not receive, request or accept any payment, benefit or security from the Borrower, with the exception of salaries and dividends in the ordinary course of business unless otherwise authorized by FCC in writing.

(c) You shall not rank as a creditor in the bankruptcy, receivership or liquidation of the Borrower in competition with us.

Until all amounts owing to us under the Credit Facility are paid in full, you must hold in trust (and as mandatary if this Guarantee is governed by the laws of Québec) for us any payment or benefit that you receive from the Borrower and immediately provide the payment or benefit to us, even if we have settled with the Borrower or have otherwise discharged the Borrower from the Borrower's Obligations under the Credit Facility.

7. **Continuing guarantee**

(a) This Guarantee is a continuing guarantee, which means that your obligations under the Guarantee shall continue until we receive the full Guarantee Amount owing by the Borrower to FCC and the Borrower has satisfied all of the obligations owed to FCC. It also means that this Guarantee:

(i) has no limits as to the length of time it remains in effect,
(ii) shall not be reduced by any other guarantee or security we may hold for any of the obligations of the Borrower,
(iii) is in addition to any other guarantee or security we may have from you or any other person, and
(iv) shall not terminate upon any termination of or change in the relationship that exists between you and the Borrower, and
(v) secures the entire Guaranteed Amount for as long as that amount is owing to us at any time by the Borrower, including if the Borrower repays and then re-borrows any amount owing to us.

(b) You may limit the future Guaranteed Amount if you give us at least 30 days advance notice in writing. This means that:

(i) you shall continue to be responsible for the entire Guaranteed Amount owing at the end of the 30-day notice period, including any amounts we advance to the Borrower within the 30-day notice period,
(ii) you cannot reduce, limit or terminate your obligation to pay the Guaranteed Amount owing by the Borrower at the end of the 30-day notice period, but you shall have no obligation to pay for any amounts we lend to the Borrower after the 30-day notice period expires, and
(iii) you shall continue to be responsible for performing the Guaranteed Obligations beyond the end of the 30-day notice period if the Borrower was required to perform but failed to perform such obligations prior to the end of the 30-day notice period.

8. Demanding payment of the Guaranteed Amount

(a) We may demand you pay us the entire Guaranteed Amount at any time after the Borrower defaults. We shall provide you with a written demand for payment either by hand delivery, ordinary mail or registered mail at your last address known to us.

(b) The balance that is showing in our books and records as owing by the Borrower or which is admitted by the Borrower or any representatives of the Borrower shall be conclusive evidence of the amount of the Borrower's debt to us. This is the only evidence we need in order to prove that the Guaranteed Amount is in fact owing to us by the Borrower under the Credit Facility, and by you under this Guarantee.

9. Failure to pay or perform

If you fail to pay us the Guaranteed Amount within the time period specified in our written demand, we shall:

(a) commence a legal action against you to recover payment of the Guaranteed Amount and the costs of collecting the Guaranteed Amount as well as all losses we suffered or incurred by your failure to perform the Guaranteed Obligations.

(b) enforce any security that you have provided in support of this Guarantee.

10. Payments

(a) All moneys, securities, payments or other property that we receive from the Borrower or any other person which may reduce the amounts owing under the Credit Facility shall be regarded as conditional, and shall not be deducted from the amounts owing under the Credit Facility or this Guarantee until such payments become absolutely final and unconditional.

(b) No payment from the Borrower or any other person or any realization on any security shall relieve you from any of your obligations under this Guarantee until all obligations under the Credit Facility have been paid or performed.

11. Other clauses that apply to this guarantee

(a) This Guarantee is in addition to any other guarantee that you or any other person may have previously provided to us, or that you or any other person may provide in the future. This Guarantee does not replace or terminate any of those other guarantees.

(b) You agree that we did not make any representations to you or agree to any conditions that must be met before we demand you to pay the Guaranteed Amount, other than those included in this Guarantee.

(c) If any part of this Guarantee turns out to be invalid for any reason, the rest of this Guarantee shall remain in full force and effect and this Guarantee shall be read as if the invalid part was not included in it.

(d) We may transfer any of our rights or interests under this Guarantee, the Credit Facility or any security granted to us without obtaining your consent.

(e) This Guarantee is governed by the laws of the Province of New Brunswick. We may commence an action or other court proceeding on this Guarantee in the courts of this province and you agree to submit to the jurisdiction of such courts and be bound by any judgment that any such court may make. We also reserve the right to start an action or other court proceeding against you anywhere outside this province.

(f) In Québec, you renounce the benefit of division and discussion and understand that your liability for the Guaranteed Obligations is solidary with the Borrower.

(g) This Guarantee benefits our successors and assigns and binds your heirs, legal representatives, successors and assigns.

(h) You agree that this Guarantee and any related document shall be drafted and executed in English.

Vous acceptez que cette garantie ainsi que les documents connexes seront rédigés et signés en anglais.

(i) If more than one person has signed this Guarantee with us, everyone who has signed is responsible to

I have read this guarantee and agree to its terms.

Dated this 26 day of October, 2018, at Woodstock
in the Province of New Brunswick.

Corporation/company

Sunrise Seed Farms Ltd. (Print corporate/company name),

by Jeremy Brake (Print name of person signing on behalf of the corporation/company)

President (Print title of person signing on behalf of the corporation/company)

(Signature of person signing on behalf of the corporation/company)
I have authority to bind the corporation/company.

(Corporate seal, if available)

Sunrise Seed Farms Ltd. INCORPORATED 2017 NEW BRUNSWICK

If a Certificate of Independent Legal Advice has been completed respecting each guarantor, it is attached hereto.

Farm Credit Canada Canada

Guarantee

Customer number: 100163788

To: Farm Credit Canada ("FCC", "us", "we" or "our")

Provided by: Burbank Industrial Supply Inc.
("you", "your")

Read this Guarantee carefully. By signing this Guarantee, you are agreeing to a significant financial commitment. We recommend that you obtain independent legal advice as to the meaning of this Guarantee. In some cases, independent legal advice may be required.

1. **What this guarantee does**

(a) FCC has agreed to lend money to

HSF Foods Ltd.

(the "**Borrower**") pursuant to one or more agreements or credit facilities (the "**Credit Facility**"), but only if you provide us with this Guarantee.

(b) In consideration of FCC lending money to the Borrower under the credit facility, you are signing this agreement to guarantee the obligations of the borrower to us in accordance with the terms and conditions of this Guarantee.

(c) You are guaranteeing payment of money owing by the borrower to us at any time under the credit facility including:

(i) all principal advanced by us to or for the account of the Borrower,
(ii) all interest on that principal at the rate applicable under the Credit Facility,
(iii) all fees and other amounts owing to us by the Borrower at any time under the Credit Facility, and
(iv) compensation for any costs we may incur if the Borrower fails to pay any amount due under the Credit Facility, or to perform any other obligation under the Credit Facility.

You are guaranteeing payment of these obligations in the amount specified in section 2 below. The amount that you are guaranteeing is called the "guaranteed amount". In addition to the Guaranteed Amount, you shall also be liable to pay amounts specified in sections 3(c) and 3(d) below.

(d) In addition to guaranteeing payment of the guaranteed amount, you are also guaranteeing that the Borrower shall observe all terms and conditions of the credit facility and comply with all of the Borrower's obligations under the Credit Facility. These obligations are called the "**Guaranteed Obligations**".

2. **Guaranteed amount**

The guaranteed amount that you shall be liable to pay to us is:

- Unlimited (the "**Guaranteed Amount**")

3. **Your obligations**

By signing this Guarantee, you agree to do the following:

(a) You promise to pay the entire Guaranteed Amount to us immediately after you receive our written demand for payment.

(b) You promise to perform the Guaranteed Obligations if the Borrower fails do so and if we ask.

(c) If you do not pay us the Guaranteed Amount when we demand, you promise to pay:

(i) interest on the Guaranteed Amount at the rate of 18 % per year, calculated daily, and if you do not pay the interest, we shall charge interest at this same rate on all unpaid interest, and
(ii) the costs we incur in collecting the guaranteed amount from you.

(d) If you do not perform the Guaranteed Obligations when we ask, you promise to compensate us for any costs we incur on your behalf in performing such Guaranteed Obligations.

4. **Absolute Guarantee**

(a) Your obligations to pay the Guaranteed Amount and perform the Guaranteed Obligations are equivalent to the Borrower's Obligations under the Credit Facility.

(b) If the Borrower fails to pay us, we may call on you to pay us the Guaranteed Amount even if we do not:

(i) request further payment from the Borrower
(ii) realize on any security given to us by the Borrower or any other person
(iii) take action or exercise any of our rights or remedies against the Borrower or
(iv) take action against any other guarantor of the Borrower's Obligations.

(c) You are obligated to pay the Guaranteed Amount and perform the Guaranteed Obligations, even if:

(i) the Credit Facility or any security for the Credit Facility is invalid, illegal or unenforceable
(ii) the Borrower becomes bankrupt or insolvent or is wound-up, liquidated or dissolved
(iii) any law, order or other circumstance discharges the Borrower or any other guarantor of the Borrower's Obligations from the obligations owing to us
(iv) the Borrower is a corporation that subsequently changes in any way including if it reorganizes, sells its business, amalgamates or changes its name, business, corporate constitution or shareholders
(v) the Borrower's directors or officers were not authorized to borrow from us or
(vi) the Borrower dies.

5. **Waiver of rights, and no release**

By signing this Guarantee, you agree to the following:

(a) We may deal with the Borrower, any other guarantor or any security we hold to secure the Borrower's Obligations in any way we see fit without any notice to you, and you consent to all such dealings.

(b) You waive any right that you may have to argue that you are released from your obligations under the Guarantee if:

(i) we do not notify you when the Borrower fails to pay us,
(ii) we do not demand the Borrower pay us before we demand you pay the Guaranteed Amount,
(iii) we grant the Borrower more time to pay any amount owing to us under the Credit Facility,
(iv) we make any compromise or arrangement with the Borrower or if one is imposed or recommended by a court,
(v) we give any concession or waiver to the Borrower as an exception to the strict terms of the Credit Facility,
(vi) we fail to exercise any rights we have against the Borrower or any other guarantor or any security we hold to secure the Borrower's Obligations, or if we delay in exercising any of these rights,
(vii) the provisions of the Credit Facility or any other agreement relating to the Borrower's Obligations are amended, extended, changed or replaced in any way,
(viii) we advance all or any part of the loan to the Borrower while the Borrower is in default under the Credit Facility or in any other situation where we could lawfully withhold the advance,
(ix) we give up any security or any other guarantee we have for the Borrower's Obligations, fail to properly register any security or commit any error that reduces our ability to enforce our rights against the Borrower,
(x) we do not insure or require the Borrower to insure any property of the Borrower, or
(xi) we do not otherwise ensure that the Borrower performs its obligations under the Credit Facility.

6. **What you agree not to do**

By signing this Guarantee, you agree not to do the following until all amounts owing to us under the Credit Facility are paid in full:

(a) You shall not sue the Borrower to recover payment of any amounts that you paid to us on account of the Guaranteed Amount.

(b) You shall not receive, request or accept any payment, benefit or security from the Borrower, with the exception of salaries and dividends in the ordinary course of business unless otherwise authorized by FCC in writing.

(c) You shall not rank as a creditor in the bankruptcy, receivership or liquidation of the Borrower in competition with us.

Until all amounts owing to us under the Credit Facility are paid in full, you must hold in trust (and as mandatary if this Guarantee is governed by the laws of Québec) for us any payment or benefit that you receive from the Borrower and immediately provide the payment or benefit to us, even if we have settled with the Borrower or have otherwise discharged the Borrower from the Borrower's Obligations under the Credit Facility.

7. **Continuing guarantee**

(a) This Guarantee is a continuing guarantee, which means that your obligations under the Guarantee shall continue until we receive the full Guarantee Amount owing by the Borrower to FCC and the Borrower has satisfied all of the obligations owed to FCC. It also means that this Guarantee:

(i) has no limits as to the length of time it remains in effect,
(ii) shall not be reduced by any other guarantee or security we may hold for any of the obligations of the Borrower,
(iii) is in addition to any other guarantee or security we may have from you or any other person, and
(iv) shall not terminate upon any termination of or change in the relationship that exists between you and the Borrower, and
(v) secures the entire Guaranteed Amount for as long as that amount is owing to us at any time by the Borrower, including if the Borrower repays and then re-borrows any amount owing to us.

(b) You may limit the future Guaranteed Amount if you give us at least 30 days advance notice in writing. This means that:

(i) you shall continue to be responsible for the entire Guaranteed Amount owing at the end of the 30-day notice period, including any amounts we advance to the Borrower within the 30-day notice period,
(ii) you cannot reduce, limit or terminate your obligation to pay the Guaranteed Amount owing by the Borrower at the end of the 30-day notice period, but you shall have no obligation to pay for any amounts we lend to the Borrower after the 30-day notice period expires, and
(iii) you shall continue to be responsible for performing the Guaranteed Obligations beyond the end of the 30-day notice period if the Borrower was required to perform but failed to perform such obligations prior to the end of the 30-day notice period.

8. Demanding payment of the Guaranteed Amount

(a) We may demand you pay us the entire Guaranteed Amount at any time after the Borrower defaults. We shall provide you with a written demand for payment either by hand delivery, ordinary mail or registered mail at your last address known to us.

(b) The balance that is showing in our books and records as owing by the Borrower or which is admitted by the Borrower or any representatives of the Borrower shall be conclusive evidence of the amount of the Borrower's debt to us. This is the only evidence we need in order to prove that the Guaranteed Amount is in fact owing to us by the Borrower under the Credit Facility, and by you under this Guarantee.

9. Failure to pay or perform

If you fail to pay us the Guaranteed Amount within the time period specified in our written demand, we shall:

(a) commence a legal action against you to recover payment of the Guaranteed Amount and the costs of collecting the Guaranteed Amount as well as all losses we suffered or incurred by your failure to perform the Guaranteed Obligations.

(b) enforce any security that you have provided in support of this Guarantee.

10. Payments

(a) All moneys, securities, payments or other property that we receive from the Borrower or any other person which may reduce the amounts owing under the Credit Facility shall be regarded as conditional, and shall not be deducted from the amounts owing under the Credit Facility or this Guarantee until such payments become absolutely final and unconditional.

(b) No payment from the Borrower or any other person or any realization on any security shall relieve you from any of your obligations under this Guarantee until all obligations under the Credit Facility have been paid or performed.

11. Other clauses that apply to this guarantee

(a) This Guarantee is in addition to any other guarantee that you or any other person may have previously provided to us, or that you or any other person may provide in the future. This Guarantee does not replace or terminate any of those other guarantees.

(b) You agree that we did not make any representations to you or agree to any conditions that must be met before we demand you to pay the Guaranteed Amount, other than those included in this Guarantee.

(c) If any part of this Guarantee turns out to be invalid for any reason, the rest of this Guarantee shall remain in full force and effect and this Guarantee shall be read as if the invalid part was not included in it.

(d) We may transfer any of our rights or interests under this Guarantee, the Credit Facility or any security granted to us without obtaining your consent.

(e) This Guarantee is governed by the laws of the Province of New Brunswick. We may commence an action or other court proceeding on this Guarantee in the courts of this province and you agree to submit to the jurisdiction of such courts and be bound by any judgment that any such court may make. We also reserve the right to start an action or other court proceeding against you anywhere outside this province.

(f) In Québec, you renounce the benefit of division and discussion and understand that your liability for the Guaranteed Obligations is solidary with the Borrower.

(g) This Guarantee benefits our successors and assigns and binds your heirs, legal representatives, successors and assigns.

(h) You agree that this Guarantee and any related document shall be drafted and executed in English.

Vous acceptez que cette garantie ainsi que les documents connexes seront rédigés et signés en anglais.

(i) If more than one person has signed this Guarantee with us, everyone who has signed is responsible to

I have read this guarantee and agree to its terms.

Dated this 26 day of October, 2018, at Woodstock in the Province of New Brunswick.

Corporation/company

Burbank Industrial Supply Inc. (Print corporate/company name).

by Jeremy Brake (Print name of person signing on behalf of the corporation/company)

President (Print title of person signing on behalf of the corporation/company)

(Signature of person signing on behalf of the corporation/company)

I have authority to bind the corporation/company.

(Corporate seal if available)

If a Certificate of Independent Legal Advice has been completed respecting each guarantor, it is attached hereto.

This is Exhibit "C" to the Affidavit of Bailey Campbell SWORN TO at the City of Saint John, Province of New Brunswick, this 18th day of June 2020.

BEFORE ME:

Notary Public in and for the Province of New Brunswick

Caleb G. Hunter

Mortgage Reference Number: 373596 & 373588

Form 15.1

COLLATERAL MORTGAGE

Land Titles Act, S.N.B. 1981, c.L-1.1, s.25
Standard Forms of Conveyances Act, S.N.B. 1980, c.S-12.2, s.2

Parcel Identifier: 10080562, 10121937, 10153278

Mortgagor: HSF Foods Ltd.
741 Central ST
Centreville NB
E7K 2M4

Mortgagee: Farm Credit Canada
1133 St. George BLVD SUITE 200
Moncton NB
E1E 4E1

Manner of Tenure: Not Applicable

Particulars of Security: Loan Agreement

Statutory Covenants and Conditions Excluded: 101-119 inclusive

Optional Covenants and Conditions Included: FCC-609

The mortgagor mortgages to the mortgagee in the specified manner of tenure the specified parcel as collateral security, the particulars of which are specified.

The mortgagor acknowledges receipt of the text of the covenants and conditions which are contained in this mortgage by reference to the distinguishing number or by virtue of subsection 25(4) of the Land Titles Act, and agrees to be bound by them to the same extent as if set out at length herein.

Date: 2009-10-05

Mortgagor:

Ben Brake

HSF Foods Ltd.
Benjamin Brake, President

Form 45

AFFIDAVIT OF CORPORATE EXECUTION

Land Titles Act, S.N.B. 1981, c.L-1.1, s.55

Deponent:	Benjamin Brake 55 McElroy Road Beechwood, New Brunswick E7J 1Y8
Office Held by Deponent:	President
Corporation:	HSF FOODS LTD. 741 Central Street Centreville, New Brunswick E7K 2M4
Place of Execution:	Woodstock, New Brunswick
Date of Execution:	October 5, 2009

I, the deponent, make oath and say:

1. That I hold the office specified above in the corporation specified above, and am authorized to make this affidavit and have personal knowledge of the matters hereinafter deposed to.
2. That the attached instrument was executed by me as the officer duly authorized to execute the instrument on behalf of the corporation.
3. That the seal of the corporation was affixed to the instrument by order of the Board of Directors of the corporation.
4. That the instrument was executed at the place and on the date specified above.
5. That the ownership of a share of the corporation does not entitle the owner thereof to occupy the parcel described in the attached instrument as a marital home.

SWORN TO at Woodstock,)
New Brunswick, on the 5th)
day of October, 2009.)

BEFORE ME:)

[signature])

A COMMISSIONER OF OATHS)
Being A Solicitor)

[signature]
Benjamin A. Brake

Form 16

APPLICATION FOR OPTIONAL MORTGAGE COVENANT

Land Titles Act, S.N.B. 1981, c.L-1.1, s.25

Applicant: Farm Credit Canada
1133 St. George Blvd., Suite 200
Moncton, New Brunswick E1E 4E1

Optional Mortgage Covenant: Collateral Mortgage – Farm Credit Canada
Hypothèque subsidiaire – Financement agricole Canada

The Applicant applies for the assignment of a number to the specified optional mortgage covenant.

Date: February 22, 2002

FARM CREDIT CANADA CORPORATE Seal FINANCEMENT AGRICOLE CANADA

Applicant: D. Lacenaire
Donna Lacenaire, Loan Administration Officer
Farm Credit Canada

Number assigned to the specified optional mortgage covenant: FCC-602

Deputy Registrar General of Land Titles
Maureen Wheelly Mill

OPTIONAL MORTGAGE COVENANTS

COLLATERAL MORTGAGE

FARM CREDIT CANADA

Registered as Number:

1. **DEFINITIONS**

This section defines some of the specific terms You will find in these Collateral Mortgage Covenants.

"Collateral Mortgage Form 15.1" means the prescribed New Brunswick Form 15.1, and any form substituted for it.

"Mortgage" means the Farm Credit Canada Form 15.1 Collateral Mortgage, these Collateral Mortgage Terms, and any changes made by written agreement with You.

"You" and **"Your"** mean each person or corporation who has signed the Form 15.1 Collateral Mortgage as Mortgagor or Guarantor. This includes the personal and legal representatives of each person or corporation and any person or corporation who has assumed any obligations under the Mortgage.

"We", **"Us"** and **"Our"** mean the Mortgagee, Farm Credit Canada and its legal representatives.

"Property" means the land described in Schedule "A" to the Collateral Mortgage Form 15.1. This includes all buildings on that land now and all improvements made before or during the time the Mortgage is in effect.

"Principal Amount" or **"Principal Sum"** means the total maximum principal amount of any Loan that is, or may be, secured by the Form 15.1 Collateral Mortgage.

"Interest Rate" means the rate of interest expressed as a percentage rate per annum, which is set out on the applicable Loan Agreement.

"Variable Mortgage Loan Rate" means the rate of interest expressed as a percentage rate per annum, which is set by Us from time to time.

"Loan Agreement" means any Promissory Note, Loan Approval and Acceptance, Loan or Credit Agreement or any similar agreement evidencing a Loan between You and Us to be secured by the Form 15.1 Collateral Mortgage. It also means any Guarantee signed by You guaranteeing the repayment to Us of a loan We made to a third party, which contingent indebtedness under the Guarantee is secured by the Form 15.1 Collateral Mortgage.

"Loan Amount" means the outstanding balance of any Loan or of any draw under any Loan or Guarantee after demand or of any draw under any Loan. This balance could include unpaid principal, defaulted payments, interest on defaulted payments, Other Charges and interest on Other Charges.

"Loan" or **"Loans"** means all Loans made by Us to You from time to time and secured by the Form 15.1 Collateral Mortgage, including the Loan made at the time the Mortgage is signed. It also means any Loan made by Us to a third party, which You have guaranteed to repay. Loans may be agreed to in Loan Agreements.

"Guarantee" means a form of Guarantee signed by You in which You agree to repay a Loan made by Us to a third party if the third party fails to pay the Loan.

"Other Charges" mean Our expenses of protecting and/or enforcing Our rights and of making payments on any prior charges against the Property.

Other charges could include but are not limited to the cost of the following:

- investigating the Property, and preparing and registering the Mortgage;
- insurance if We decide to insure You or the Property;
- appraising the Property and undertaking an environmental inspection or clean-up of the Property;
- all of Our administrative, clerical and actual legal costs on a solicitor and client basis; and
- the cost of any receiver or receiver-manager appointed by law under the Form 15.1 Collateral Mortgage.

Other charges may include expenses not listed here.

"Prior Charges" mean any charges or liens in existence and affecting the Property at the time of the creation of the Mortgage.

"Hazardous Substances" mean and include any substances declared from time to time to be hazardous, dangerous or toxic or similarly described under any applicable federal, provincial or municipal law, by-law, regulation or other enactment.

2. WHAT THE MORTGAGE DOES

By signing the Form 15.1 Collateral Mortgage, You acknowledge that You are indebted to Us or may become indebted to Us and agree to repay the Principal Sum or the Loan Amount outstanding with interest as set forth in any Loan Agreement. You also Mortgage Your entire estate and interest in the Property to Us, as additional and collateral security for the repayment of all the Loan Amounts up to the Principal Sum, plus interest and Other Charges.

2.1 Your title to the Property

You guarantee that You are the registered owner of an estate in fee simple in the Property or have an absolute right to acquire such an estate under a registered Agreement for Sale or Right to Purchase or have a registered leasehold interest in the Property and have the right to give Us the Mortgage and hereby mortgage all Your estate and interest in the Property to Us. If You acquire a greater or additional interest in the Property, it too is hereby charged by the Mortgage.

You also guarantee that there are no Prior Charges on the Property, other than those We have agreed to in any Loan approval document or Loan Agreement.

You agree to make payments on these approved prior charges as they become due.

2.2 Who is bound by the Mortgage

The obligations under the Mortgage are the collective and individual responsibility of all persons or corporations who have signed it.

Your legal and personal representatives and Our legal representatives must comply with the terms of the Mortgage.

2.3 Changing or extending the Mortgage

We may make written agreements with You to change any part of the Mortgage. This could include changing the Principal Amount or Interest Rate or both. We do not have to register any written agreement as to any such change to maintain the priority of the Mortgage.

2.4 Mortgage of Lease

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This provision only applies to a leasehold interest in the Property.

You represent, warrant and agree with Us that:

- You are the lawful tenant of the Property and have a good and marketable leasehold interest in the Property under a good, valid and subsisting lease, free of any encumbrance or claim, except as approved by Us;
- You have paid all rents and other monies payable under Your lease and are not in default under any of Your other obligations under Your lease;
- You have obtained the written consent of Your landlord, or have the right without such consent, to mortgage Your leasehold interest in the Property;
- You will pay all rent and other payments due and perform and observe all of Your other obligations under Your lease, in default of which We may make such payments or perform such obligations and charge same to You as Other Charges;
- You will not surrender Your lease or cause or allow it to be terminated or forfeited;
- You will not agree to any amendment to Your lease without Our prior written consent; and
- You will, as soon as possible after receipt, give Us a copy of any notice, demand or request Your receive relating to Your lease.

2.5 **Mortgage In Support of a Guarantee**

This provision applies only if the Mortgage is given in support of a Guarantee given by you to Us guaranteeing the repayment of any Loan made by us to a third party. If the Mortgage is in support of a Guarantee it will be payable on the terms set forth in the Guarantee or if the terms of payment are not set forth in the Guarantee then the Mortgage will be payable on demand by Us.

2.6 **Termination of the Mortgage**

The security interest We have in the Mortgage ends when You have met all Your obligations in the Mortgage, including payment of all the Loan Amounts.

3. **INTEREST**

3.1 **Interest rate**

You will find the interest rate on the applicable Loan Agreement.

3.2 **Interest on Your Loan**

We will charge interest from the date each advance under each Loan is made to You at the Interest Rate as may be provided in the Loan Agreement evidencing each Loan or any subsequent extensions or renewals with respect to each Loan. You agree to pay this interest and to comply with Your obligations under the Mortgage and under any Loan Agreement.

3.3 **Interest on defaulted payments** 4 of 20

If You fail to make any payment on time, We will charge interest on the payment. We will calculate interest from the date the payment was due until the date You pay it. The rate of interest on defaulted payments is the Interest Rate or such lesser rate as provided in the applicable Loan Agreement.

3.4 **Interest on Other Charges**

We may add Other Charges to the Loan Amount of Your Loan. You agree to pay interest on these Other Charges from the date We incur the cost or pay the Other Charges until the date You pay Us.

In the event We advance more than one Loan to You We shall have the sole discretion to decide which Loan interest rate applies to Other Charges.

4. **VARIABLE INTEREST RATES**

The following applies to You only if interest on your Loan accrues at Our Variable Mortgage Loan Rate.

4.1 **How the variable interest rate is calculated and varies**

The Variable Mortgage Loan Rate will change automatically each time We set the rate of interest for Our Variable Mortgage Loan product.

You will not be advised by Us of any increase or decrease in Our Variable Mortgage Loan Rate until You receive an annual Mortgage Statement in which any changes in the Variable Mortgage Loan Rate will be set out. We will, however, advise you on an annual basis as to any change required with respect to your scheduled payments due to a change of Our Variable Mortgage Loan Rate.

Any failure by Us to mail the annual Mortgage Statement or the fact that You may not have received it will not prevent the variation of the rate of interest payable on Your Loan.

Our Variable Mortgage Loan Rate is available from any one of Our offices and shall be conclusive and binding as to the rate of interest applicable to Your Loan.

4.2 **Deferred Interest**

If the amount of interest that has accrued on the Principal Amount from one payment to the next exceeds the amount of the payment, then such excess (the "Deferred Interest"), shall bear interest from and including the payment date at the then Variable Mortgage Loan Rate. All interest that has accrued on Deferred Interest during the payment period shall, on the first day of the following payment period, be added to and become Deferred Interest and shall bear interest from and including the payment period date at the then Variable Mortgage Loan Rate.

5. **YOUR RESPONSIBILITIES**

By signing the Mortgage You agree to carry out all of Your responsibilities under it. You also agree to be bound by and carry out all the terms and conditions under which We make a Loan. You will find these terms and conditions in the document approving the Loan or the Loan Agreement or both.

5.1 **Business plan and financial statements**

You agree to carry out any business plan that We request and have approved. You also agree to provide financial statements to Us when, and in the form, requested by Us.

5.2 **Use of Your Loan**

You agree to Use the proceeds of Your Loan(s) as described in the document approving the Loan and/or the Loan Agreement.

5.3 **Repaying Your Loan** 5 of 20

You agree to pay to Us in Canadian dollars the Principal Amount of all Loans secured by the Mortgage, plus the interest calculated half-yearly,

not in advance, in regular payments as set out in the Loan Agreement. You will find the amount of each payment in the Loan Agreement related to each Loan.

You agree to make Your payments on the payment dates stated in the Loan Agreement related to each Loan.

If You are not in default on any Loan from Us, We will apply each Loan payment to the appropriate Loan as follows:

- first, to pay Other Charges;
- second, to pay the interest due; and
- third, to reduce the Principal Amount.

If You are in default on any Loan from Us, We can apply each Loan payment as We see fit.

5.4 **Prepayments**

If You are not in default on any Loan from Us, We may, but are not obligated to, grant You the right to prepay all or part of any Loan.

If We do grant You a right of prepayment on any Loan, We may require You to pay Us an additional amount representing Our costs incurred by reason of the prepayment, including all interest lost by Us as a result of the prepayment.

5.5 **Taxes on the Property**

You agree to pay all liens, taxes and rates levied or charged against the Property.

5.6 **Insuring the Property**

You agree to insure all buildings and improvements on the Property subject to the Mortgage, in Our favour, during the time the Mortgage is in effect. We must approve the insurance policy and company. We can require a certified copy of the policy and can require changes in the policy.

The insurance policy must cover loss by fire and other hazards, including extended perils coverage. The policy must be for replacement value. The policy must include a Mortgage clause stating that proceeds are payable to Us.

If You do not insure Your buildings and improvements in this manner, We can insure them and the cost will be considered as Other Charges and added to the Loan Amount of the appropriate Loan or Loans.

If any damage or loss occurs, You agree to notify Us promptly and co-operate with the insurance company.

At Our sole discretion, We may apply the insurance proceeds to any of the following:

- to repair or rebuild buildings or improvements;
- to reduce Your Loan(s); or
- pay them to You.

If We pay the insurance proceeds to You, that does not affect Your payment obligations under any Loan Agreement.

5.7 **Life Insurance** 6 of 20

If requested by Us, You agree to provide and maintain life insurance on Yourself or others in a form satisfactory to Us. The life insurance, will be assigned and payable to Us during the period of time the Mortgage is in

effect. If You do not provide or maintain this insurance, We may do so and the cost will be considered as Other Charges and added to the Loan Amount of the appropriate Loan or Loans.

5.8 **Transferring the Property**

You agree not to transfer any of the Property without Our written consent. This includes creating a new parcel from the Property, or giving a lease or a license over any part of the Property.

You agree to assign to Us any agreement relating to the Property under which You receive payments. If You are not in default, We may not require these payments to be made to Us. We are not responsible for Your obligations in any such agreements.

5.9 **Removal of resources**

You agree not to remove any trees, gravel or other resources from the Property without Our written consent.

5.10 **Keeping the Property in good condition**

You agree to keep the Property in good condition. You shall not do anything that lowers the value of the Property. If You do not maintain the good condition and value of the Property We may enter and take any action We consider necessary to restore the Property. The cost of any such action may be added to the Loan Amount of the Loan or Loans of Our choosing.

5.11 **Environmental protection**

You represent and agree that:

- You and all persons You are responsible for in law will, at Your cost, comply with all relevant environmental laws as they may pertain to the Property, including those relating to the management, handling and clean-up of hazardous substances;

- the Property has not and will not be Used to store any hazardous substances above or below ground, except in the normal course of Your business at the time of the Mortgage. Any such storage in the normal course shall comply with any laws, regulations or by-laws pertaining to safe storage and/or handling of such hazardous substances;

- no hazardous substances have or will be released into the environment;

- there are no existing or threatened legal proceedings or investigations in relation to any hazardous substance affecting the Property or any environmental matter generally nor any grounds for same;

- You will advise Us of any environmental condition involving a hazardous substance or breach of environmental law on or near the Property which You may become aware of. You must remedy the environmental condition on the Property and remove any hazardous substance at Your expense within a reasonable time as determined by Us. If You fail to do so, We may, but are not obligated to, take steps to remedy this environmental condition and remove such hazardous substance. The costs, expenses or damages incurred by Us shall be added to the Loan Amount of the Loan or Loans of Our choosing;

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- You will provide Us with any environmental information respecting the Property when and as requested by Us during the time the Mortgage is in effect.

5.12 **Paying Other Charges**

You agree to pay all costs and expenses incurred by Us, including all costs and expenses to enforce or protect Our rights under the Mortgage or any Loan Agreement, including, but not limited to, all legal fees on a solicitor and his own client basis.

You agree to pay all Other Charges plus any interest thereon.

We may add Other Charges to the Loan Amount for each Loan when they occur.

5.13 **Assignment of Rents/Lease**

This provision only applies if a Loan Agreement provides for an assignment of rents or an assignment of lease as security.

You assign and transfer to Us all leases, agreements to lease and rental agreements (the "Rental Agreements") affecting the Property together with all rents payable and all rights, benefits and advantages under them.

We will not be responsible for collecting any rents or doing anything the landlord or the tenant is supposed to do under the Rental Agreement and We will not become a mortgagee in possession by this provision.

We will only be liable for monies We actually receive under this provision, after deduction of Our expenses in collecting such monies, and We will apply all such monies received against the amounts due under the Mortgage.

We will not collect any monies under this provision until You are in default under the Mortgage or in default of any other obligation You have with Us.

You will not accept prepayment of any rent due or to become due under the Rental Agreements, but will only accept payment in the amount, on the days and in the manner set out in the Rental Agreements.

6. **OUR RIGHTS**

We have rights under the Mortgage to ensure that You carry out Your responsibilities.

6.1 **Our right of Inspection**

We have the right to enter and inspect the Property for any reason and at any time, whether or not You are in default under the Mortgage or any Loan Agreement.

6.2 **What We can do if You default**

You are in default if You fail to make any payment required under any Loan Agreement on time or fail to do anything else You agreed to do under the Mortgage or in any Loan Agreement.

You are in default if any of the environmental representations are untrue at the time given or are breached during the time the Mortgage is in effect.

If You are a corporation, You are also in default if there is a change in voting control, ownership, officers and directors without Our written consent.

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If You default, We may take certain actions:

- **We may demand payment**

  If We demand payment of the Loan Amount or Loan Amounts, the Loan Amount or Amounts is/are immediately due and payable.

- **We may foreclose**

  We may take action in court to foreclose Your title to the Property and Your right to reclaim the title. If the court grants a final order of foreclosure the Property legally becomes Ours.

- **We may take sale proceedings**

  We may take immediate possession of the Property.

  We may carry on all or any part of Your business conducted on the Property.

  We may sell all or part of the Property by private sale or public auction for cash or credit or both or We may lease all or part of the Property on any terms and for any period We wish.

  Before doing any of these, We will give notice or obtain court approval if required by any applicable law.

- **We may sue You**

  We may sue You for possession.

  Where permitted by law, We may sue You for the Loan Amount and if the amount We receive from any sale of the Property does not equal the Loan Amount, We may recover the difference from You.

- **We may appoint a receiver or receiver-manager**

  We can appoint or ask a court to appoint someone to manage, sell or liquidate the Property.

- **We may take any other lawful action**

  We may take any other action or remedy provided to Us in law.

6.3 **Non - merger**

If We take any action forcing You to comply with any part of the Mortgage or any Loan Agreement relating to any Loan, or obtain a judgement against You, it will not affect Our other rights under the Mortgage or any Loan Agreement. It will also not affect Our rights under any other Mortgage or Loan Agreement You have with Us.

6.4 **Time extension**

If We delay in enforcing any of Our rights under the Mortgage, it will not affect Our other rights under the Mortgage.

6.5 **Partial release**

If We release part of the Property from the Mortgage, it will not affect Your responsibilities under the Mortgage or any Loan Agreement. Our interest will continue in the rest of the Property.

9 of 20

If We release any person or corporation from any obligation under the Mortgage or any Loan Agreement, it will not affect the obligations of the remaining signers.

6.6 Consolidation

If You default under any terms of any other Mortgage or Loan Agreement with Us, We will consider You in default under the Mortgage.

If You default under any of the terms of the Mortgage or any Loan Agreement, We will consider You in default under any other Mortgage with Us.

6.7 We are under no obligation to make advances to You under the Mortgage

We may decide for any reason not to give You all or part of any Loan, even if:

- You have signed the Mortgage or a Loan Agreement or both;
- We have registered the Mortgage; and
- We have already given You part of any Loan Amount.

6.8 Right to Re-advance

Provided You are not in default under any terms of the Mortgage or any Loan Agreement, We may, in Our sole discretion, re-advance any principal portion of any Loan to an amount not to exceed the original Loan Amount and the Mortgage shall continue to be secured therefore.

6.9 Differences

Where there is any difference between the terms of the Mortgage and the terms of the document approving Your Loan or any Loan Agreement, the terms of the document approving Your Loan or any Loan Agreement will prevail.

7. DISCHARGE

When You have satisfied all Your obligations in the Mortgage and any Loan Agreements secured by the Mortgage, including payment of all the Loan Amounts outstanding, We will prepare and provide You with a full discharge in a reasonable time after payment in full.

8. MISCELLANEOUS

8.1 Interpretation

In interpreting the Mortgage, whenever the singular number and the masculine gender are used, the same will be construed as including the plural, and feminine and neuter where the fact or context so requires. If the Mortgage is signed by more than one person, all of the promises and agreements contained in the Mortgage will jointly and severally bind the signers.

ACKNOWLEDGEMENT OF RECEIPT OF MORTGAGE COVENANTS

To: FARM CREDIT CANADA

Re: Restrictive Covenants

Mortgagor(s): HSF Foods Ltd.

The undersigned, being the executing party to the above mortgage, hereby acknowledges receipt of a full copy of the covenants and conditions numbered FCC-609 in the Land Titles System and referred to in the said mortgage and agree to be bound thereby.

Dated this 5th day of October, 2009

HSF FOODS LTD.

Per: Ben Brake

Benjamin Austin Brake
President

Form 47
Formule 47

CERTIFICATE OF REGISTERED OWNERSHIP
CERTIFICAT DE PROPRIÉTÉ ENREGISTRÉE

Land Titles Act, S.N.B. 1981, c. L-1.1, s.63
Loi sur l'enregistrement foncier, L.N.-B. de 1981, chap. L-11, art. 63

Parcel Identifier | Numéro d'identification de parcelle :

10080562

Owner | Propriétaire :

HSF Foods Ltd.
741 Central ST
Centreville NB
E7K 2M4
Deed/Transfer | Acte de transfert/Transfert
Carleton 2007-08-28 - 24403322

Manner of Tenure | Mode de tenure :

Not Applicable | Sans objet

Encumbrances | Charges :

Royal Bank of Canada
540 Main ST
Woodstock NB
E7M 2C3
Debenture Holder | Titulaire de la débenture
Debenture or Other Voluntary Charge | Débenture ou autre charge facultative
Carleton 2007-08-28 - 24403363

Farm Credit Canada
1133 St. George BLVD SUITE 200
Moncton NB
E1E 4E1
Mortgagee | Créancier hypothécaire
Collateral Mortgage | Hypothèque subsidiaire
Carleton 2009-10-06 - 27860494

Instruments in the Registration Process | Instruments dans le processus d'enregistrement :

NONE | AUCUN

THIS IS TO CERTIFY THAT the specified owner is the registered owner and holds title in fee simple, by virtue of the specified instrument(s) and in the specified manner of tenure, to the specified parcel, described in Schedule "A" attached hereto. The title to the land is subject to the overriding incidents specified in subsection 17(4) of the Act and also to the specified encumbrances.
LE PRÉSENT CERTIFICAT ATTESTE QUE le propriétaire spécifié est le propriétaire enregistré et est titulaire du titre en fief simple, en vertu de(s) l'instrument(s) spécifié(s), selon le mode spécifié de tenure de la parcelle spécifiée, décrite à l'Annexe <<A>> ci-jointe. Le titre du bien-fonds est soumis aux réserves dérogatoires précisées au paragraphe 17(4) de la Loi et également aux charges spécifiées.

THE TITLE TO THE LAND may be subject to the specified instruments, which have been entered in the instrument record and may be entered on the title register when the registration process is completed.
LE TITRE DU BIEN-FONDS peut être soumis aux instruments spécifiés qui ont été portés au registre des instruments et qui peuvent être portés au registre des titres lorsque la procédure d'enregistrement est achevée.

THIS CERTIFICATE is evidence of the particulars contained herein as of the date and time of its issue. The description is not conclusive as to the boundaries or extent of the land.
LE PRÉSENT CERTIFICAT constitue la preuve des renseignements qu'il contient à la date et à l'heure de sa délivrance. La description n'est pas probante en ce qui concerne les limites ou l'étendue du bien-fonds.

Date & Time | Date et heure : 2009-10-06 16:06:20

Registrar of Land Titles for the District of New Brunswick

Le registrateur des titres de biens-fonds de la Circonscription du Nouveau-Brunswick

Report ID | Rapport ID : 2863880

Schedule A | Annexe A

PID | NID : 10080562

Apparent Parcel Access | Accès apparent à la parcelle : Public Access | Accès public

Status | État de la demande : Current | Courant

Effective Date/Time | Date et heure de prise d'effet : 2001-03-05 13:47:42

Legal Description | Description officielle :

That parcel of land and premises being in:

Place name: Village of Centreville and Parish of Wilmot
County: Carleton/Wilmot
Designation of Parcel: Cedar Brook Farms Ltd. Property
Title of Plan: Cedar Brook Farms Ltd. Plan of Survey
Registration County: Carleton
Plan Registered: November 7, 1995
Plan No. 200458

Being a portion of the lands described in a deed from David H. Burtt et ux to H. Eugene Upton dated April 1, 1947, and registered at the Carleton County Registry Office on July 15, 1947, in book 164 at page 568 as number 88001.

TOGETHER with a Pipeline Easement from Sterling Lamoreau & Sons Ltd. to Canusa Foods Ltd. dated December 12, 2000, and registered at the Carleton County Registry Office on December 13, 2000, in book 764 at page 594 as number 11604528 as shown on Plan No. 11604544.

TOGETHER with a Pipeline Easement from Village of Centreville to Canusa Foods Ltd. dated December 11, 2000, and registered at the Carleton County Registry Office on December 13, 2000, in book 764 at page 592 as number 11604510 as shown on Plan No. 11604544.

TOGETHER with a Pipeline Easement from Isabell Irene Wheeler Oakes to Canusa Foods Ltd. dated May 22, 1998, and registered at the Carleton County Registry Office on June 8, 1998, in book 691 at page 465 as number 195178 as shown on Plan No. 201008.

Form 47
Formule 47

CERTIFICATE OF REGISTERED OWNERSHIP
CERTIFICAT DE PROPRIÉTÉ ENREGISTRÉE

Land Titles Act, S.N.B. 1981, c. L-1.1, s.63
Loi sur l'enregistrement foncier, L.N.-B. de 1981, chap. L-11, art. 63

Parcel Identifier | Numéro d'identification de parcelle :

10121937

Owner | Propriétaire :

HSF Foods Ltd.
741 Central ST
Centreville NB
E7K 2M4
Deed/Transfer | Acte de transfert/Transfert
Carleton 2007-08-28 - 24403322

Manner of Tenure | Mode de tenure :

Not Applicable | Sans objet

Encumbrances | Charges :

Royal Bank of Canada
540 Main ST
Woodstock NB
E7M 2C3
Debenture Holder | Titulaire de la débenture
Debenture or Other Voluntary Charge | Débenture ou autre charge facultative
Carleton 2007-08-28 - 24403363

Farm Credit Canada
1133 St. George BLVD SUITE 200
Moncton NB
E1E 4E1
Mortgagee | Créancier hypothécaire
Collateral Mortgage | Hypothèque subsidiaire
Carleton 2009-10-06 - 27860494

Instruments in the Registration Process | Instruments dans le processus d'enregistrement :

NONE | AUCUN

THIS IS TO CERTIFY THAT the specified owner is the registered owner and holds title in fee simple, by virtue of the specified instrument(s) and in the specified manner of tenure, to the specified parcel, described in Schedule "A" attached hereto. The title to the land is subject to the overriding incidents specified in subsection 17(4) of the Act and also to the specified encumbrances.
LE PRÉSENT CERTIFICAT ATTESTE QUE le propriétaire spécifié est le propriétaire enregistré et est titulaire du titre en fief simple, en vertu de(s) l'instrument(s) spécifié(s), selon le mode spécifié de tenure de la parcelle spécifiée, décrite à l'Annexe <<A>> ci-jointe. Le titre du bien-fonds est soumis aux réserves dérogatoires précisées au paragraphe 17(4) de la Loi et également aux charges spécifées.

THE TITLE TO THE LAND may be subject to the specified instruments, which have been entered in the instrument record and may be entered on the title register when the registration process is completed.
LE TITRE DU BIEN-FONDS peut être soumis aux instruments spécifiés qui ont été portés au registre des instruments et qui peuvent être portés au registre des titres lorsque la procédure d'enregistrement est achevée.

THIS CERTIFICATE is evidence of the particulars contained herein as of the date and time of its issue. The description is not conclusive as to the boundaries or extent of the land.
LE PRÉSENT CERTIFICAT constitue la preuve des renseignements qu'il contient à la date et à l'heure de sa délivrance. La description n'est pas probante en ce qui concerne les limites ou l'étendue du bien-fonds.

Date & Time | Date et heure : 2009-10-06 16:06:20

Registrar of Land Titles for the District of New Brunswick
Le registrateur des titres de biens-fonds de la Circonscription du Nouveau-Brunswick

Report ID | Rapport ID : 2863879

Schedule A | Annexe A

PID | NID : 10121937

Apparent Parcel Access | Accès apparent à la parcelle : Public Access | Accès public

Status | État de la demande : Current | Courant

Effective Date/Time | Date et heure de prise d'effet : 2001-03-02 09:15:33

Legal Description | Description officielle :

That parcel of land and premises being in:

Place name: Village of Centreville
County: Carleton/Wilmot
Label of Parcel on Plan: Lot 1
Title of Plan: Cedar Brook Farms Ltd. Subdivision No. 1 Plan
Registration County: Carleton
Plan Registered: March 2, 1984
Plan No. 150204

Saving and excepting thereout and therefrom Parcel 87-1 expropriated by Her Majesty the Queen in Right of the Province of New Brunswick as shown on a Plan of Survey Highway 110 filed in the Carleton County Registry Office on July 31, 1987 as Number 161253A.

Form 47
Formule 47

CERTIFICATE OF REGISTERED OWNERSHIP
CERTIFICAT DE PROPRIÉTÉ ENREGISTRÉE

Land Titles Act, S.N.B. 1981, c. L-1.1, s.63
Loi sur l'enregistrement foncier, L.N.-B. de 1981, chap. L-11, art. 63

Parcel Identifier | Numéro d'identification de parcelle :

10153278

Owner | Propriétaire :

HSF Foods Ltd.
741 Central ST
Centreville NB
E7K 2M4
Deed/Transfer | Acte de transfert/Transfert
Carleton 2007-08-28 - 24403322

Manner of Tenure | Mode de tenure :

Not Applicable | Sans objet

Encumbrances | Charges :

Royal Bank of Canada
540 Main ST
Woodstock NB
E7M 2C3
Debenture Holder | Titulaire de la débenture
Debenture or Other Voluntary Charge | Débenture ou autre charge facultative
Carleton 2007-08-28 - 24403363

Farm Credit Canada
1133 St. George BLVD SUITE 200
Moncton NB
E1E 4E1
Mortgagee | Créancier hypothécaire
Collateral Mortgage | Hypothèque subsidiaire
Carleton 2009-10-06 - 27860494

Instruments in the Registration Process | Instruments dans le processus d'enregistrement :

NONE | AUCUN

THIS IS TO CERTIFY THAT the specified owner is the registered owner and holds title in fee simple, by virtue of the specified instrument(s) and in the specified manner of tenure, to the specified parcel, described in Schedule "A" attached hereto. The title to the land is subject to the overriding incidents specified in subsection 17(4) of the Act and also to the specified encumbrances.
LE PRÉSENT CERTIFICAT ATTESTE QUE le propriétaire spécifié est le propriétaire enregistré et est titulaire du titre en fief simple, en vertu de(s) l'instrument(s) spécifié(s), selon le mode spécifié de tenure de la parcelle spécifiée, décrite à l'Annexe <<A>> ci-jointe. Le titre du bien-fonds est soumis aux réserves dérogatoires précisées au paragraphe 17(4) de la Loi et également aux charges spécifiées.

THE TITLE TO THE LAND may be subject to the specified instruments, which have been entered in the instrument record and may be entered on the title register when the registration process is completed.
LE TITRE DU BIEN-FONDS peut être soumis aux instruments spécifiés qui ont été portés au registre des instruments et qui peuvent être portés au registre des titres lorsque la procédure d'enregistrement est achevée.

THIS CERTIFICATE is evidence of the particulars contained herein as of the date and time of its issue. The description is not conclusive as to the boundaries or extent of the land.
LE PRÉSENT CERTIFICAT constitue la preuve des renseignements qu'il contient à la date et à l'heure de sa délivrance. La description n'est pas probante en ce qui concerne les limites ou l'étendue du bien-fonds.

Date & Time | Date et heure : 2009-10-06 16:06:20

Registrar of Land Titles for the District of New Brunswick

Le registrateur des titres de biens-fonds de la Circonscription du Nouveau-Brunswick

Report ID | Rapport ID : 2863878

Schedule A | Annexe A

PID | NID : 10153278

Apparent Parcel Access | Accès apparent à la parcelle : Public Access | Accès public

Status | État de la demande : Current | Courant

Effective Date/Time | Date et heure de prise d'effet : 2001-03-02 09.16:38

Legal Description | Description officielle :

All that lot of land situate in the Village of Centreville and in the Parish of Wilmot, Carleton County, New Brunswick, being more particularly bounded and described as follows:

Beginning at the Juncture of the southerly limit of Highway 110 and the easterly boundary of the Village of Centreville, being commonly known as the Upton Brook; thence following the southerly limit of Highway 110 in a westerly direction a distance of 800 feet; thence in a southerly direction at right angles to the southerly limit of Highway 110 to the northerly boundary of lands owned by Paul Eggert; thence following the northerly boundary of the Paul Eggert lands in an easterly direction to the westerly side of the Upton Brook; thence following the course of the said Upton Brook in a northerly direction to the place of beginning, being not less than 2 hectares in area and having a frontage on a publicly owned street in excess of 150 meters.

Being a portion of the lands described in a deed from David H. Burtt and wife to H. Eugene Upton dated April 1, 1947, and registered at the Carleton County Registry on July 15, 1947, in book 164 at page 568 as number 88001.

Saving and excepting thereout and therefrom Parcel 87-6B expropriated by Her Majesty the Queen in Right of the Province of New Brunswick as shown on a Plan of Survey Highway 110 filed in the Carleton County Registry Office on July 31, 1987 as Number 161253A.

TOGETHER with a right-of-way and Well Water Easement from Brian Kilpatrick to Canusa Foods Ltd. dated December 12, 2000, and registered at the Carleton County Registry Office on December 13, 2000, in book 764 at page 596 as number 11604585 as shown on Plan Number 11604569.

Form 15.1

COLLATERAL MORTGAGE

Land Titles Act, S.N.B. 1981, c.L-1.1, s.25
Standard Forms of Conveyances Act, S.N.B. 1980, c.S-12.2, s.2

Parcel Identifier: 35177328, 35159078, 35345537

Mortgagor: HSF FOODS LTD
741 Central St.
Centreville, NB
E7K 2M4

Spouse of ______________________:
name of mortgagor

Mortgagee: Farm Credit Canada
1133 St. George Boulevard, Suite 200
Moncton, New Brunswick, E1E 4E1

Manner of Tenure: Not Applicable

Particulars of Security: Loan Agreement

Statutory Covenants and Conditions Excluded: 101-119 Inclusive

Optional Covenants and Conditions Included: FCC-609

The mortgagor mortgages to the mortgagee in the specified manner of tenure the specified parcel as collateral security, the particulars of which are specified.

The mortgagor acknowledges receipt of the text of the covenants and conditions which are contained in this mortgage by reference to a distinguishing number or by virtue of subsection 25(4) of the *Land Titles Act*, and agrees to be bound by them to the same extent as if set out at length herein.

Date: 2013-04-26

Witness:

signature ______________________

Mortgagor: HSF FOODS LTD.

signature ______________________
Benjamin A. Brake, President

Witness:

signature ______________________

Spouse of ______________________:
name of mortgagor

signature ______________________

Form 45

AFFIDAVIT OF CORPORATE EXECUTION

Land Titles Act, S.N.B. 1981, c.L-1.1, s.55

Deponent: BRAKE, BENJAMIN A.
name

741 Central St., Centreville, NB E7K 2M4
address

Office Held by Deponent: President

Corporation: HSF FOODS LTD.
name

741 Central St., Centreville, NB E7K 2M4
address

Other Officer Who Executed the Instrument: ____________
name

____
address

Office Held by Other Officer Who Executed the Instrument: ____________

Place of Execution: Woodstock, NB

Date of Execution: April 26, 2013

I, the deponent, make oath and say:

1. That I hold the office specified above in the corporation specified above, and am authorized to make this affidavit and have personal knowledge of the matters hereinafter deposed to;

2. That the attached instrument was executed by me (and the other officer(s) specified above) as the officer(s) duly authorized to execute the instrument on behalf of the corporation;

3. That the seal of the corporation was affixed to the instrument by order of the Board of Directors of the corporation;

4. That the instrument was executed at the place and on the date specified above;

5. That the ownership of a share of the corporation does (not) entitle the owner thereof to occupy the parcel described in the attached instrument as a marital home.

SWORN TO at the Town of Woodstock in the County of Carleton and Province of New Brunswick on April 26 2013 before me:)

Peter E. Crocco, Q.C.
A Commissioner of Oaths
Being a Solicitor

Benjamin A. Brake

6623n14(2006-06-01)

ACKNOWLEDGMENT OF RECEIPT OF COVENANTS

MORTGAGOR:	HSF Foods Ltd.
MORTGAGEE:	Farm Credit Canada
PROPERTY:	45 CNR Road, 45 CNR Road, Grain Storage, Powers & Industrial Road, Grand Falls, Parish of Saint Andre, County of Madawaska and Province of New Brunswick
PID:	35177328, 35159078, 35345537
CLOSING DATE:	April 30, 2013
OUR FILE:	HSFFCo-003

The undersigned Mortgagor acknowledges receipt of a copy of the attached optional covenants and conditions, which are applicable to the Mortgage given to the above-recited Mortgagee by reference to a distinguished number or by virtue of subsection 25(4) of the ***Land Titles Act.***

DATED at Woodstock, NB, this 26th day of April, 2013.

Hillspring Farms Ltd.

Witness

Benjamin Brake, President

OPTIONAL MORTGAGE COVENANTS
COLLATERAL MORTGAGE
FARM CREDIT CANADA
Registered as Number FCC-609

1. DEFINITIONS

This section defines some of the specific terms You will find in these Collateral Mortgage Covenants.

"Collateral Mortgage Form 15.1" means the prescribed New Brunswick Form 15.1, and any form substituted for it.

"Mortgage" means the Farm Credit Canada Form 15.1 Collateral Mortgage, these Collateral Mortgage Terms, and any changes made by written agreement with You.

"You" and **"Your"** mean each person or corporation who has signed the Form 15.1 Collateral Mortgage as Mortgagor or Guarantor. This includes the personal and legal representatives of each person or corporation and any person or corporation who has assumed any obligations under the Mortgage.

"We", **"Us"** and **"Our"** mean the Mortgagee, Farm Credit Canada and its legal representatives.

"Property" means the land described in Schedule "A" to the Collateral Mortgage Form 15.1. This includes all buildings on that land now and all improvements made before or during the time the Mortgage is in effect.

"Principal Amount" or **"Principal Sum"** means the total maximum principal amount of any Loan that is, or may be, secured by the Form 15.1 Collateral Mortgage.

"Interest Rate" means the rate of interest expressed as a percentage rate per annum, which is set out on the applicable Loan Agreement.

"Variable Mortgage Loan Rate" means the rate of interest expressed as a percentage rate per annum, which is set by Us from time to time.

"Loan Agreement" means any Promissory Note, Loan Approval and Acceptance, Loan or Credit Agreement or any similar agreement evidencing a Loan between You and Us to be secured by the Form 15.1 Collateral Mortgage. It also means any Guarantee signed by You guaranteeing the repayment to Us of a loan We made to a third party, which contingent indebtedness under the Guarantee is secured by the Form 15.1 Collateral Mortgage.

"Loan Amount" means the outstanding balance of any Loan or of any draw under any Loan or Guarantee after demand or of any draw under any Loan. This balance could include unpaid principal, defaulted payments, interest on defaulted payments, Other Charges and interest on Other Charges.

"Loan" or **"Loans"** means all Loans made by Us to You from time to time and secured by the Form 15.1 Collateral Mortgage, including the Loan made at the time the Mortgage is signed. It also means any Loan made by Us to a third party, which You have guaranteed to repay. Loans may be agreed to in Loan Agreements.

"Guarantee" means a form of Guarantee signed by You in which You agree to repay a Loan made by Us to a third party if the third party fails to pay the Loan.

"Other Charges" mean Our expenses of protecting and/or enforcing Our rights and of making payments on any prior charges against the Property.

Other charges could include but are not limited to the cost of the following:

- investigating the Property, and preparing and registering the Mortgage;
- insurance if We decide to insure You or the Property;
- appraising the Property and undertaking an environmental inspection or clean-up of the Property;
- all of Our administrative, clerical and actual legal costs on a solicitor and client basis; and
- the cost of any receiver or receiver-manager appointed by law under the Form 15.1 Collateral Mortgage.

Other charges may include expenses not listed here.

"Prior Charges" mean any charges or liens in existence and affecting the Property at the time of the creation of the Mortgage.

"Hazardous Substances" mean and include any substances declared from time to time to be hazardous, dangerous or toxic or similarly described under any applicable federal, provincial or municipal law, by-law, regulation or other enactment.

2. WHAT THE MORTGAGE DOES

By signing the Form 15.1 Collateral Mortgage, You acknowledge that You are indebted to Us or may become indebted to Us and agree to repay the Principal Sum or the Loan Amount outstanding with interest as set forth in any Loan Agreement. You also Mortgage Your entire estate and interest in the Property to Us, as additional and collateral security for the repayment of all the Loan Amounts up to the Principal Sum, plus interest and Other Charges.

2.1 Your title to the Property

You guarantee that You are the registered owner of an estate in fee simple in the Property or have an absolute right to acquire such an estate under a registered Agreement for Sale or Right to Purchase or have a registered leasehold interest in the Property and have the right to give Us the Mortgage and hereby mortgage all Your estate and interest in the Property to Us. If You acquire a greater or additional interest in the Property, it too is hereby charged by the Mortgage.

You also guarantee that there are no Prior Charges on the Property, other than those We have agreed to in any Loan approval document or Loan Agreement.

You agree to make payments on these approved prior charges as they become due.

2.2 Who is bound by the Mortgage

The obligations under the Mortgage are the collective and individual responsibility of all persons or corporations who have signed it.

Your legal and personal representatives and Our legal representatives must comply with the terms of the Mortgage.

2.3 Changing or extending the Mortgage

We may make written agreements with You to change any part of the Mortgage. This could include changing the Principal Amount or Interest Rate or both. We do not have to register any written agreement as to any such change to maintain the priority of the Mortgage.

2.4 Mortgage of Lease

This provision only applies to a leasehold interest in the Property.

You represent, warrant and agree with Us that:

- You are the lawful tenant of the Property and have a good and marketable leasehold interest in the Property under a good, valid and subsisting lease, free of any encumbrance or claim, except as approved by Us;
- You have paid all rents and other monies payable under Your lease and are not in default under any of Your other obligations under Your lease;
- You have obtained the written consent of Your landlord, or have the right without such consent, to mortgage Your leasehold interest in the Property;
- You will pay all rent and other payments due and perform and observe all of Your other obligations under Your lease, in default of which We may make such payments or perform such obligations and charge same to You as Other Charges;
- You will not surrender Your lease or cause or allow it to be terminated or forfeited;
- You will not agree to any amendment to Your lease without Our prior written consent; and
- You will, as soon as possible after receipt, give Us a copy of any notice, demand or request Your receive relating to Your lease.

2.5 Mortgage In Support of a Guarantee

This provision applies only if the Mortgage is given in support of a Guarantee given by you to Us guaranteeing the repayment of any Loan made by us to a third party. If the Mortgage is in support of a Guarantee it will be payable on the terms set forth in the Guarantee or if the terms of payment are not set forth in the Guarantee then the Mortgage will be payable on demand by Us.

2.6 Termination of the Mortgage

The security interest We have in the Mortgage ends when You have met all Your obligations in the Mortgage, including payment of all the Loan Amounts.

3. INTEREST

3.1 Interest rate

You will find the interest rate on the applicable Loan Agreement.

3.2 Interest on Your Loan

We will charge interest from the date each advance under each Loan is made to You at the Interest Rate as may be provided in the Loan Agreement evidencing each Loan or any subsequent extensions or renewals with respect to each Loan. You agree to pay this interest and to comply with Your obligations under the Mortgage and under any Loan Agreement.

3.3 Interest on defaulted payments

If You fail to make any payment on time, We will charge interest on the payment. We will calculate interest from the date the payment was due until the date You pay it. The rate of interest on defaulted payments is the Interest Rate or such lesser rate as provided in the applicable Loan Agreement.

3.4 **Interest on Other Charges**

We may add Other Charges to the Loan Amount of Your Loan. You agree to pay interest on these Other Charges from the date We incur the cost or pay the Other Charges until the date You pay Us.

In the event We advance more than one Loan to You We shall have the sole discretion to decide which Loan interest rate applies to. Other Charges.

4. **VARIABLE INTEREST RATES**

The following applies to You only if interest on your Loan accrues at Our Variable Mortgage Loan Rate.

4.1 **How the variable interest rate is calculated and varies**

The Variable Mortgage Loan Rate will change automatically each time We set the rate of interest for Our Variable Mortgage Loan product.

You will not be advised by Us of any increase or decrease in Our Variable Mortgage Loan Rate until You receive an annual Mortgage Statement in which any changes in the Variable Mortgage Loan Rate will be set out. We will, however, advise you on an annual basis as to any change required with respect to your scheduled payments due to a change of Our Variable Mortgage Loan Rate.

Any failure by Us to mail the annual Mortgage Statement or the fact that You may not have received it will not prevent the variation of the rate of interest payable on Your Loan.

Our Variable Mortgage Loan Rate is available from any one of Our offices and shall be conclusive and binding as to the rate of interest applicable to Your Loan.

4.2 **Deferred Interest**

If the amount of interest that has accrued on the Principal Amount from one payment to the next exceeds the amount of the payment, then such excess (the "Deferred Interest"), shall bear interest from and including the payment date at the then Variable Mortgage Loan Rate. All interest that has accrued on Deferred Interest during the payment period shall, on the first day of the following payment period, be added to and become Deferred Interest and shall bear interest from and including the payment period date at the then Variable Mortgage Loan Rate.

5. **YOUR RESPONSIBILITIES**

By signing the Mortgage You agree to carry out all of Your responsibilities under it. You also agree to be bound by and carry out all the terms and conditions under which We make a Loan. You will find these terms and conditions in the document approving the Loan or the Loan Agreement or both.

5.1 **Business plan and financial statements**

You agree to carry out any business plan that We request and have approved. You also agree to provide financial statements to Us when, and in the form, requested by Us.

5.2 **Use of Your Loan**

You agree to Use the proceeds of Your Loan(s) as described in the document approving the Loan and/or the Loan Agreement.

5.3 **Repaying Your Loan**

You agree to pay to Us in Canadian dollars the Principal Amount of all Loans secured by the Mortgage, plus the interest calculated half-yearly, not in advance, in regular payments as set out in the Loan Agreement. You will find the amount of each payment in the Loan Agreement related to each Loan.

You agree to make Your payments on the payment dates stated in the Loan Agreement related to each Loan.

If You are not in default on any Loan from Us, We will apply each Loan payment to the appropriate Loan as follows:

- first, to pay Other Charges;
- second, to pay the interest due; and
- third, to reduce the Principal Amount.

If You are in default on any Loan from Us, We can apply each Loan payment as We see fit.

5.4 Prepayments

If You are not in default on any Loan from Us, We may, but are not obligated to, grant You the right to prepay all or part of any Loan.

If We do grant You a right of prepayment on any Loan, We may require You to pay Us an additional amount representing Our costs incurred by reason of the prepayment, including all interest lost by Us as a result of the prepayment.

5.5 Taxes on the Property

You agree to pay all liens, taxes and rates levied or charged against the Property.

5.6 Insuring the Property

You agree to insure all buildings and improvements on the Property subject to the Mortgage, in Our favour, during the time the Mortgage is in effect. We must approve the insurance policy and company. We can require a certified copy of the policy and can require changes in the policy.

The insurance policy must cover loss by fire and other hazards, including extended perils coverage. The policy must be for replacement value. The policy must include a Mortgage clause stating that proceeds are payable to Us.

If You do not insure Your buildings and improvements in this manner, We can insure them and the cost will be considered as Other Charges and added to the Loan Amount of the appropriate Loan or Loans.

If any damage or loss occurs, You agree to notify Us promptly and co-operate with the insurance company.

At Our sole discretion, We may apply the insurance proceeds to any of the following:

- to repair or rebuild buildings or improvements;
- to reduce Your Loan(s); or
- pay them to You.

If We pay the insurance proceeds to You, that does not affect Your payment obligations under any Loan Agreement.

5.7 Life Insurance

If requested by Us, You agree to provide and maintain life insurance on Yourself or others in a form satisfactory to Us. The life insurance, will be assigned and payable to Us during the period of time the Mortgage is in effect. If You do not provide or maintain this insurance, We may do so and the cost will be considered as Other Charges and added to the Loan Amount of the appropriate Loan or Loans.

5.8 Transferring the Property

You agree not to transfer any of the Property without Our written consent. This includes creating a new parcel from the Property, or giving a lease or a license over any part of the Property.

You agree to assign to Us any agreement relating to the Property under which You receive payments. If You are not in default, We may not require these payments to be made to Us. We are not responsible for Your obligations in any such agreements.

5.9 Removal of resources

You agree not to remove any trees, gravel or other resources from the Property without Our written consent.

5.10 Keeping the Property in good condition

You agree to keep the Property in good condition. You shall not do anything that lowers the value of the Property. If You do not maintain the good condition and value of the Property We may enter and take any action We consider necessary to restore the Property. The cost of any such action may be added to the Loan Amount of the Loan or Loans of Our choosing.

5.11 Environmental protection

You represent and agree that:

- You and all persons You are responsible for in law will, at Your cost, comply with all relevant environmental laws as they may pertain to the Property, including those relating to the management, handling and clean-up of hazardous substances;
- the Property has not and will not be Used to store any hazardous substances above or below ground, except in the normal course of Your business at the time of the Mortgage. Any such storage in the normal course shall comply with any laws, regulations or by-laws pertaining to safe storage and/or handling of such hazardous substances;
- no hazardous substances have or will be released into the environment;
- there are no existing or threatened legal proceedings or investigations in relation to any hazardous substance affecting the Property or any environmental matter generally nor any grounds for same;
- You will advise Us of any environmental condition involving a hazardous substance or breach of environmental law on or near the Property which You may become aware of. You must remedy the environmental condition on the Property and remove any hazardous substance at Your expense within a reasonable time as determined by Us. If You fail to do so, We may, but are not obligated to, take steps to remedy this environmental condition and remove such hazardous substance. The costs, expenses or damages incurred by Us shall be added to the Loan Amount of the Loan or Loans of Our choosing;
- You will provide Us with any environmental information respecting the

Property when and as requested by Us during the time the Mortgage is in effect.

5.12 Paying Other Charges

You agree to pay all costs and expenses incurred by Us, including all costs and expenses to enforce or protect Our rights under the Mortgage or any Loan Agreement, including, but not limited to, all legal fees on a solicitor and his own client basis.

You agree to pay all Other Charges plus any interest thereon.

We may add Other Charges to the Loan Amount for each Loan when they occur.

5.13 Assignment of Rents/Lease

This provision only applies if a Loan Agreement provides for an assignment of rents or an assignment of lease as security.

You assign and transfer to Us all leases, agreements to lease and rental agreements (the "Rental Agreements") affecting the Property together with all rents payable and all rights, benefits and advantages under them.

We will not be responsible for collecting any rents or doing anything the landlord or the tenant is supposed to do under the Rental Agreement and We will not become a mortgagee in possession by this provision.

We will only be liable for monies We actually receive under this provision, after deduction of Our expenses in collecting such monies, and We will apply all such monies received against the amounts due under the Mortgage.

We will not collect any monies under this provision until You are in default under the Mortgage or in default of any other obligation You have with Us.

You will not accept prepayment of any rent due or to become due under the Rental Agreements, but will only accept payment in the amount, on the days and in the manner set out in the Rental Agreements.

6. OUR RIGHTS

We have rights under the Mortgage to ensure that You carry out Your responsibilities.

6.1 Our right of inspection

We have the right to enter and inspect the Property for any reason and at any time, whether or not You are in default under the Mortgage or any Loan Agreement.

6.2 What We can do if You default

You are in default if You fail to make any payment required under any Loan Agreement on time or fail to do anything else You agreed to do under the Mortgage or in any Loan Agreement.

You are in default if any of the environmental representations are untrue at the time given or are breached during the time the Mortgage is in effect.

If You are a corporation, You are also in default if there is a change in voting control, ownership, officers and directors without Our written consent.

If You default, We may take certain actions:

- **We may demand payment**

  If We demand payment of the Loan Amount or Loan Amounts, the Loan Amount or Amounts is/are immediately due and payable.

- **We may foreclose**

  We may take action in court to foreclose Your title to the Property and Your right to reclaim the title. If the court grants a final order of foreclosure the Property legally becomes Ours.

- **We may take sale proceedings**

  We may take immediate possession of the Property.

  We may carry on all or any part of Your business conducted on the Property.

  We may sell all or part of the Property by private sale or public auction for cash or credit or both or We may lease all or part of the Property on any terms and for any period We wish.

  Before doing any of these, We will give notice or obtain court approval if required by any applicable law.

- **We may sue You**

  We may sue You for possession.

  Where permitted by law, We may sue You for the Loan Amount and if the amount We receive from any sale of the Property does not equal the Loan Amount, We may recover the difference from You.

- **We may appoint a receiver or receiver-manager**

  We can appoint or ask a court to appoint someone to manage, sell or liquidate the Property.

- **We may take any other lawful action**

  We may take any other action or remedy provided to Us in law.

6.3 Non - merger

If We take any action forcing You to comply with any part of the Mortgage or any Loan Agreement relating to any Loan, or obtain a judgement against You, it will not affect Our other rights under the Mortgage or any Loan Agreement. It will also not affect Our rights under any other Mortgage or Loan Agreement You have with Us.

6.4 Time extension

If We delay in enforcing any of Our rights under the Mortgage, it will not affect Our other rights under the Mortgage.

6.5 Partial release

If We release part of the Property from the Mortgage, it will not affect Your responsibilities under the Mortgage or any Loan Agreement. Our interest will continue in the rest of the Property.

If We release any person or corporation from any obligation under the Mortgage or any Loan Agreement, it will not affect the obligations of the remaining signers.

6.6 **Consolidation**

If You default under any terms of any other Mortgage or Loan Agreement with Us, We will consider You in default under the Mortgage.

If You default under any of the terms of the Mortgage or any Loan Agreement, We will consider You in default under any other Mortgage with Us.

6.7 **We are under no obligation to make advances to You under the Mortgage**

We may decide for any reason not to give You all or part of any Loan, even if:

- You have signed the Mortgage or a Loan Agreement or both;
- We have registered the Mortgage; and
- We have already given You part of any Loan Amount.

6.8 **Right to Re-advance**

Provided You are not in default under any terms of the Mortgage or any Loan Agreement, We may, in Our sole discretion, re-advance any principal portion of any Loan to an amount not to exceed the original Loan Amount and the Mortgage shall continue to be secured therefore.

6.9 **Differences**

Where there is any difference between the terms of the Mortgage and the terms of the document approving Your Loan or any Loan Agreement, the terms of the document approving Your Loan or any Loan Agreement will prevail.

7. **DISCHARGE**

When You have satisfied all Your obligations in the Mortgage and any Loan Agreements secured by the Mortgage, including payment of all the Loan Amounts outstanding, We will prepare and provide You with a full discharge in a reasonable time after payment in full.

8. **MISCELLANEOUS**

8.1 **Interpretation**

In interpreting the Mortgage, whenever the singular number and the masculine gender are used, the same will be construed as including the plural, and feminine and neuter where the fact or context so requires. If the Mortgage is signed by more than one person, all of the promises and agreements contained in the Mortgage will jointly and severally bind the signers.

Form 47
Formule 47

CERTIFICATE OF REGISTERED OWNERSHIP
CERTIFICAT DE PROPRIÉTÉ ENREGISTRÉE

Land Titles Act, S.N.B. 1981, c. L-1.1, s.63
Loi sur l'enregistrement foncier, L.N.-B. de 1981, chap. L-11, art. 63

Parcel Identifier / Numéro d'identification de parcelle :

35345537

Owner / Propriétaire :

HSF Foods Ltd.
741 Central ST
Centreville NB
E7K 2M4
Deed/Transfer / Acte de transfert/Transfert
Madawaska 2013-05-01 - 32621865

Manner of Tenure / Mode de tenure :

Not Applicable / Sans objet

Encumbrances / Charges :

15' wide Easement
Paroisse de Saint-André NB
Easement Holder / Titulaire de la servitude
Subdivision & Amalgamations / Lotissement et fusions
Madawaska 1977-05-31 - 3512

Bell Aliant Communications Régionales Inc.
Bell Aliant Regional Communications, LP
1 Brunswick SQ
Saint John NB
E2L 4H8
Easement Holder / Titulaire de la servitude
Agreement / Convention
Madawaska 1981-08-31 E14 - 77 124899

Corporation de portefeuille Énergie Nouveau-Brunswick
515 RUE King
Fredericton NB
E3B 4X1
Easement Holder / Titulaire de la servitude
Agreement / Convention
Madawaska 1981-08-31 E14 - 77 124899

Farm Credit Canada
1133 St. George BLVD SUITE 200
Moncton NB
E1E 4E1
Mortgagee / Créancier hypothécaire
Collateral Mortgage / Hypothèque subsidiaire
Madawaska 2013-05-01 - 32621907

Instruments in the Registration Process / Instruments dans le processus d'enregistrement :

NONE / AUCUN

THIS IS TO CERTIFY THAT the specified owner is the registered owner and holds title in fee simple, by virtue of the specified instrument(s) and in the specified manner of tenure, to the specified parcel, described in Schedule "A" attached hereto. The title to the land is subject to the overriding incidents specified in subsection 17(4) of the Act and also to the specified encumbrances.
LE PRÉSENT CERTIFICAT ATTESTE QUE le propriétaire spécifié est le propriétaire enregistré et est titulaire du titre en fief simple, en vertu de(s) l'instrument(s) spécifié(s), selon le mode spécifié de tenure de la parcelle spécifiée, décrite à l'Annexe <<A>> ci-jointe. Le titre du bien-fonds est soumis aux réserves dérogatoires précisées au paragraphe 17(4) de la Loi et également aux charges spécifiées.

THE TITLE TO THE LAND may be subject to the specified instruments, which have been entered in the instrument record and may be entered on the title register when the registration process is completed.
LE TITRE DU BIEN-FONDS peut être soumis aux instruments spécifiés qui ont été portés au registre des instruments et qui peuvent être portés au registre des titres lorsque la procédure d'enregistrement est achevée.

THIS CERTIFICATE is evidence of the particulars contained herein as of the date and time of its issue. The description is not conclusive as to the boundaries or extent of the land.
LE PRÉSENT CERTIFICAT constitue la preuve des renseignements qu'il contient à la date et à l'heure de sa délivrance. La description n'est pas probante en ce qui concerne les limites ou l'étendue du bien-fonds.

Date & Time / Date et heure : 2013-05-01 11:40:25

Registrar of Land Titles for the District of New Brunswick
Le registrateur des titres de biens-fonds de la Circonscription du Nouveau-Brunswick

Report ID / Rapport ID : 4124668

Schedule A / Annexe A

PID / NID : 35345537

Apparent Parcel Access / Accès apparent à la parcelle : Public Access / Accès public

Status / État de la demande : Current / Courant

Effective Date/Time / Date et heure de prise d'effet : 2010-09-29 12:45:21

Legal Description / Description officielle :

Nom du lieu : Grand Sault
Paroisse/Comté : Saint-Andre/Madawaska
Désignation de la parcelle sur le plan : Lot 2010-1
Titre du plan : Grand Falls Milling Co., Limited
Comté d'enregistrement : Madawaska
Numéro d'enregistrement du plan : 29282200
Date d'enregistrement du plan : 2010-09-29 10:52:39

Form 47
Formule 47

CERTIFICATE OF REGISTERED OWNERSHIP
CERTIFICAT DE PROPRIÉTÉ ENREGISTRÉE

Land Titles Act, S.N.B. 1981, c. L-1.1, s.63
Loi sur l'enregistrement foncier, L.N.-B. de 1981, chap. L-11, art. 63

Parcel Identifier / Numéro d'identification de parcelle :

35159078

Owner / Propriétaire :

HSF Foods Ltd.
741 Central ST
Centreville NB
E7K 2M4
Deed/Transfer / Acte de transfert/Transfert
Madawaska 2013-05-01 - 32621865

Manner of Tenure / Mode de tenure :

Not Applicable / Sans objet

Encumbrances / Charges :

15' wide Easement
Paroisse de Saint-André NB
Easement Holder / Titulaire de la servitude
Subdivision & Amalgamations / Lotissement et fusions
Madawaska 1977-05-31 - 3512

Bell Aliant Communications Régionales Inc.
Bell Aliant Regional Communications, LP
1 Brunswick SQ
Saint John NB
E2L 4H8
Easement Holder / Titulaire de la servitude
Agreement / Convention
Madawaska 1981-08-31 E14 - 77 124899

Corporation de portefeuille Énergie Nouveau-Brunswick
515 RUE King
Fredericton NB
E3B 4X1
Easement Holder / Titulaire de la servitude
Agreement / Convention
Madawaska 1981-08-31 E14 - 77 124899

Corporation de portefeuille Énergie Nouveau-Brunswick
515 RUE King
Fredericton NB
E3B 4X1
Easement Holder I Titulaire de la servitude
Agreement I Convention

Madawaska	1987-09-02	Q19 - 765	154569

Bell Aliant Communications Régionales Inc.
Bell Aliant Regional Communications, LP
1 Brunswick SQ
Saint John NB
E2L 4H8
Easement Holder I Titulaire de la servitude
Agreement I Convention

Madawaska	1989-12-06	594 - 283	165711

Corporation de portefeuille Énergie Nouveau-Brunswick
515 RUE King
Fredericton NB
E3B 4X1
Easement Holder I Titulaire de la servitude
Agreement I Convention

Madawaska	1993-06-15	733 - 496	184099

Financement agricole Canada
1133 BOUL St. George BUREAU 200
Moncton NB
E1E 4E1
Mortgagee I Créancier hypothécaire
Collateral Mortgage I Hypothèque subsidiaire

Madawaska	2010-10-01	-	29298081

New Brunswick Power Transmission Corporation
515 King ST
Fredericton NB
E3B 4X1
Easement Holder I Titulaire de la servitude
Partial Discharge or Release I Mainlevée partielle ou renonciation

Madawaska	2012-03-14	-	31248728

Farm Credit Canada
1133 St. George BLVD SUITE 200
Moncton NB
E1E 4E1
Mortgagee I Créancier hypothécaire
Collateral Mortgage I Hypothèque subsidiaire

Madawaska	2013-05-01	-	32621907

Instruments in the Registration Process I Instruments dans le processus d'enregistrement :

NONE I AUCUN

THIS IS TO CERTIFY THAT the specified owner is the registered owner and holds title in fee simple, by virtue of the specified instrument(s) and in the specified manner of tenure, to the specified parcel, described in Schedule "A" attached hereto. The title to the land is subject to the overriding incidents specified in subsection 17(4) of the Act and also to the specified encumbrances.
LE PRÉSENT CERTIFICAT ATTESTE QUE le propriétaire spécifié est le propriétaire enregistré et est titulaire du titre en fief simple, en vertu de(s) l'instrument(s) spécifié(s), selon le mode spécifié de tenure de la parcelle spécifiée, décrite à l'Annexe <<A>> ci-jointe. Le titre du bien-fonds est soumis aux réserves dérogatoires précisées au paragraphe 17(4) de la Loi et également aux charges spécifiées.

THE TITLE TO THE LAND may be subject to the specified instruments, which have been entered in the instrument record and may be entered on the title register when the registration process is completed.
LE TITRE DU BIEN-FONDS peut être soumis aux instruments spécifiés qui ont été portés au registre des instruments et qui peuvent être portés au registre des titres lorsque la procédure d'enregistrement est achevée.

THIS CERTIFICATE is evidence of the particulars contained herein as of the date and time of its issue. The description is not conclusive as to the boundaries or extent of the land.
LE PRÉSENT CERTIFICAT constitue la preuve des renseignements qu'il contient à la date et à l'heure de sa délivrance. La description n'est pas probante en ce qui concerne les limites ou l'étendue du bien-fonds.

Date & Time I Date et heure : 2013-05-01 11:40:25

Registrar of Land Titles for the District of New Brunswick
Le registraleur des titres de biens-fonds de la Circonscription du Nouveau-Brunswick

Report ID I Rapport ID : 4124670

Schedule A / Annexe A

PID / NID : 35159078

Apparent Parcel Access / Accès apparent à la parcelle : Public Access / Accès public

Status / État de la demande : Current / Courant

Effective Date/Time / Date et heure de prise d'effet : 2010-09-29 12:45:21

Legal Description / Description officielle :

TOWN / PARISH / COUNTY / PROVINCE:
Grand Falls / Saint-Andre / Madawaka / New Brunswick

LABEL OF PARCEL ON PLAN:
Lot 77-17

TITLE OF PLAN:
Subdivision Plan of
Grand Falls Industrial Park S/D

REGISTRATION NUMBER:
3512

REGISTRATION COUNTY:
Madawaska

REGISTRATION DATE:
May 31, 1977

A l'exception de:

Nom du lieu : Grand Sault
Paroisse/Comté : Saint-Andre/Madawaska
Désignation de la parcelle sur le plan : Lot 2010-1
Titre du plan : Grand Falls Milling Co., Limited
Comté d'enregistrement : Madawaska
Numéro d'enregistrement du plan : 29282200
Date d'enregistrement du plan : 2010-09-29 10:52:39

Form 47
Formule 47

CERTIFICATE OF REGISTERED OWNERSHIP
CERTIFICAT DE PROPRIÉTÉ ENREGISTRÉE

Land Titles Act, S.N.B. 1981, c. L-1.1, s.63
Loi sur l'enregistrement foncier, L.N.-B. de 1981, chap. L-11, art. 63

Parcel Identifier I Numéro d'identification de parcelle :

35177328

Owner I Propriétaire :

HSF Foods Ltd.
741 Central ST
Centreville NB
E7K 2M4
Deed/Transfer I Acte de transfert/Transfert
Madawaska 2013-05-01 - 32621865

Manner of Tenure I Mode de tenure :

Not Applicable I Sans objet

Encumbrances I Charges :

New Brunswick Electric Power Commission
515 King ST
PO BOX 2000
Fredericton NB
E3B 4X1
Easement Holder I Titulaire de la servitude
Agreement I Convention
Madawaska 1987-09-02 Q19 - 765 154569

Financement agricole Canada
1133 BOUL St. George BUREAU 200
Moncton NB
E1E 4E1
Mortgagee I Créancier hypothécaire
Collateral Mortgage I Hypothèque subsidiaire
Madawaska 2010-10-01 - 29298061

New Brunswick Power Transmission Corporation
515 King ST
Fredericton NB
E3B 5G4
Easement Holder I Titulaire de la servitude
Easement I Servitude
Madawaska 2011-06-09 - 30193263

New Brunswick Power Transmission Corporation
515 King ST
Fredericton NB
E3B 4X1
Easement Holder I Titulaire de la servitude
Partial Discharge or Release I Mainlevée partielle ou renonciation
Madawaska 2012-03-14 - 31248728

Farm Credit Canada
1133 St. George BLVD SUITE 200
Moncton NB
E1E 4E1
Mortgagee I Créancier hypothécaire
Collateral Mortgage I Hypothèque subsidiaire
Madawaska 2013-05-01 - 32621907

Instruments in the Registration Process I Instruments dans le processus d'enregistrement :

NONE I AUCUN

THIS IS TO CERTIFY THAT the specified owner is the registered owner and holds title in fee simple, by virtue of the specified instrument(s) and in the specified manner of tenure, to the specified parcel, described in Schedule "A" attached hereto. The title to the land is subject to the overriding incidents specified in subsection 17(4) of the Act and also to the specified encumbrances.
LE PRÉSENT CERTIFICAT ATTESTE QUE le propriétaire spécifié est le propriétaire enregistré et est titulaire du titre en fief simple, en vertu de(s) l'instrument(s) spécifié(s), selon le mode spécifié de tenure de la parcelle spécifiée, décrite à l'Annexe <<A>> ci-jointe. Le titre du bien-fonds est soumis aux réserves dérogatoires précisées au paragraphe 17(4) de la Loi et également aux charges spécifiées.

THE TITLE TO THE LAND may be subject to the specified instruments, which have been entered in the instrument record and may be entered on the title register when the registration process is completed.
LE TITRE DU BIEN-FONDS peut être soumis aux instruments spécifiés qui ont été portés au registre des instruments et qui peuvent être portés au registre des titres lorsque la procédure d'enregistrement est achevée.

THIS CERTIFICATE is evidence of the particulars contained herein as of the date and time of its issue. The description is not conclusive as to the boundaries or extent of the land.
LE PRÉSENT CERTIFICAT constitue la preuve des renseignements qu'il contient à la date et à l'heure de sa délivrance. La description n'est pas probante en ce qui concerne les limites ou l'étendue du bien-fonds.

Date & Time I Date et heure : 2013-05-01 11:40:25

Registrar of Land Titles for the District of New Brunswick
Le registrateur des titres de biens-fonds de la Circonscription du Nouveau-Brunswick

Report ID I Rapport ID : 4124669

Schedule A / Annexe A

PID / NID : 35177326

Apparent Parcel Access / Accès apparent à la parcelle : Public Access / Accès public

Status / État de la demande : Current / Courant

Effective Date/Time / Date et heure de prise d'effet : 2010-09-29 12:45:21

Legal Description / Description officielle :

TOWN / PARISH / COUNTY / PROVINCE:
Grand Falls / Saint-Andre / Madawaska / New Brunswick

LABEL OF PARCEL ON PLAN:
Parcel 2006-A

TITLE OF PLAN:
Subdivision Plan
showing
Town of Grand Falls
Subdivision - Parcel 2006-A

REGISTRATION NUMBER:
22093422

REGISTRATION COUNTY:
Madawaska

REGISTRATION DATE:
May 15, 2006

A l'exception de:

Nom du lieu : Grand Sault
Paroisse/Comté : Saint-Andre/Madawaska
Désignation de la parcelle sur le plan : Lot 2010-1
Titre du plan : Grand Falls Milling Co., Limited
Comté d'enregistrement : Madawaska
Numéro d'enregistrement du plan : 29282200
Date d'enregistrement du plan : 2010-09-29 10:52:39

Mortgage Reference Number: 100008003

Form 15.1

COLLATERAL MORTGAGE

Land Titles Act, S.N.B. 1981, c.L-1.1, s.25
Standard Forms of Conveyances Act, S.N.B. 1980, c.S-12.2, s.2

Parcel Identifier:	10264810
Mortgagor:	HSF Foods Ltd. 741 Central ST Centreville NB E7K 2M4
Mortgagee:	Farm Credit Canada 1133 St. George BLVD SUITE 200 Moncton NB E1E 4E1
Manner of Tenure:	Not Applicable
Particulars of Security:	Credit Agreement

Statutory Covenants and Conditions Excluded: 101-119 inclusive

Optional Covenants and Conditions Included: FCC-609

The mortgagor mortgages to the mortgagee in the specified manner of tenure the specified parcel as collateral security, the particulars of which are specified.

The mortgagor acknowledges receipt of the text of the covenants and conditions which are contained in this mortgage by reference to the distinguishing number or by virtue of subsection 25(4) of the Land Titles Act, and agrees to be bound by them to the same extent as if set out at length herein.

Date: 2015-05-01

Mortgagor:

HSF Foods Ltd.
Benjamin A. Brake, President

Form 45

AFFIDAVIT OF CORPORATE EXECUTION

***Land Titles Act*, S.N.B. 1981, c.L-1.1, s.55**

Deponent:	Brake, Benjamin Austin 741 Central St., Centreville, NB E7K 2M4
Office Held by Deponent	President
Corporation:	**HSF FOODS LTD.**
Place of Execution:	Woodstock, NB
Date of Execution:	May 1, 2015

I, **Benjamin Austin Brake**, the deponent, make oath and say:

1. That I hold the office specified above in the corporation specified above, and am authorized to make this affidavit and have personal knowledge of the matters hereinafter deposed to;
2. That the attached instrument was executed by me as the officer duly authorized to execute the instrument on behalf of the corporation;
3. That the seal of the corporation was affixed to the instrument by order of the Board of Directors of the corporation;
4. That the instrument was executed at the place and on the date specified above;
5. That the ownership of a share of the corporation does not entitle the owner thereof to occupy the parcel described in the attached instrument as a marital home.

DECLARED TO at the Town of Woodstock in the County of Carleton and Province of New Brunswick, on the 1st day of May, 2015.

BEFORE ME:

Peter E. Crocco, Q.C.
Commissioner of Oaths,
Being a Solicitor

Benjamin Austin Brake

ACKNOWLEDGMENT OF RECEIPT OF COVENANTS

MORTGAGOR:	**HSF Foods Ltd.**
MORTGAGEE:	**Farm Credit Canada**
PROPERTY:	**147 Heller Road, Woodstock, Carleton County, NB**
PID:	**10264810**
CLOSING DATE:	**May 1, 2015**

The undersigned Mortgagor acknowledges receipt of a copy of the attached optional covenants and conditions, which are applicable to the Mortgage given to the above-recited Mortgagee by reference to a distinguished number or by virtue of subsection 25(4) of the ***Land Titles Act.***

DATED at Woodstock, NB, this 1st day of May, 2015.

Witness

HSF Foods Ltd.

Benjamin A. Brake, President

[illegible] MORTGAGE COVENANTS
COLLATERAL MORTGAGE
FARM CREDIT CANADA
Registration Number

1. **DEFINITIONS**

This section defines some of the specific terms You will find in these Collateral Mortgage Covenants.

"Collateral Mortgage Form 15.1" means the prescribed New Brunswick Form 15.1, and any form substituted for it.

"Mortgage" means the Farm Credit Canada Form 15.1 Collateral Mortgage, these Collateral Mortgage Terms, and any changes made by written agreement with You.

"You" and **"Your"** mean each person or corporation who has signed the Form 15.1 Collateral Mortgage as Mortgagor or Guarantor. This includes the personal and legal representatives of each person or corporation and any person or corporation who has assumed any obligations under the Mortgage.

"We", **"Us"** and **"Our"** mean the Mortgagee, Farm Credit Canada and its legal representatives.

"Property" means the land described in Schedule "A" to the Collateral Mortgage Form 15.1. This includes all buildings on that land now and all improvements made before or during the time the Mortgage is in effect.

"Principal Amount" or **"Principal Sum"** means the total maximum principal amount of any Loan that is, or may be, secured by the Form 15.1 Collateral Mortgage.

"Interest Rate" means the rate of interest expressed as a percentage rate per annum, which is set out on the applicable Loan Agreement.

"Variable Mortgage Loan Rate" means the rate of interest expressed as a percentage rate per annum, which is set by Us from time to time.

"Loan Agreement" means any Promissory Note, Loan Approval and Acceptance, Loan or Credit Agreement or any similar agreement evidencing a Loan between You and Us to be secured by the Form 15.1 Collateral Mortgage. It also means any Guarantee signed by You guaranteeing the repayment to Us of a loan We made to a third party, which contingent indebtedness under the Guarantee is secured by the Form 15.1 Collateral Mortgage.

"Loan Amount" means the outstanding balance of any Loan or of any draw under any Loan or Guarantee after demand or of any draw under any Loan. This balance could include unpaid principal, defaulted payments, interest on defaulted payments, Other Charges and interest on Other Charges.

"Loan" or **"Loans"** means all Loans made by Us to You from time to time and secured by the Form 15.1 Collateral Mortgage, including the Loan made at the time the Mortgage is signed. It also means any Loan made by Us to a third party, which You have guaranteed to repay. Loans may be agreed to in Loan Agreements.

"Guarantee" means a form of Guarantee signed by You in which You agree to repay a Loan made by Us to a third party if the third party fails to pay the Loan.

"Other Charges" mean Our expenses of protecting and/or enforcing Our rights and of making payments on any prior charges against the Property.

Other charges could include but are not limited to the cost of the following:

- investigating the Property, and preparing and registering the Mortgage;
- insurance if We decide to insure You or the Property;
- appraising the Property and undertaking an environmental inspection or clean-up of the Property;
- all of Our administrative, clerical and actual legal costs on a solicitor and client basis; and
- the cost of any receiver or receiver-manager appointed by law under the Form 15.1 Collateral Mortgage.

Other charges may include expenses not listed here.

"Prior Charges" mean any charges or liens in existence and affecting the Property at the time of the creation of the Mortgage.

"Hazardous Substances" mean and include any substances declared from time to time to be hazardous, dangerous or toxic or similarly described under any applicable federal, provincial or municipal law, by-law, regulation or other enactment.

2. WHAT THE MORTGAGE DOES

By signing the Form 15.1 Collateral Mortgage, You acknowledge that You are indebted to Us or may become indebted to Us and agree to repay the Principal Sum or the Loan Amount outstanding with interest as set forth in any Loan Agreement. You also Mortgage Your entire estate and interest in the Property to Us, as additional and collateral security for the repayment of all the Loan Amounts up to the Principal Sum, plus interest and Other Charges.

2.1 Your title to the Property

You guarantee that You are the registered owner of an estate in fee simple in the Property or have an absolute right to acquire such an estate under a registered Agreement for Sale or Right to Purchase or have a registered leasehold interest in the Property and have the right to give Us the Mortgage and hereby mortgage all Your estate and interest in the Property to Us. If You acquire a greater or additional interest in the Property, it too is hereby charged by the Mortgage.

You also guarantee that there are no Prior Charges on the Property, other than those We have agreed to in any Loan approval document or Loan Agreement.

You agree to make payments on these approved prior charges as they become due.

2.2 Who is bound by the Mortgage

The obligations under the Mortgage are the collective and individual responsibility of all persons or corporations who have signed it.

Your legal and personal representatives and Our legal representatives must comply with the terms of the Mortgage.

2.3 Changing or extending the Mortgage

We may make written agreements with You to change any part of the Mortgage. This could include changing the Principal Amount or Interest Rate or both. We do not have to register any written agreement as to any such change to maintain the priority of the Mortgage.

2.4 Mortgage of Lease

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This provision only applies to a leasehold interest in the Property.

You represent, warrant and agree with Us that:

- You are the lawful tenant of the Property and have a good and marketable leasehold interest in the Property under a good, valid and subsisting lease, free of any encumbrance or claim, except as approved by Us;
- You have paid all rents and other monies payable under Your lease and are not in default under any of Your other obligations under Your lease;
- You have obtained the written consent of Your landlord, or have the right without such consent, to mortgage Your leasehold interest in the Property;
- You will pay all rent and other payments due and perform and observe all of Your other obligations under Your lease, in default of which We may make such payments or perform such obligations and charge same to You as Other Charges;
- You will not surrender Your lease or cause or allow it to be terminated or forfeited;
- You will not agree to any amendment to Your lease without Our prior written consent; and
- You will, as soon as possible after receipt, give Us a copy of any notice, demand or request Your receive relating to Your lease.

2.5 **Mortgage in Support of a Guarantee**

This provision applies only if the Mortgage is given in support of a Guarantee given by you to Us guaranteeing the repayment of any Loan made by us to a third party. If the Mortgage is in support of a Guarantee it will be payable on the terms set forth in the Guarantee or if the terms of payment are not set forth in the Guarantee then the Mortgage will be payable on demand by Us.

2.6 **Termination of the Mortgage**

The security interest We have in the Mortgage ends when You have met all Your obligations in the Mortgage, including payment of all the Loan Amounts.

3. **INTEREST**

3.1 **Interest rate**

You will find the interest rate on the applicable Loan Agreement.

3.2 **Interest on Your Loan**

We will charge interest from the date each advance under each Loan is made to You at the Interest Rate as may be provided in the Loan Agreement evidencing each Loan or any subsequent extensions or renewals with respect to each Loan. You agree to pay this interest and to comply with Your obligations under the Mortgage and under any Loan Agreement.

3.3 **Interest on defaulted payments** 4 of 20

If You fail to make any payment on time, We will charge interest on the payment. We will calculate interest from the date the payment was due until the date You pay it. The rate of interest on defaulted payments is the Interest Rate or such lesser rate as provided in the applicable Loan Agreement.

3.4 **Interest on Other Charges**

We may add Other Charges to the Loan Amount of Your Loan. You agree to pay interest on these Other Charges from the date We incur the cost or pay the Other Charges until the date You pay Us.

In the event We advance more than one Loan to You We shall have the sole discretion to decide which Loan interest rate applies to Other Charges.

4. **VARIABLE INTEREST RATES**

The following applies to You only if interest on your Loan accrues at Our Variable Mortgage Loan Rate.

4.1 **How the variable interest rate is calculated and varies**

The Variable Mortgage Loan Rate will change automatically each time We set the rate of interest for Our Variable Mortgage Loan product.

You will not be advised by Us of any increase or decrease in Our Variable Mortgage Loan Rate until You receive an annual Mortgage Statement in which any changes in the Variable Mortgage Loan Rate will be set out. We will, however, advise you on an annual basis as to any change required with respect to your scheduled payments due to a change of Our Variable Mortgage Loan Rate.

Any failure by Us to mail the annual Mortgage Statement or the fact that You may not have received it will not prevent the variation of the rate of interest payable on Your Loan.

Our Variable Mortgage Loan Rate is available from any one of Our offices and shall be conclusive and binding as to the rate of interest applicable to Your Loan.

4.2 **Deferred Interest**

If the amount of interest that has accrued on the Principal Amount from one payment to the next exceeds the amount of the payment, then such excess (the "Deferred Interest"), shall bear interest from and including the payment date at the then Variable Mortgage Loan Rate. All interest that has accrued on Deferred Interest during the payment period shall, on the first day of the following payment period, be added to and become Deferred Interest and shall bear interest from and including the payment period date at the then Variable Mortgage Loan Rate.

5. **YOUR RESPONSIBILITIES**

By signing the Mortgage You agree to carry out all of Your responsibilities under it. You also agree to be bound by and carry out all the terms and conditions under which We make a Loan. You will find these terms and conditions in the document approving the Loan or the Loan Agreement or both.

5.1 **Business plan and financial statements**

You agree to carry out any business plan that We request and have approved. You also agree to provide financial statements to Us when, and in the form, requested by Us.

5.2 **Use of Your Loan**

You agree to Use the proceeds of Your Loan(s) as described in the document approving the Loan and/or the Loan Agreement.

5.3 **Repaying Your Loan** 5 of 20

You agree to pay to Us in Canadian dollars the Principal Amount of all Loans secured by the Mortgage, plus the interest calculated half-yearly,

not in advance, in regular payments as set out in the Loan Agreement. You will find the amount of each payment in the Loan Agreement related to each Loan.

You agree to make Your payments on the payment dates stated in the Loan Agreement related to each Loan.

If You are not in default on any Loan from Us, We will apply each Loan payment to the appropriate Loan as follows:

- first, to pay Other Charges;
- second, to pay the interest due; and
- third, to reduce the Principal Amount.

If You are in default on any Loan from Us, We can apply each Loan payment as We see fit.

5.4 **Prepayments**

If You are not in default on any Loan from Us, We may, but are not obligated to, grant You the right to prepay all or part of any Loan.

If We do grant You a right of prepayment on any Loan, We may require You to pay Us an additional amount representing Our costs incurred by reason of the prepayment, including all interest lost by Us as a result of the prepayment.

5.5 **Taxes on the Property**

You agree to pay all liens, taxes and rates levied or charged against the Property.

5.6 **Insuring the Property**

You agree to insure all buildings and improvements on the Property subject to the Mortgage, in Our favour, during the time the Mortgage is in effect. We must approve the insurance policy and company. We can require a certified copy of the policy and can require changes in the policy.

The insurance policy must cover loss by fire and other hazards, including extended perils coverage. The policy must be for replacement value. The policy must include a Mortgage clause stating that proceeds are payable to Us.

If You do not insure Your buildings and improvements in this manner, We can insure them and the cost will be considered as Other Charges and added to the Loan Amount of the appropriate Loan or Loans.

If any damage or loss occurs, You agree to notify Us promptly and co-operate with the insurance company.

At Our sole discretion, We may apply the insurance proceeds to any of the following:

- to repair or rebuild buildings or improvements;
- to reduce Your Loan(s); or
- pay them to You.

If We pay the insurance proceeds to You, that does not affect Your payment obligations under any Loan Agreement.

5.7 **Life Insurance**

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If requested by Us, You agree to provide and maintain life insurance on Yourself or others in a form satisfactory to Us. The life insurance, will be assigned and payable to Us during the period of time the Mortgage is in

effect. If You do not provide or maintain this insurance, We may do so and the cost will be considered as Other Charges and added to the Loan Amount of the appropriate Loan or Loans.

5.8 Transferring the Property

You agree not to transfer any of the Property without Our written consent. This includes creating a new parcel from the Property, or giving a lease or a license over any part of the Property.

You agree to assign to Us any agreement relating to the Property under which You receive payments. If You are not in default, We may not require these payments to be made to Us. We are not responsible for Your obligations in any such agreements.

5.9 Removal of resources

You agree not to remove any trees, gravel or other resources from the Property without Our written consent.

5.10 Keeping the Property in good condition

You agree to keep the Property in good condition. You shall not do anything that lowers the value of the Property. If You do not maintain the good condition and value of the Property We may enter and take any action We consider necessary to restore the Property. The cost of any such action may be added to the Loan Amount of the Loan or Loans of Our choosing.

5.11 Environmental protection

You represent and agree that:

- You and all persons You are responsible for in law will, at Your cost, comply with all relevant environmental laws as they may pertain to the Property, including those relating to the management, handling and clean-up of hazardous substances;
- the Property has not and will not be Used to store any hazardous substances above or below ground, except in the normal course of Your business at the time of the Mortgage. Any such storage in the normal course shall comply with any laws, regulations or by-laws pertaining to safe storage and/or handling of such hazardous substances;
- no hazardous substances have or will be released into the environment;
- there are no existing or threatened legal proceedings or investigations in relation to any hazardous substance affecting the Property or any environmental matter generally nor any grounds for same;
- You will advise Us of any environmental condition involving a hazardous substance or breach of environmental law on or near the Property which You may become aware of. You must remedy the environmental condition on the Property and remove any hazardous substance at Your expense within a reasonable time as determined by Us. If You fail to do so, We may, but are not obligated to, take steps to remedy this environmental condition and remove such hazardous substance. The costs, expenses or damages incurred by Us shall be added to the Loan Amount of the Loan or Loans of Our choosing;

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- You will provide Us with any environmental information respecting the Property when and as requested by Us during the time the Mortgage is in effect.

5.12 Paying Other Charges

You agree to pay all costs and expenses incurred by Us, including all costs and expenses to enforce or protect Our rights under the Mortgage or any Loan Agreement, including, but not limited to, all legal fees on a solicitor and his own client basis.

You agree to pay all Other Charges plus any interest thereon.

We may add Other Charges to the Loan Amount for each Loan when they occur.

5.13 Assignment of Rents/Lease

This provision only applies if a Loan Agreement provides for an assignment of rents or an assignment of lease as security.

You assign and transfer to Us all leases, agreements to lease and rental agreements (the "Rental Agreements") affecting the Property together with all rents payable and all rights, benefits and advantages under them.

We will not be responsible for collecting any rents or doing anything the landlord or the tenant is supposed to do under the Rental Agreement and We will not become a mortgagee in possession by this provision.

We will only be liable for monies We actually receive under this provision, after deduction of Our expenses in collecting such monies, and We will apply all such monies received against the amounts due under the Mortgage.

We will not collect any monies under this provision until You are in default under the Mortgage or in default of any other obligation You have with Us.

You will not accept prepayment of any rent due or to become due under the Rental Agreements, but will only accept payment in the amount, on the days and in the manner set out in the Rental Agreements.

6. OUR RIGHTS

We have rights under the Mortgage to ensure that You carry out Your responsibilities.

6.1 Our right of inspection

We have the right to enter and inspect the Property for any reason and at any time, whether or not You are in default under the Mortgage or any Loan Agreement.

6.2 What We can do if You default

You are in default if You fail to make any payment required under any Loan Agreement on time or fail to do anything else You agreed to do under the Mortgage or in any Loan Agreement.

You are in default if any of the environmental representations are untrue at the time given or are breached during the time the Mortgage is in effect.

If You are a corporation, You are also in default if there is a change in voting control, ownership, officers and directors without Our written consent.

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If You default, We may take certain actions:

- **We may demand payment**

  If We demand payment of the Loan Amount or Loan Amounts, the Loan Amount or Amounts is/are immediately due and payable.

- **We may foreclose**

  We may take action in court to foreclose Your title to the Property and Your right to reclaim the title. If the court grants a final order of foreclosure the Property legally becomes Ours.

- **We may take sale proceedings**

  We may take immediate possession of the Property.

  We may carry on all or any part of Your business conducted on the Property.

  We may sell all or part of the Property by private sale or public auction for cash or credit or both or We may lease all or part of the Property on any terms and for any period We wish.

  Before doing any of these, We will give notice or obtain court approval if required by any applicable law.

- **We may sue You**

  We may sue You for possession.

  Where permitted by law, We may sue You for the Loan Amount and if the amount We receive from any sale of the Property does not equal the Loan Amount, We may recover the difference from You.

- **We may appoint a receiver or receiver-manager**

  We can appoint or ask a court to appoint someone to manage, sell or liquidate the Property.

- **We may take any other lawful action**

  We may take any other action or remedy provided to Us in law.

6.3 Non - merger

If We take any action forcing You to comply with any part of the Mortgage or any Loan Agreement relating to any Loan, or obtain a judgement against You, it will not affect Our other rights under the Mortgage or any Loan Agreement. It will also not affect Our rights under any other Mortgage or Loan Agreement You have with Us.

6.4 Time extension

If We delay in enforcing any of Our rights under the Mortgage, it will not affect Our other rights under the Mortgage.

6.5 Partial release

If We release part of the Property from the Mortgage, it will not affect Your responsibilities under the Mortgage or any Loan Agreement. Our interest will continue in the rest of the Property.

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If We release any person or corporation from any obligation under the Mortgage or any Loan Agreement, it will not affect the obligations of the remaining signers.

6.6 **Consolidation**

If You default under any terms of any other Mortgage or Loan Agreement with Us, We will consider You in default under the Mortgage.

If You default under any of the terms of the Mortgage or any Loan Agreement, We will consider You in default under any other Mortgage with Us.

6.7 **We are under no obligation to make advances to You under the Mortgage**

We may decide for any reason not to give You all or part of any Loan, even if:

- You have signed the Mortgage or a Loan Agreement or both;
- We have registered the Mortgage; and
- We have already given You part of any Loan Amount.

6.8 **Right to Re-advance**

Provided You are not in default under any terms of the Mortgage or any Loan Agreement, We may, in Our sole discretion, re-advance any principal portion of any Loan to an amount not to exceed the original Loan Amount and the Mortgage shall continue to be secured therefore.

6.9 **Differences**

Where there is any difference between the terms of the Mortgage and the terms of the document approving Your Loan or any Loan Agreement, the terms of the document approving Your Loan or any Loan Agreement will prevail.

7. **DISCHARGE**

When You have satisfied all Your obligations in the Mortgage and any Loan Agreements secured by the Mortgage, including payment of all the Loan Amounts outstanding, We will prepare and provide You with a full discharge in a reasonable time after payment in full.

8. **MISCELLANEOUS**

8.1 **Interpretation**

In interpreting the Mortgage, whenever the singular number and the masculine gender are used, the same will be construed as including the plural, and feminine and neuter where the fact or context so requires. If the Mortgage is signed by more than one person, all of the promises and agreements contained in the Mortgage will jointly and severally bind the signers.

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Form 47
Formule 47

CERTIFICATE OF REGISTERED OWNERSHIP
CERTIFICAT DE PROPRIÉTÉ ENREGISTRÉE

Land Titles Act, S.N.B. 1981, c. L-1.1, s.63
Loi sur l'enregistrement foncier, L.N.-B. de 1981, chap. L-11, art. 63

Parcel Identifier / Numéro d'identification de parcelle :

10264810

Owner / Propriétaire :

HSF Foods Ltd.
741 Central ST
Centreville NB
E7K 2M4
Deed/Transfer / Acte de transfert/Transfert
Carleton 2014-06-05 - 33837841

Manner of Tenure / Mode de tenure :

Not Applicable / Sans objet

Encumbrances / Charges :

Aliant Telecom Inc.
1 Brunswick SQ
PO BOX 1430
Saint John NB
E2L 4K2
Easement Holder / Titulaire de la servitude
Retracement & Plan or Return of Survey / Retracé et plan ou document d'arpentage
Carleton 1986-01-30 - 156239A

New Brunswick Power Corporation
515 King ST
PO BOX 2000
Fredericton NB
E3B 4X1
Easement Holder / Titulaire de la servitude
Retracement & Plan or Return of Survey / Retracé et plan ou document d'arpentage
Carleton 1986-01-30 - 156239A

Town of Woodstock
824 Main ST
Woodstock NB
E7M 2E8
Easement Holder / Titulaire de la servitude
Retracement & Plan or Return of Survey / Retracé et plan ou document d'arpentage
Carleton 1986-01-30 - 156239A

Aliant Telecom Inc.
1 Brunswick SQ
PO BOX 1430
Saint John NB
E2L 4K2
Easement Holder I Titulaire de la servitude
Agreement I Convention
Carleton 1992-07-15 543 - 321 177178

New Brunswick Power Corporation
515 King ST
PO BOX 2000
Fredericton NB
E3B 4X1
Easement Holder I Titulaire de la servitude
Agreement I Convention
Carleton 1992-07-15 543 - 321 177178

Farm Credit Canada
1133 St. George BLVD SUITE 200
Moncton NB
E1E 4E1
Mortgagee I Créancier hypothécaire
Collateral Mortgage I Hypothèque subsidiaire
Carleton 2015-05-06 34811720

Instruments in the Registration Process I Instruments dans le processus d'enregistrement :

NONE I AUCUN

THIS IS TO CERTIFY THAT the specified owner is the registered owner and holds title in fee simple, by virtue of the specified instrument(s) and in the specified manner of tenure, to the specified parcel, described in Schedule "A" attached hereto. The title to the land is subject to the overriding incidents specified in subsection 17(4) of the Act and also to the specified encumbrances.
LE PRÉSENT CERTIFICAT ATTESTE QUE le propriétaire spécifié est le propriétaire enregistré et est titulaire du titre en fief simple, en vertu de(s) l'instrument(s) spécifié(s), selon le mode spécifié de tenure de la parcelle spécifiée, décrite à l'Annexe <<A>> ci-jointe. Le titre du bien-fonds est soumis aux réserves dérogatoires précisées au paragraphe 17(4) de la Loi et également aux charges spécifiées.

THE TITLE TO THE LAND may be subject to the specified instruments, which have been entered in the instrument record and may be entered on the title register when the registration process is completed.
LE TITRE DU BIEN-FONDS peut être soumis aux instruments spécifiés qui ont été portés au registre des instruments et qui peuvent être portés au registre des titres lorsque la procédure d'enregistrement est achevée.

THIS CERTIFICATE is evidence of the particulars contained herein as of the date and time of its issue. The description is not conclusive as to the boundaries or extent of the land.
LE PRÉSENT CERTIFICAT constitue la preuve des renseignements qu'il contient à la date et à l'heure de sa délivrance. La description n'est pas probante en ce qui concerne les limites ou l'étendue du bien-fonds.

Date & Time / Date et heure : 2015-07-16 13:54:01

Registrar of Land Titles for the District of New Brunswick
Le registrateur des titres de biens-fonds de la Circonscription du Nouveau-Brunswick

Report ID / Rapport ID : 4745645

Schedule A | Annexe A

PID | NID : 10264810

Apparent Parcel Access | Accès apparent à la parcelle : Public Access | Accès public

Status | État de la demande : Current | Courant

Effective Date/Time | Date et heure de prise d'effet : 2009-12-21 09:55:17

Legal Description | Description officielle :

Place Name: Woodstock
Parish/County: Woodstock / Carleton
Label of Parcel of Plan: Lot 22
Title of Plan: Woodstock Industrial Park Property
Registration County: Carleton
Registration Number of Plan: 156239A
Registration Date of Plan: 1986-01-30

And Also

All that certain lot, piece or parcel of land and premises situate, lying and being in the Town of Woodstock in the Parish of Woodstock in the County of Carleton and Province of New Brunswick, bounded and described as follows:
BEGINNING at an iron rod set in the eastern limits of a public street as yet unnamed at the northwesterly corner of Lot No. 14 in the Cygnet Canada Subdivision; thence running north fourteen degrees twenty minutes east along the eastern limits of said public street 245.7 feet to the southern limits of Heller Street; thence south seventy-five degrees fifteen minutes east along the southern limits of Heller Street 240 feet to an iron rod set in the western limits of the Canadian National Railways right of way; thence south fourteen degrees thirty-five minutes west along the western limits of said Canadian National Railways right of way 245.75 feet to the northern limits of the above mentioned Lot No. 14; thence north seventy-five degrees fifteen minutes west along the northern boundary of said Lot No. 14, 239 feet to the place of beginning; Containing 1.35 acres; Being the same lands conveyed to Cygnet Canada Limited by deed dated May 17, 1973 and registered in the Carleton County Records in Book 262 at Page 78 on March 25, 1976 as No. 127556.

PROVINCE OF NEW BRUNSWICK

COUNTY OF CARLETON

I, BENJAMIN A. BRAKE, of Woodstock in the County of Carleton and Province of New Brunswick, MAKE OATH AND SAY:

1. I am the President of HSF FOODS LTD. an incorporated company, and as such have personal knowledge of all matters sworn to herein.

2. The seal affixed to the foregoing instrument is the seal of HSF FOODS LTD. and was affixed thereto by order of the Board of Directors.

3. The signature "BENJAMIN A. BRAKE" subscribed to the foregoing instrument is my signature.

4. The President is the signing officer of the company duly authorized to execute the foregoing instrument.

SWORN TO at the Town of Woodstock in the County of Carleton and Province of New Brunswick, this 1st day of May, A.D. 2015; BEFORE ME:

A Commissioner of Oaths
Being a Solicitor

Mortgage Reference Number: 100163788.0000593964000

Form 15.1

COLLATERAL MORTGAGE

Land Titles Act, S.N.B. 1981, c.L-1.1, s.25
Standard Forms of Conveyances Act, S.N.B. 1980, c.S-12.2, s.2

Parcel Identifier:	10121499, 10277069, 65201444
Mortgagor:	HSF Foods Ltd. 741 Central ST Centreville NB E7K 2M4
Mortgagee:	Farm Credit Canada 1133 St. George BLVD SUITE 200 Moncton NB E1E 4E1
Manner of Tenure:	Not Applicable
Particulars of Security:	Credit Agreement

Statutory Covenants and Conditions Excluded: 101-119 inclusive

Optional Covenants and Conditions Included: FCC-609

The mortgagor mortgages to the mortgagee in the specified manner of tenure the specified parcel as collateral security, the particulars of which are specified.

The mortgagor acknowledges receipt of the text of the covenants and conditions which are contained in this mortgage by reference to the distinguishing number or by virtue of subsection 25(4) of the Land Titles Act, and agrees to be bound by them to the same extent as if set out at length herein.

Date: 2018-01-11

Mortgagor:

HSF Foods Ltd.
Benjamin A. Brake, President

Form 45

AFFIDAVIT OF CORPORATE EXECUTION

Land Titles Act, S.N.B. 1981, c.L-1.1, s.55

Deponent:	*BRAKE, BENJAMIN AUSTIN* *741 Central St., Centreville, NB E7K 2M4*
Office Held by Deponent:	*President*
Corporation:	*HSF FOODS LTD.*
Place of Execution:	*Woodstock, Carleton County, NB*
Date of Execution:	*January 11 , 2018*

I, the deponent, make oath and say:

1. That I hold the office specified above in the corporation specified above, and am authorized to make this affidavit and have personal knowledge of the matters hereinafter deposed to;
2. That the attached instrument was executed by me as the officer duly authorized to execute the instrument on behalf of the corporation;
3. That the seal of the corporation was affixed to the instrument by order of the Board of Directors of the corporation;
4. That the instrument was executed at the place and on the date specified above;
5. That the ownership of a share of the corporation does not entitle the owner thereof to occupy the parcel described in the attached instrument as a marital home.

SWORN TO at the Town of Woodstock in the County of Carleton and Province of New Brunswick, this 11th day of January, 2018, before me:

Peter E. Crocco, Q.C.
Commissioner of Oaths,
Being a Solicitor

Benjamin A. Brake

ACKNOWLEDGEMENT OF RECEIPT OF COVENANTS AND CONDITIONS

Province of New Brunswick
(Land Titles System)

TO: Farm Credit Canada

RE: Customer Number 100163788.0000593964000

MORTGAGOR: HSF Foods Ltd.

The undersigned, being the executing party to the above mortgage, hereby acknowledges receipt of copy the optional covenants and conditions numbered FCC-609 and referred to in the said mortgage and agrees to be bound thereby.

DATED January 11, 2018.

SIGNED, SEALED AND DELIVERED in the presence of:	)	HSF Foods Ltd.
	)	Per:
	)	Benjamin A. Brake - President
	)	c/s

Form 16

APPLICATION FOR OPTIONAL MORTGAGE COVENANT

Land Titles Act, S.N.B. 1981, c.L-1.1, s.25

Applicant:	Farm Credit Canada 1133 St. George Blvd., Suite 200 Moncton, New Brunswick E1E 4E1
Optional Mortgage Covenant:	Collateral Mortgage – Farm Credit Canada Hypothèque subsidiaire – Financement agricole Canada

The Applicant applies for the assignment of a number to the specified optional mortgage covenant.

Date: February 22, 2002

Applicant: D. Lacenaire
Donna Lacenaire, Loan Administration Officer
Farm Credit Canada

FARM CREDIT CANADA CORPORATE Seal FINANCEMENT AGRICOLE CANADA

Number assigned to the specified optional mortgage covenant: FCC-609

Deputy Registrar General of Land Titles
Maureen Whelly Mills

OPTIONAL MORTGAGE COVENANTS
COLLATERAL MORTGAGE
FARM CREDIT CANADA
Registered as Number

1. DEFINITIONS

This section defines some of the specific terms You will find in these Collateral Mortgage Covenants.

"Collateral Mortgage Form 15.1" means the prescribed New Brunswick Form 15.1, and any form substituted for it.

"Mortgage" means the Farm Credit Canada Form 15.1 Collateral Mortgage, these Collateral Mortgage Terms, and any changes made by written agreement with You.

"You" and **"Your"** mean each person or corporation who has signed the Form 15.1 Collateral Mortgage as Mortgagor or Guarantor. This includes the personal and legal representatives of each person or corporation and any person or corporation who has assumed any obligations under the Mortgage.

"We", **"Us"** and **"Our"** mean the Mortgagee, Farm Credit Canada and its legal representatives.

"Property" means the land described in Schedule "A" to the Collateral Mortgage Form 15.1. This includes all buildings on that land now and all improvements made before or during the time the Mortgage is in effect.

"Principal Amount" or **"Principal Sum"** means the total maximum principal amount of any Loan that is, or may be, secured by the Form 15.1 Collateral Mortgage.

"Interest Rate" means the rate of interest expressed as a percentage rate per annum, which is set out on the applicable Loan Agreement.

"Variable Mortgage Loan Rate" means the rate of interest expressed as a percentage rate per annum, which is set by Us from time to time.

"Loan Agreement" means any Promissory Note, Loan Approval and Acceptance, Loan or Credit Agreement or any similar agreement evidencing a Loan between You and Us to be secured by the Form 15.1 Collateral Mortgage. It also means any Guarantee signed by You guaranteeing the repayment to Us of a loan We made to a third party, which contingent indebtedness under the Guarantee is secured by the Form 15.1 Collateral Mortgage.

"Loan Amount" means the outstanding balance of any Loan or of any draw under any Loan or Guarantee after demand or of any draw under any Loan. This balance could include unpaid principal, defaulted payments, interest on defaulted payments, Other Charges and interest on Other Charges.

"Loan" or **"Loans"** means all Loans made by Us to You from time to time and secured by the Form 15.1 Collateral Mortgage, including the Loan made at the time the Mortgage is signed. It also means any Loan made by Us to a third party, which You have guaranteed to repay. Loans may be agreed to in Loan Agreements.

"Guarantee" means a form of Guarantee signed by You in which You agree to repay a Loan made by Us to a third party if the third party fails to pay the Loan.

"Other Charges" mean Our expenses of protecting and/or enforcing Our rights and of making payments on any prior charges against the Property.

Other charges could include but are not limited to the cost of the following:

- investigating the Property, and preparing and registering the Mortgage;
- insurance if We decide to insure You or the Property;
- appraising the Property and undertaking an environmental inspection or clean-up of the Property;
- all of Our administrative, clerical and actual legal costs on a solicitor and client basis; and
- the cost of any receiver or receiver-manager appointed by law under the Form 15.1 Collateral Mortgage.

Other charges may include expenses not listed here.

"Prior Charges" mean any charges or liens in existence and affecting the Property at the time of the creation of the Mortgage.

"Hazardous Substances" mean and include any substances declared from time to time to be hazardous, dangerous or toxic or similarly described under any applicable federal, provincial or municipal law, by-law, regulation or other enactment.

2. WHAT THE MORTGAGE DOES

By signing the Form 15.1 Collateral Mortgage, You acknowledge that You are indebted to Us or may become indebted to Us and agree to repay the Principal Sum or the Loan Amount outstanding with interest as set forth in any Loan Agreement. You also Mortgage Your entire estate and interest in the Property to Us, as additional and collateral security for the repayment of all the Loan Amounts up to the Principal Sum, plus interest and Other Charges.

2.1 Your title to the Property

You guarantee that You are the registered owner of an estate in fee simple in the Property or have an absolute right to acquire such an estate under a registered Agreement for Sale or Right to Purchase or have a registered leasehold interest in the Property and have the right to give Us the Mortgage and hereby mortgage all Your estate and interest in the Property to Us. If You acquire a greater or additional interest in the Property, it too is hereby charged by the Mortgage.

You also guarantee that there are no Prior Charges on the Property, other than those We have agreed to in any Loan approval document or Loan Agreement.

You agree to make payments on these approved prior charges as they become due.

2.2 Who is bound by the Mortgage

The obligations under the Mortgage are the collective and individual responsibility of all persons or corporations who have signed it.

Your legal and personal representatives and Our legal representatives must comply with the terms of the Mortgage.

2.3 Changing or extending the Mortgage

We may make written agreements with You to change any part of the Mortgage. This could include changing the Principal Amount or Interest Rate or both. We do not have to register any written agreement as to any such change to maintain the priority of the Mortgage.

2.4 Mortgage of Lease

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This provision only applies to a leasehold interest in the Property.

You represent, warrant and agree with Us that:

- You are the lawful tenant of the Property and have a good and marketable leasehold interest in the Property under a good, valid and subsisting lease, free of any encumbrance or claim, except as approved by Us;
- You have paid all rents and other monies payable under Your lease and are not in default under any of Your other obligations under Your lease;
- You have obtained the written consent of Your landlord, or have the right without such consent, to mortgage Your leasehold interest in the Property;
- You will pay all rent and other payments due and perform and observe all of Your other obligations under Your lease, in default of which We may make such payments or perform such obligations and charge same to You as Other Charges;
- You will not surrender Your lease or cause or allow it to be terminated or forfeited;
- You will not agree to any amendment to Your lease without Our prior written consent; and
- You will, as soon as possible after receipt, give Us a copy of any notice, demand or request Your receive relating to Your lease.

2.5 Mortgage in Support of a Guarantee

This provision applies only if the Mortgage is given in support of a Guarantee given by you to Us guaranteeing the repayment of any Loan made by us to a third party. If the Mortgage is in support of a Guarantee it will be payable on the terms set forth in the Guarantee or if the terms of payment are not set forth in the Guarantee than the Mortgage will be payable on demand by Us.

2.6 Termination of the Mortgage

The security interest We have in the Mortgage ends when You have met all Your obligations in the Mortgage, including payment of all the Loan Amounts.

3. INTEREST

3.1 Interest rate

You will find the interest rate on the applicable Loan Agreement.

3.2 Interest on Your Loan

We will charge interest from the date each advance under each Loan is made to You at the Interest Rate as may be provided in the Loan Agreement evidencing each Loan or any subsequent extensions or renewals with respect to each Loan. You agree to pay this interest and to comply with Your obligations under the Mortgage and under any Loan Agreement.

3.3 Interest on defaulted payments 4 of 20

If You fail to make any payment on time, We will charge interest on the payment. We will calculate interest from the date the payment was due until the date You pay it. The rate of interest on defaulted payments is the Interest Rate or such lesser rate as provided in the applicable Loan Agreement.

3.4 **Interest on Other Charges**

We may add Other Charges to the Loan Amount of Your Loan. You agree to pay interest on these Other Charges from the date We incur the cost or pay the Other Charges until the date You pay Us.

In the event We advance more than one Loan to You We shall have the sole discretion to decide which Loan interest rate applies to Other Charges.

4. VARIABLE INTEREST RATES

The following applies to You only if interest on your Loan accrues at Our Variable Mortgage Loan Rate.

4.1 **How the variable interest rate is calculated and varies**

The Variable Mortgage Loan Rate will change automatically each time We set the rate of interest for Our Variable Mortgage Loan product.

You will not be advised by Us of any increase or decrease in Our Variable Mortgage Loan Rate until You receive an annual Mortgage Statement in which any changes in the Variable Mortgage Loan Rate will be set out. We will, however, advise you on an annual basis as to any change required with respect to your scheduled payments due to a change of Our Variable Mortgage Loan Rate.

Any failure by Us to mail the annual Mortgage Statement or the fact that You may not have received it will not prevent the variation of the rate of interest payable on Your Loan.

Our Variable Mortgage Loan Rate is available from any one of Our offices and shall be conclusive and binding as to the rate of interest applicable to Your Loan.

4.2 **Deferred Interest**

If the amount of interest that has accrued on the Principal Amount from one payment to the next exceeds the amount of the payment, then such excess (the "Deferred Interest"), shall bear interest from and including the payment date at the then Variable Mortgage Loan Rate. All interest that has accrued on Deferred Interest during the payment period shall, on the first day of the following payment period, be added to and become Deferred Interest and shall bear interest from and including the payment period date at the then Variable Mortgage Loan Rate.

5. YOUR RESPONSIBILITIES

By signing the Mortgage You agree to carry out all of Your responsibilities under it. You also agree to be bound by and carry out all the terms and conditions under which We make a Loan. You will find these terms and conditions in the document approving the Loan or the Loan Agreement or both.

5.1 **Business plan and financial statements**

You agree to carry out any business plan that We request and have approved. You also agree to provide financial statements to Us when, and in the form, requested by Us.

5.2 **Use of Your Loan**

You agree to Use the proceeds of Your Loan(s) as described in the document approving the Loan and/or the Loan Agreement.

5.3 **Repaying Your Loan** 5 of 24

You agree to pay to Us in Canadian dollars the Principal Amount of all Loans secured by the Mortgage, plus the interest calculated half-yearly,

not in advance, in regular payments as set out in the Loan Agreement. You will find the amount of each payment in the Loan Agreement related to each Loan.

You agree to make Your payments on the payment dates stated in the Loan Agreement related to each Loan.

If You are not in default on any Loan from Us, We will apply each Loan payment to the appropriate Loan as follows:

- first, to pay Other Charges;
- second, to pay the interest due; and
- third, to reduce the Principal Amount.

If You are in default on any Loan from Us, We can apply each Loan payment as We see fit.

5.4 **Prepayments**

If You are not in default on any Loan from Us, We may, but are not obligated to, grant You the right to prepay all or part of any Loan.

If We do grant You a right of prepayment on any Loan, We may require You to pay Us an additional amount representing Our costs incurred by reason of the prepayment, including all interest lost by Us as a result of the prepayment.

5.5 **Taxes on the Property**

You agree to pay all liens, taxes and rates levied or charged against the Property.

5.6 **Insuring the Property**

You agree to insure all buildings and improvements on the Property subject to the Mortgage, in Our favour, during the time the Mortgage is in effect. We must approve the insurance policy and company. We can require a certified copy of the policy and can require changes in the policy.

The insurance policy must cover loss by fire and other hazards, including extended perils coverage. The policy must be for replacement value. The policy must include a Mortgage clause stating that proceeds are payable to Us.

If You do not insure Your buildings and improvements in this manner, We can insure them and the cost will be considered as Other Charges and added to the Loan Amount of the appropriate Loan or Loans.

If any damage or loss occurs, You agree to notify Us promptly and co-operate with the insurance company.

At Our sole discretion, We may apply the insurance proceeds to any of the following:

- to repair or rebuild buildings or improvements;
- to reduce Your Loan(s); or
- pay them to You.

If We pay the insurance proceeds to You, that does not affect Your payment obligations under any Loan Agreement.

5.7 **Life Insurance** 6 of 20

If requested by Us, You agree to provide and maintain life insurance on Yourself or others in a form satisfactory to Us. The life insurance, will be assigned and payable to Us during the period of time the Mortgage is in

effect. If You do not provide or maintain this insurance, We may do so and the cost will be considered as Other Charges and added to the Loan Amount of the appropriate Loan or Loans.

5.8 Transferring the Property

You agree not to transfer any of the Property without Our written consent. This includes creating a new parcel from the Property, or giving a lease or a license over any part of the Property.

You agree to assign to Us any agreement relating to the Property under which You receive payments. If You are not in default, We may not require these payments to be made to Us. We are not responsible for Your obligations in any such agreements.

5.9 Removal of resources

You agree not to remove any trees, gravel or other resources from the Property without Our written consent.

5.10 Keeping the Property in good condition

You agree to keep the Property in good condition. You shall not do anything that lowers the value of the Property. If You do not maintain the good condition and value of the Property We may enter and take any action We consider necessary to restore the Property. The cost of any such action may be added to the Loan Amount of the Loan or Loans of Our choosing.

5.11 Environmental protection

You represent and agree that:

- You and all persons You are responsible for in law will, at Your cost, comply with all relevant environmental laws as they may pertain to the Property, including those relating to the management, handling and clean-up of hazardous substances;
- the Property has not and will not be Used to store any hazardous substances above or below ground, except in the normal course of Your business at the time of the Mortgage. Any such storage in the normal course shall comply with any laws, regulations or by-laws pertaining to safe storage and/or handling of such hazardous substances;
- no hazardous substances have or will be released into the environment;
- there are no existing or threatened legal proceedings or investigations in relation to any hazardous substance affecting the Property or any environmental matter generally nor any grounds for same;
- You will advise Us of any environmental condition involving a hazardous substance or breach of environmental law on or near the Property which You may become aware of. You must remedy the environmental condition on the Property and remove any hazardous substance at Your expense within a reasonable time as determined by Us. If You fail to do so, We may, but are not obligated to, take steps to remedy this environmental condition and remove such hazardous substance. The costs, expenses or damages incurred by Us shall be added to the Loan Amount of the Loan or Loans of Our choosing;

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- You will provide Us with any environmental information respecting the Property when and as requested by Us during the time the Mortgage is in effect.

5.12 **Paying Other Charges**

You agree to pay all costs and expenses incurred by Us, including all costs and expenses to enforce or protect Our rights under the Mortgage or any Loan Agreement, including, but not limited to, all legal fees on a solicitor and his own client basis.

You agree to pay all Other Charges plus any interest thereon.

We may add Other Charges to the Loan Amount for each Loan when they occur.

5.13 **Assignment of Rents/Lease**

This provision only applies if a Loan Agreement provides for an assignment of rents or an assignment of lease as security.

You assign and transfer to Us all leases, agreements to lease and rental agreements (the "Rental Agreements") affecting the Property together with all rents payable and all rights, benefits and advantages under them.

We will not be responsible for collecting any rents or doing anything the landlord or the tenant is supposed to do under the Rental Agreement and We will not become a mortgagee in possession by this provision.

We will only be liable for monies We actually receive under this provision, after deduction of Our expenses in collecting such monies, and We will apply all such monies received against the amounts due under the Mortgage.

We will not collect any monies under this provision until You are in default under the Mortgage or in default of any other obligation You have with Us.

You will not accept prepayment of any rent due or to become due under the Rental Agreements, but will only accept payment in the amount, on the days and in the manner set out in the Rental Agreements.

6. **OUR RIGHTS**

We have rights under the Mortgage to ensure that You carry out Your responsibilities.

6.1 **Our right of inspection**

We have the right to enter and inspect the Property for any reason and at any time, whether or not You are in default under the Mortgage or any Loan Agreement.

6.2 **What We can do if You default**

You are in default if You fail to make any payment required under any Loan Agreement on time or fail to do anything else You agreed to do under the Mortgage or in any Loan Agreement.

You are in default if any of the environmental representations are untrue at the time given or are breached during the time the Mortgage is in effect.

If You are a corporation, You are also in default if there is a change in voting control, ownership, officers and directors without Our written consent.

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If You default, We may take certain actions:

- **We may demand payment**

  If We demand payment of the Loan Amount or Loan Amounts, the Loan Amount or Amounts is/are immediately due and payable.

- **We may foreclose**

  We may take action in court to foreclose Your title to the Property and Your right to reclaim the title. If the court grants a final order of foreclosure the Property legally becomes Ours.

- **We may take sale proceedings**

  We may take immediate possession of the Property.

  We may carry on all or any part of Your business conducted on the Property.

  We may sell all or part of the Property by private sale or public auction for cash or credit or both or We may lease all or part of the Property on any terms and for any period We wish.

  Before doing any of these, We will give notice or obtain court approval if required by any applicable law.

- **We may sue You**

  We may sue You for possession.

  Where permitted by law, We may sue You for the Loan Amount and if the amount We receive from any sale of the Property does not equal the Loan Amount, We may recover the difference from You.

- **We may appoint a receiver or receiver-manager**

  We can appoint or ask a court to appoint someone to manage, sell or liquidate the Property.

- **We may take any other lawful action**

  We may take any other action or remedy provided to Us in law.

6.3 Non - merger

If We take any action forcing You to comply with any part of the Mortgage or any Loan Agreement relating to any Loan, or obtain a judgement against You, it will not affect Our other rights under the Mortgage or any Loan Agreement. It will also not affect Our rights under any other Mortgage or Loan Agreement You have with Us.

6.4 Time extension

If We delay in enforcing any of Our rights under the Mortgage, it will not affect Our other rights under the Mortgage.

6.5 Partial release

If We release part of the Property from the Mortgage, it will not affect Your responsibilities under the Mortgage or any Loan Agreement. Our interest will continue in the rest of the Property.

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If We release any person or corporation from any obligation under the Mortgage or any Loan Agreement, it will not affect the obligations of the remaining signers.

6.6 **Consolidation**

If You default under any terms of any other Mortgage or Loan Agreement with Us, We will consider You in default under the Mortgage.

If You default under any of the terms of the Mortgage or any Loan Agreement, We will consider You in default under any other Mortgage with Us.

6.7 **We are under no obligation to make advances to You under the Mortgage**

We may decide for any reason not to give You all or part of any Loan, even if:

- You have signed the Mortgage or a Loan Agreement or both;
- We have registered the Mortgage; and
- We have already given You part of any Loan Amount.

6.8 **Right to Re-advance**

Provided You are not in default under any terms of the Mortgage or any Loan Agreement, We may, in Our sole discretion, re-advance any principal portion of any Loan to an amount not to exceed the original Loan Amount and the Mortgage shall continue to be secured therefore.

6.9 **Differences**

Where there is any difference between the terms of the Mortgage and the terms of the document approving Your Loan or any Loan Agreement, the terms of the document approving Your Loan or any Loan Agreement will prevail.

7. **DISCHARGE**

When You have satisfied all Your obligations in the Mortgage and any Loan Agreements secured by the Mortgage, including payment of all the Loan Amounts outstanding, We will prepare and provide You with a full discharge in a reasonable time after payment in full.

8. **MISCELLANEOUS**

8.1 **Interpretation**

In interpreting the Mortgage, whenever the singular number and the masculine gender are used, the same will be construed as including the plural, and feminine and neuter where the fact or context so requires. If the Mortgage is signed by more than one person, all of the promises and agreements contained in the Mortgage will jointly and severally bind the signers.

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ENGAGEMENT HYPOTHÉCAIRE FACULTATIF
HYPOTHÈQUE SUBSIDIAIRE
FINANCEMENT AGRICOLE CANADA
Numéro d'enregistrement

1. DÉFINITIONS

La présente section définit certains des termes précis utilisés dans les clauses-types de l'hypothèque subsidiaire.

« Formulaire d'hypothèque subsidiaire 15.1 » s'entend du formulaire d'hypothèque subsidiaire 15.1 prescrit au Nouveau-Brunswick et de tout formulaire de remplacement.

« Hypothèque » s'entend du formulaire d'hypothèque subsidiaire 15.1 du Financement agricole Canada, des clauses-types de l'hypothèque subsidiaire et de toute modification apportée à celle-ci après entente par écrit avec vous.

« Vous, votre et vos » s'entend de chaque personne physique ou morale qui a signé l'hypothèque à titre de débiteur hypothécaire ou de garant. Cela comprend aussi les représentants personnels et juridiques de chaque personne morale ou physique ayant assumé des obligations en vertu de l'hypothèque.

« Nous, notre et nos » s'entend du créancier hypothécaire, soit Financement agricole Canada et ses représentants juridiques.

« Propriété » s'entend des biens-fonds décrits à l'annexe « A » du formulaire d'hypothèque subsidiaire 15.1. Cela comprend tous les bâtiments déjà érigés sur ces biens-fonds et toutes les améliorations effectuées avant ou pendant la durée d'application de l'hypothèque.

« Montant du capital » ou « capital » s'entend du montant maximal de capital de tout prêt qui est ou qui peut être garanti par l'hypothèque selon le formulaire d'hypothèque subsidiaire 15.1.

« Taux d'intérêt » s'entend du taux d'intérêt, exprimé sous forme de taux en pourcentage annuel, qui est fixé dans les la convention de prêt applicable.

« Taux de prêt hypothécaire variable » s'entend du taux d'intérêt, exprimé sous forme de taux en pourcentage annuel, qui est fixé par nous de temps à autre.

« Convention de prêt » s'entend de tout billet à ordre, approbation et acceptation de prêt, convention de prêt ou de crédit ou de toute entente similaire constatant un prêt contracté par vous auprès de nous et qui est garanti par la hypothèque subsidiaire 15.1. S'étend également de tout cautionnement par vous signé garantissant le remboursement à nous d'un prêt que nous avons consenti à un tiers, dont la dette éventuelle au titre du cautionnement est garantie par le formulaire d'hypothèque subsidiaire 15.1.

« Montant du prêt » correspond au solde impayé de tout prêt ou de tout cautionnement après mise en demeure ou de tout prélèvement en vertu du prêt. Ce solde peut comprendre le capital impayé, les paiements en souffrance, les intérêts courus sur les paiements en souffrance, les autres charges et les intérêts sur les autres charges.

« Prêt » s'entend de tous les prêts consentis par nous à vous de temps à autre et qui sont garantis par l'hypothèque subsidiaire 15.1, y compris le prêt consenti au moment de la signature de l'hypothèque. S'étend également de tout prêt que nous avons consenti à un tiers et dont vous avez garanti le remboursement. Des prêts peuvent être conclus dans le cadre de conventions de prêt.

« **Cautionnement** » s'entend de tout formulaire de cautionnement signé par vous dans lequel vous vous engagez à rembourser un prêt que nous avons consenti à un tiers si ce dernier ne le rembourse pas.

« **Autres charges** » s'entend des frais que nous engageons pour protéger ou exercer nos droits, ainsi que les sommes que nous déboursons pour payer des charges prioritaires grevant votre propriété.

Les autres charges peuvent comprendre, sans s'y limiter, les coûts suivants :

- les recherches sur les titres de votre propriété, ainsi que la préparation et 1'enregistrement de l'hypothèque
- 1'assurance, si nous décidons de vous assurer ou d'assurer votre propriété
- 1'évaluation de votre propriété et l'exécution d'une inspection environnementale ou la décontamination de votre propriété
- tous nos frais administratifs, de bureau et juridiques réels sur la base de frais entre procureur-client, et
- le coût de tout séquestre ou administrateur-séquestre nommé en vertu du formulaire d'hypothèque subsidiaire 15.1.

Les autres charges peuvent comprendre des frais qui ne figurent pas à la liste ci-dessus.

« **Charges antérieures** » s'entend des charges ou privilèges existant et grevant la propriété au moment de la création de l'hypothèque.

« **Substance dangereuse** » s'entend des matières dangereuses, substances toxiques, contaminants, polluants et autres substances du genre décrites dans toute loi, tout règlement ou toute ordonnance du gouvernement fédéral, provincial ou municipal.

2. EFFETS DE L'HYPOTHÈQUE

En signant le formulaire hypothécaire A15.1 ci-joint, vous reconnaissez que nous avons ou pouvons avoir une créance sur vous et vous vous engagez à rembourser le capital du prêt ou le solde du montant du prêt et les intérêts tel qu'il est stipulé dans toute convention de prêt. Par ailleurs, vous grevez d'une hypothèque la totalité de votre domaine ainsi que votre intérêt dans la propriété en notre faveur, à titre de sûreté complémentaire et subsidiaire pour le remboursement de tous les montants de prêt jusqu'à concurrence du capital du prêt, majoré des intérêts et des autre charges.

2.1 Titre de propriété

Vous garantissez que vous êtes le propriétaire inscrit d'une propriété en fief simple ou que vous avez le droit absolu d'acquérir ladite propriété en vertu d'une convention de vente ou d'un droit d'achat enregistré ou d'un intérêt locatif enregistré dans la propriété, que vous avez le droit de nous consentir l'hypothèque. Par conséquent, vous hypothéquez par la présente en notre faveur, la totalité de vos droits dans ladite propriété. Advenant que vous acquériez des droits supplémentaires dans ladite propriété, ces droits seront eux aussi assujettis à l'hypothèque.

Vous garantissez aussi que votre propriété n'est grevée d'aucune charge antérieure, autre que celles que nous avons acceptées dans un document d'approbation de prêt ou une convention de prêt.

Vous vous engagez à faire vos paiements sur ces charges antérieures approuvées à leur échéance.

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2.2 **Obligations créées par l'hypothèque**

Toutes les personnes physiques et morales qui ont apposé leur signature à l'hypothèque sont personnellement et collectivement responsables des obligations créées par celle-ci.

Vos représentants personnels et juridiques, ainsi que nos représentants juridiques, doivent se conformer à toutes les dispositions de l'hypothèque.

2.3 **Modification ou prolongation de l'hypothèque**

Nous pouvons signer une convention écrite avec vous pour modifier n'importe quelle partie de l'hypothèque, notamment prolonger la durée prévue de remboursement ou modifier le capital, le taux d'intérêt ou les deux. Nous ne sommes pas tenus d'enregistrer ces conventions écrites pour maintenir la priorité de l'hypothèque.

2.4 **Hypothèque sur biens-fonds cédés**

Cette clause ne s'applique que si l'intérêt dans la propriété grevée est un intérêt locatif.

Après entente préalable avec nous, vous reconnaissez et garantissez que :

- Vous êtes le locataire légitime de la propriété et que vous avez un intérêt locatif en bonne et due forme vendable dans ladite propriété, en vertu d'un bail en vigueur valide et libre de toutes charges ou réclamations autres que celles que nous avons acceptées et approuvées;
- Vous avez payé tout loyer et tous frais exigibles en vertu de votre bail et que vous n'êtes pas en défaut en vertu de toutes les obligations stipulées audit bail;
- Vous avez obtenu le consentement écrit de votre propriétaire ou que vous avez le droit d'hypothéquer l'intérêt locatif que vous détenez dans la propriété sans qu'il soit nécessaire d'obtenir un tel consentement;
- Vous paierez tout loyer ou tout paiement exigible et exécuterez et respecterez toutes vos autres obligations en vertu de votre bail, faute de quoi, nous réglerons lesdits paiements et exécuterons lesdites obligations et vous imputerons les dépenses correspondantes à titre d'autres frais;
- Vous ne céderez pas votre bail et ferez en sorte qu'il ne soit ni annulé ni abandonné;
- Vous ne consentirez à aucune modification de votre bail avant d'avoir obtenu notre approbation par écrit et
- Dès que possible, après réception, vous nous ferez parvenir copie de tout avis, demande ou requête relatif à votre bail.

2.5 **Hypothèque à l'appuie d'un cautionnement**

La présente clause ne s'applique que si l'hypothèque est donnée à l'appui d'un cautionnement que vous nous avez consenti en garantie du remboursement de tout prêt que nous avons consenti à un tiers. Si l'hypothèque est consentie à l'appui d'un cautionnement, elle sera payable selon les modalités énoncées dans le cautionnement ou, si les modalités de paiement ne sont pas énoncées dans le cautionnement, alors l'hypothèque sera payable sur demande de notre part.

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2.6 **Extinction de l'hypothèque**

Nous perdrons nos droits de sûreté dans votre propriété lorsque vous aurez honoré toutes vos obligations en vertu de l'hypothèque, y compris le remboursement de tous les montants de prêt.

3. **INTÉRÊT**

3.1 **Taux d'intérêt**

Le taux d'intérêt est stipulé à la convention de prêt applicable.

3.2 **Intérêt sur votre prêt**

Les intérêts commenceront à courir à la date à laquelle une avance est effectuée en vertu de chaque prêt au taux d'intérêt à la convention constatant chaque prêt ou à toute convention de prolongation ou de renouvellement. Vous acceptez de payer ces intérêts et de respecter vos engagements en vertu de l'hypothèque et de toute convention de prêt.

3.3 **Intérêt sur les paiements en souffrance**

Si vous négligez de faire vos paiements à leur échéance, nous imputerons des intérêts sur ces paiements. Nous calculerons les intérêts pour la période s'échelonnant entre la date d'échéance des paiements et la date à laquelle vous les paierez. Le taux d'intérêt sur les paiements en souffrance correspond au taux d'intérêt ou au taux d'intérêt inférieur stipulé dans la convention de prêt pertinente.

3.4 **Intérêt sur les autres charges**

Nous pouvons ajouter d'autres charges au montant de votre prêt. Vous vous engagez à payer des intérêts sur ces autres charges à compter de la date à laquelle elles sont engagées et la date vous nous les payerez.

Dans les cas où nous vous avançons plus d'un prêt, nous déterminerons, à notre seule discrétion, le taux d'intérêt qui s'applique aux autres charges.

4. **TAUX D'INTÉRÊT VARIABLES**

Les dispositions suivantes s'appliquent à vous uniquement si votre prêt porte notre taux de prêt hypothécaire variable.

4.1 **Calcul et variation du taux d'intérêt**

Le taux de votre prêt hypothécaire variable changera automatiquement chaque fois que nous fixerons le taux d'intérêt de notre produit de prêt hypothécaire variable.

Vous ne serez avisé des augmentations ou diminutions de notre taux hypothécaire variable que lorsque vous recevrez votre relevé de prêt annuel, dans lequel toutes les variations de notre taux de prêt hypothécaire variable seront indiquées. Nous vous informerons cependant, chaque année, des modifications nécessaires à votre calendrier de remboursement découlant des variations de notre taux de prêt hypothécaire variable.

Les variations du taux d'intérêt variable s'appliqueront à votre prêt même si nous ne vous faisons parvenir par la poste le relevé hypothécaire annuel que vous ne le recevez pas.

Notre taux hypothécaire variable peut être obtenu de n'importe quel de nos bureaux et est le taux concluant et obligatoire applicable à votre prêt.

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4.2 Intérêts différés

Si le montant des intérêts ayant courus, d'un paiement à l'autre, sur le montant de capital est supérieur au montant du paiement, cet excédent (appelé « intérêts différés ») portera intérêt à partir de la date du paiement au taux de prêt hypothécaire variable alors en vigueur. Tous les intérêts ayant courus sur les intérêts différés pendant la période de paiement seront, le premier jour de la période de paiement suivante, ajoutés aux intérêts différés dont ils deviendront partie. Ils porteront intérêt à partir de la date de la période de paiement au taux de prêt hypothécaire variable alors en vigueur.

5. VOS OBLIGATIONS

En signant l'hypothèque, vous vous engagez à vous acquitter de toutes les obligations qu'elle vous impose. Vous vous engagez aussi à respecter toutes les modalités et les conditions en vertu desquelles nous vous avons consenti le prêt. Ces modalités et conditions sont énoncées dans document d'approbation du prêt ou dans la Convention de prêt ou dans les deux.

5.1 Plan d'entreprise et états financiers

Vous vous engagez à suivre tout plan d'entreprise que nous avons demandé et que nous avons approuvé.

Vous vous engagez aussi à nous fournir des états financiers sur demande et dans la forme que nous les exigeons.

5.2 Utilisation de votre prêt

Vous vous engagez à utiliser le produit de votre prêt ou de vos prêts aux fins énoncées dans le document d'approbation du prêt et/ou dans la Convention de prêt.

5.3 Remboursement de votre prêt

Vous vous engagez à nous payer, en monnaie canadienne, le montant de capital de tous les prêts garantis par l'hypothèque plus les intérêts, calculés semestriellement et non à l'avance, en versements réguliers selon les modalités de remboursement prévues à la convention de prêt. Vous trouverez le montant de chaque versement dans la convention de prêt relative à chaque prêt.

Vous vous engagez à effectuer vos versements aux dates prévues dans la convention de prêt relative à chaque prêt.

Si vous n'êtes pas en défaut à l'égard d'un de vos prêts avec nous, nous imputerons chaque versement comme suit :

- premièrement, au paiement des autres charges,
- deuxièmement, au paiement des intérêts échus, et
- troisièmement, en réduction du montant de capital

Si l'un de vos prêts avec nous est en souffrance, nous imputerons les versements à notre discrétion.

5.4 Remboursement anticipé

Si vous n'êtes pas en défaut à l'égard d'un de vos prêts avec nous, nous pourrions, sans y être tenus, vous accorder le droit de payer par anticipation une partie ou la totalité de l'un ou l'autre de vos prêts.

Si nous vous accordons le droit de remboursement par anticipation, nous pourrions exiger que vous nous versiez un montant supplémentaire correspondant aux coûts que le remboursement anticipé nous occasionne, y compris tous les intérêts que nous aurons perdus par suite de ce remboursement.

5.5 **Impôts fonciers**

Vous vous engagez à payer tous les privilèges et tous les impôts fonciers et charges qui pourraient être perçus ou levés contre votre propriété.

5.6 **Assurance sur la propriété**

Vous vous engagez à assurer, en notre faveur, tous les bâtiments et toutes les améliorations foncières de la propriété visée par l'hypothèque, pour la durée de celle-ci. Nous devons approuver la police d'assurance et la compagnie d'assurance. Nous pouvons exiger une copie certifiée conforme de la police, ainsi que des modifications à la police.

La police d'assurance doit couvrir les pertes causées par les incendies et autres sinistres, y compris les risques annexes. Vous devez prendre une couverture à la valeur de remplacement.
La police doit contenir une clause de garantie hypothécaire stipulant que l'indemnité nous est payable.

Si vous ne souscrivez pas l'assurance exigée sur vos bâtiments et améliorations, nous pouvons les assurer et ajouter le coût de cette assurance au montant de votre prêt, à titre d'autres charges.

Vous vous engagez à nous avertir de tout dommage ou perte promptement et à collaborer avec la compagnie d'assurance.

Nous pourrons utiliser à notre seule appréciation l'indemnité d'assurance à l'une ou l'autre des fins suivantes :

- réparer ou reconstruire des bâtiments ou des améliorations;
- réduire votre (vos) prêt(s); ou
- vous remettre l'indemnité.

Si nous vous remettons le produit de l'assurance, cela ne vous dégage pas par cette action de vos obligations de paiement aux termes d'une convention de prêt avec nous.

5.7 **Assurance-vie**

Si nous vous le demandons, vous acceptez de nous fournir et de maintenir en vigueur une assurance-vie sur votre personne ou toute autre personne, en une forme que nous jugerons acceptable. Cette assurance-vie nous sera cédée et payable pendant la durée de l'hypothèque. Si vous ne nous fournissez pas cette assurance ou ne la maintenez pas en vigueur, nous pouvons le faire à votre place et en ajouter le coût au montant de votre ou de vos prêts, à titre d'autres charges.

5.8 **Cession de votre propriété**

Vous vous engagez à ne transférer aucune partie de votre propriété sans notre consentement écrit. Cela comprend la constitution d'une nouvelle parcelle ou l'octroi d'un bail ou d'une licence touchant une partie quelconque de la propriété.

Vous vous engagez à nous céder toute entente relative à votre propriété en vertu de laquelle vous recevez des paiements. Si vous n'êtes pas en défaut, nous pourrions ne pas exiger que ces paiements nous soient versés. Nous n'assumons pas la responsabilité de vos obligations en vertu de ces ententes.

5.9 Enlèvement de ressources

Vous vous engagez à ne pas enlever d'arbres, de gravier ou d'autres ressources de votre propriété sans notre consentement écrit.

5.10 Entretien de votre propriété

Vous vous engagez à garder votre propriété en bon état. Vous ne devez rien faire qui puisse en réduire la valeur. Si vous ne la gardez pas en bon état et n'en maintenez pas la valeur, nous pouvons entrer sur les lieux et de prendre les mesures qui s'imposent. Tous les coûts découlant de ces mesures pourront être ajoutés au montant de votre prêt ou de tout autre prêt que vous avez avec nous, à notre choix.

5.11 Protection de l'environnement

Vous déclarez ce qui suit et prenez les engagements ci-dessous :

- vous et les personnes dont vous êtes légalement responsables vous conformez, à vos frais, à toutes les lois environnementales qui s'appliquent à votre propriété, y compris celles régissant la gestion, la manutention et le nettoyage des substances dangereuses;

- la propriété n'a pas été et ne sera pas utilisée pour entreposer des substances dangereuses, à la surface ou sous la terre, sauf dans le cadre de la conduite normale de vos affaires, à la date de l'hypothèque. Tout entreposage effectué dans le cours normal des affaires sera conforme aux lois, règlements ou ordonnances qui régissent l'entreposage et la manutention sécuritaire de ces substances dangereuses;

- aucune substance dangereuse n'a été émise ou ne sera émise dans l'environnement;

- aucune procédure judiciaire ou enquête n'est en cours ou en instance en rapport avec toute substance dangereuse qui affecte la propriété ou toute question environnementale de nature générale, et il n'existe aucun motif pour qu'il y en ait;

- vous nous aviserez de toute situation environnementale causée par la présence d'une substance dangereuse et de toute infraction aux lois environnementales qui survient sur la propriété ou près de celle-ci et dont vous avez connaissance. Vous vous engagez à remédier à la situation environnementale sur la propriété et à enlever toute substance dangereuse à vos frais dans les délais que nous jugerons raisonnables. À défaut, nous pourrons, sans y être tenus, prendre des mesures pour remédier à la situation environnementale et enlever la substance dangereuse. Tous les coûts, dépenses et dommages qui en résulteront pour nous seront ajoutés au montant de votre prêt à notre choix;

- vous nous fournirez toute information touchant l'environnement qui a trait à la propriété quand nous le demanderons et en la forme que nous exigerons, pendant la durée de l'hypothèque.

5.12 Paiement d'autres charges

Vous vous engagez à payer tous les coûts et dépenses engagés par nous, y compris tous les coûts et dépenses que nous devons engager pour exercer ou protéger nos droits en vertu de l'hypothèque ou de toute convention de prêt, y compris, mais non limitativement, tous les frais juridiques sur une base client-avocat.

Vous vous engagez à payer toutes les autres charges et les intérêts sur celles-ci.

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Nous pourrions ajouter d'autres charges au montant de votre prêt au fur et à mesure qu'elles surviennent.

5.13 **Cession de loyers ou de baux**

La présente condition ne s'applique que si la Convention de prêt prévoit une cession des loyers ou des baux à titre de garantie.

Vous nous céderez ou nous transférerez tout bail, tout contrat de bail ou de location (« contrats de location ») rattaché à la propriété, ainsi que tous loyers payables, tous droits, bénéfices et avantages en vertu desdits contrats.
Nous ne serons pas responsables de la perception des loyers ou de toute autre tâche incombant au propriétaire ou au locataire en vertu du contrat de location, et nous ne deviendrons pas créanciers hypothécaires « en possession » en vertu de la présente disposition.

Notre responsabilité se limitera seulement aux paiements effectifs que nous recevons, en vertu de la présente disposition, et après déduction des dépenses que nous avons engagées pour la perception desdits paiements; nous affecterons tout paiement reçu aux remboursements exigibles en vertu de l'hypothèque.

Nous ne percevrons aucun paiement en vertu de la présente disposition, à moins que vous ne soyez en défaut en vertu de l'hypothèque ou de toute autre obligation que vous avez contractée à notre égard.

Vous n'accepterez aucun remboursement anticipé pour tout loyer échu ou qui viendra à échéance en vertu des contrats de location. Vous accepterez seulement les paiements dont le montant, la date d'échéance et les modalités sont indiquées dans les contrats de location.

6. NOS DROITS

L'hypothèque nous confère les droits suivants afin que nous puissions nous assurer que vous vous acquittez de vos obligations :

6.1 **Notre droit d'inspection**

Nous avons le droit d'accéder à votre propriété et de l'inspecter, en tout temps et pour toute raison, que vous soyez ou non en défaut en vertu de l'hypothèque ou de toute convention de prêt.

6.2 **Nos options en cas de défaut de paiement**

Vous êtes en défaut en vertu de l'hypothèque si vous ne faites pas un paiement en temps en vertu de toute convention de prêt ou si vous manquez à n'importe quel engagement que vous avez pris en vertu de l'hypothèque ou de toute convention de prêt.

Vous êtes en défaut si l'une de vos déclarations sur l'environnement était fausse au moment où vous l'avez faite ou si elle le devient pendant la durée de l'hypothèque.

Si vous empruntez en tant que société, vous êtes en défaut s'il y a changement, sans notre consentement écrit, dans le contrôle des voix, le régime de propriété ou la composition du conseil d'administration.

Si vous êtes en défaut, nous pouvons prendre une ou plusieurs des mesures suivantes :

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- **Nous pouvons exiger le remboursement du prêt**

  Si nous exigeons le remboursement du montant du prêt, le montant du prêt est immédiatement exigible et payable.

- **Nous pouvons réaliser nos garanties**

  Nous pouvons intenter une action en justice pour saisir le titre de votre propriété et votre droit de réclamer ce titre. Si la cour nous accorde une ordonnance finale de saisie, votre propriété devient légalement la nôtre.

- **Nous pouvons faire vendre la propriété**

  Nous pouvons prendre immédiatement possession de votre propriété.

  Nous pouvons poursuivre l'exploitation de votre propriété ou d'une partie de votre propriété.

  Nous pouvons vendre une partie ou la totalité de votre propriété par vente privée ou aux enchères, au comptant ou à crédit, ou les deux, ou nous pouvons louer votre propriété aux conditions et pour la durée que nous voulons.

  Avant de prendre l'une ou l'autre de ces mesures, nous devons vous donner le préavis requis par les lois pertinentes ou obtenir l'approbation de la cour.

- **Nous pouvons vous poursuivre**

  Nous pouvons vous poursuivre dans le but de prendre possession de votre propriété.
  Si le montant récupéré de la vente de votre propriété ne couvre pas le solde impayé du montant de prêt, nous pouvons vous poursuivre personnellement afin de récupérer la différence.

- **Nous pouvons nommer un séquestre ou un administrateur séquestre**

  Nous pouvons nommer quelqu'un ou demander à la cour de nommer quelqu'un pour gérer, vendre ou liquider votre propriété.

- **Nous pouvons prendre toute autre mesure judiciaire**

  Nous pouvons prendre toute autre mesure ou tout autre recours que nous accorde la loi.

6.3 Conservation des droits

Aucune mesure prise par nous pour vous forcer à respecter les dispositions de l'hypothèque ou de toute convention de prêt ou pour obtenir un jugement contre vous, ne porte atteinte à nos autres droits en vertu de l'hypothèque ou de toute convention de prêt ou de toute autre hypothèque ou convention de prêt que vous avez avec nous.

6.4 Délai

Aucun retard dans nos démarches pour vous forcer à respecter les dispositions de l'hypothèque ou pour obtenir jugement contre vous, ne porte atteinte à nos autres droits en vertu de l'hypothèque.

6.5 Mainlevée partielle 19 of 20

Une mainlevée partielle accordée sur une partie de votre propriété ne modifie aucunement vos obligations en vertu de l'hypothèque ou de toute convention de prêt. Nous conservons nos droits sur le reste de votre propriété.

La libération d'une personne ou d'une société de ses obligations en vertu de l'hypothèque ou de toute convention de prêt ne libère pas les autres signataires de leurs obligations.

6.6 **Liens entre les hypothèques et conventions**

Si vous ne respectez pas toutes les conditions de toute autre hypothèque ou de toute autre convention de prêt détenue avec nous, nous considérerons que vous êtes en défaut aux termes de l'hypothèque.

Si vous ne respectez pas toutes les conditions de l'hypothèque ou de toute autre convention de prêt, nous considérerons que vous êtes en défaut aux termes de toute autre hypothèque que vous détenez avec nous.

6.7 **Nous ne sommes pas tenus de vous avancer des fonds en vertu de l'hypothèque**

Nous pouvons décider, pour une raison quelconque, de ne pas vous verser une partie ou la totalité du montant de capital, même si:

- vous avez signé l'hypothèque ou convention de prêt ou les deux,
- nous avons enregistré l'hypothèque, et
- nous vous avons déjà versé une partie du montant du prêt.

6.8 **Droit de réavancer des fonds**

Si vous n'êtes en défaut à l'égard d'aucune disposition de l'hypothèque ou de toute convention de prêt, nous pouvons, à notre absolue discrétion, vous réavancer toute partie du capital de tout prêt, jusqu'à concurrence d'un montant qui n'excède pas le montant du capital original de sorte que l'hypothèque continuera à servir de garantie.

6.9 **Non-concordance**

S'il y a non-concordance entre les modalités de l'hypothèque et les modalités du document d'approbation de votre prêt ou de toute convention de prêt, les modalités du document d'approbation de votre prêt ou de la convention de prêt prévaudront.

7. QUITTANCE

Lorsque vous aurez rempli toutes vos obligations en vertu de l'hypothèque et de toute convention de prêt garantie par l'hypothèque, y compris le remboursement de tous les montants de prêt impayés, nous préparerons et vous ferons parvenir un document de quittance intégrale dans un délai raisonnable après le remboursement total.

8. DISPOSITIONS GÉNÉRALES

8.1 **Interprétation**

Aux fins de l'interprétation de l'hypothèque, chaque fois que le singulier et le masculin sont utilisés, il sera considéré qu'ils incluent le pluriel, le féminin et le neutre lorsque les faits ou le contexte l'exigent. Si l'hypothèque est signée par plus d'une personne, tous les engagements et obligations contenus dans celle-ci lieront les signataires conjointement et solidairement.

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Form 47
Formule 47

CERTIFICATE OF REGISTERED OWNERSHIP
CERTIFICAT DE PROPRIÉTÉ ENREGISTRÉE

Land Titles Act, S.N.B. 1981, c. L-1.1, s.63
Loi sur l'enregistrement foncier, L.N.-B. de 1981, chap. L-11, art. 63

Parcel Identifier I Numéro d'identification de parcelle :

10121499

Owner I Propriétaire :

HSF Foods Ltd.
741 Central ST
Centreville NB
E7K 2M4
Deed/Transfer I Acte de transfert/Transfert
Carleton 2017-08-10 37260644

Manner of Tenure I Mode de tenure :

Not Applicable I Sans objet

Encumbrances I Charges :

Aliant Telecom Inc.
1 Brunswick SQ
PO BOX 1430
Saint John NB
E2L 4K2
Easement Holder I Titulaire de la servitude
Agreement I Convention
Carleton 1974-08-08 247 - 783 123526

New Brunswick Power Corporation
515 King ST
PO BOX 2000
Fredericton NB
E3B 4X1
Easement Holder I Titulaire de la servitude
Agreement I Convention
Carleton 1974-08-08 247 - 783 123526

Farm Credit Canada
1133 St. George BLVD SUITE 200
Moncton NB
E1E 4E1
Mortgagee I Créancier hypothécaire
Collateral Mortgage I Hypothèque subsidiaire
Carleton 2018-01-11 37715373

Instruments in the Registration Process I Instruments dans le processus d'enregistrement :

NONE I AUCUN

THIS IS TO CERTIFY THAT the specified owner is the registered owner and holds title in fee simple, by virtue of the specified instrument(s) and in the specified manner of tenure, to the specified parcel, described in Schedule "A" attached hereto. The title to the land is subject to the overriding incidents specified in subsection 17(4) of the Act and also to the specified encumbrances.
LE PRÉSENT CERTIFICAT ATTESTE QUE le propriétaire spécifié est le propriétaire enregistré et est titulaire du titre en fief simple, en vertu de(s) l'instrument(s) spécifié(s), selon le mode spécifié de tenure de la parcelle spécifiée, décrite à l'Annexe <<A>> ci-jointe. Le titre du bien-fonds est soumis aux réserves dérogatoires précisées au paragraphe 17(4) de la Loi et également aux charges spécifiées.

THE TITLE TO THE LAND may be subject to the specified instruments, which have been entered in the instrument record and may be entered on the title register when the registration process is completed.
LE TITRE DU BIEN-FONDS peut être soumis aux instruments spécifiés qui ont été portés au registre des instruments et qui peuvent être portés au registre des titres lorsque la procédure d'enregistrement est achevée.

THIS CERTIFICATE is evidence of the particulars contained herein as of the date and time of its issue. The description is not conclusive as to the boundaries or extent of the land.
LE PRÉSENT CERTIFICAT constitue la preuve des renseignements qu'il contient à la date et à l'heure de sa délivrance. La description n'est pas probante en ce qui concerne les limites ou l'étendue du bien-fonds.

Date & Time I Date et heure : 2018-01-11 13:41:27

Registrar of Land Titles for the District of New Brunswick
Le registrateur des titres de biens-fonds de la Circonscription du Nouveau-Brunswick

Report ID I Rapport ID : 5454541

Schedule A / Annexe A

PID / NID : 10121499

Apparent Parcel Access / Accès apparent à la parcelle : Public Access / Accès public

Status / État de la demande : Current / Courant

Effective Date/Time / Date et heure de prise d'effet : 2011-02-24 10:54:45

Legal Description / Description officielle :

ALL that certain piece or parcel of land situate, lying and being in the Town of Woodstock in the Parish of Woodstock in the County of Carleton and Province of New Brunswick, bounded and described as follows, to wit:
Beginning at an iron rod set in the easterly limits of Moffatt Street at the southwest angle of land owned and occupied by Cygnet Canada Limited, thence on a bearing of 104 degrees 45 minutes by the magnet of the year 1971 along the southerly boundary of said Cygnet Canada Limited land 443.2 feet to another iron rod set in the westerly limits of a public street; thence on a bearing of 194 degrees 20 minutes along the westerly limits of said public street 550 feet to another iron rod; thence on a bearing of 284 degrees 45 minutes 443.2 feet to another iron rod set in the easterly limits of the above mentioned Moffatt Street; thence on a bearing of 14 degrees 20 minutes along the easterly limits of said Moffatt Street 550 feet to the place of beginning, containing by admeasurement 5.59 acres.
Being a parcel of land having an area greater than five acres and a frontage of more than five hundred feet on a public street
Being the same lands and premises conveyed to J.M.R. Investments, Ltd. by deed dated September 30, 1983 and registered in the Carleton County Records on November 1, 1983 in Book 347 at page 195 as No. 149111.

Saving & Excepting

Place Name: Woodstock
Parish/County: Woodstock/Carleton
Designation of Parcel on Plan: Lot 11-01
Title of Plan: Van Nelle Canada Limited Subdivision
Registration County: Carleton
Registration Number of Plan: 29826881
Registration Date of Plan: 2011-02-23 13:04:13

Form 47
Formule 47

CERTIFICATE OF REGISTERED OWNERSHIP
CERTIFICAT DE PROPRIÉTÉ ENREGISTRÉE

Land Titles Act, S.N.B. 1981, c. L-1.1, s.63
Loi sur l'enregistrement foncier, L.N.-B. de 1981, chap. L-11, art. 63

Parcel Identifier I Numéro d'identification de parcelle :

10277069

Owner I Propriétaire :

HSF Foods Ltd.
741 Central ST
Centreville NB
E7K 2M4
Deed/Transfer I Acte de transfert/Transfert
Carleton 2014-09-05 34143876

Manner of Tenure I Mode de tenure :

Not Applicable I Sans objet

Encumbrances I Charges :

Restrictive Covenants/Engagements restrictifs
Woodstock NB

Restrictive Covenants I Engagements restrictifs
Deed/Transfer I Acte de transfert/Transfert
Carleton 2014-09-05 34143876

Farm Credit Canada
1133 St. George BLVD SUITE 200
Moncton NB
E1E 4E1
Mortgagee I Créancier hypothécaire
Collateral Mortgage I Hypothèque subsidiaire
Carleton 2018-01-11 37715373

Instruments In the Registration Process I Instruments dans le processus d'enregistrement :

NONE I AUCUN

THIS IS TO CERTIFY THAT the specified owner is the registered owner and holds title in fee simple, by virtue of the specified instrument(s) and in the specified manner of tenure, to the specified parcel, described in Schedule "A" attached hereto. The title to the land is subject to the overriding incidents specified in subsection 17(4) of the Act and also to the specified encumbrances.
LE PRÉSENT CERTIFICAT ATTESTE QUE le propriétaire spécifié est le propriétaire enregistré et est titulaire du titre en fief simple, en vertu de(s) l'instrument(s) spécifié(s), selon le mode spécifié de tenure de la parcelle spécifiée, décrite à l'Annexe <<A>> ci-jointe. Le titre du bien-fonds est soumis aux réserves dérogatoires précisées au paragraphe 17(4) de la Loi et également aux charges spécifiées.

THE TITLE TO THE LAND may be subject to the specified instruments, which have been entered in the instrument record and may be entered on the title register when the registration process is completed.
LE TITRE DU BIEN-FONDS peut être soumis aux instruments spécifiés qui ont été portés au registre des instruments et qui peuvent être portés au registre des titres lorsque la procédure d'enregistrement est achevée.

THIS CERTIFICATE is evidence of the particulars contained herein as of the date and time of its issue. The description is not conclusive as to the boundaries or extent of the land.
LE PRÉSENT CERTIFICAT constitue la preuve des renseignements qu'il contient à la date et à l'heure de sa délivrance. La description n'est pas probante en ce qui concerne les limites ou l'étendue du bien-fonds.

Date & Time / Date et heure : 2018-01-11 13:41:27

Registrar of Land Titles for the District of New Brunswick

Le registrateur des titres de biens-fonds de la Circonscription du Nouveau-Brunswick

Report ID / Rapport ID : 5454542

Schedule A I Annexe A

PID I NID : 10277069

Apparent Parcel Access I Accès apparent à la parcelle : Public Access I Accès public

Status I État de la demande : Current I Courant

Effective Date/Time I Date et heure de prise d'effet : 2014-08-28 10:49:50

Legal Description I Description officielle :

Place Name: Woodstock
Parish/County: Woodstock/Carleton
Designation of Parcel on Plan: Lot 14-15
Title of Plan: Keenan Produce Ltd
Registration County: Carleton
Registration Number of Plan: 34114158
Registration Date of Plan: 2014-08-28 09:44:42

Form 47
Formule 47

CERTIFICATE OF REGISTERED OWNERSHIP
CERTIFICAT DE PROPRIÉTÉ ENREGISTRÉE

Land Titles Act, S.N.B. 1981, c. L-1.1, s.63
Loi sur l'enregistrement foncier, L.N.-B. de 1981, chap. L-11, art. 63

Parcel Identifier / Numéro d'identification de parcelle :

65201444

Owner / Propriétaire :

HSF Food Ltd
741 Central ST
Centreville NB
E7K 2M4
Deed/Transfer / Acte de transfert/Transfert
Victoria 2017-02-28 36783885

Manner of Tenure / Mode de tenure :

Not Applicable / Sans objet

Encumbrances / Charges :

Farm Credit Canada
1133 St. George BLVD SUITE 200
Moncton NB
E1E 4E1
Mortgagee / Créancier hypothécaire
Collateral Mortgage / Hypothèque subsidiaire
Carleton 2018-01-11 37715373

Instruments in the Registration Process / Instruments dans le processus d'enregistrement :

NONE / AUCUN

THIS IS TO CERTIFY THAT the specified owner is the registered owner and holds title in fee simple, by virtue of the specified instrument(s) and in the specified manner of tenure, to the specified parcel, described in Schedule "A" attached hereto. The title to the land is subject to the overriding incidents specified in subsection 17(4) of the Act and also to the specified encumbrances.
LE PRÉSENT CERTIFICAT ATTESTE QUE le propriétaire spécifié est le propriétaire enregistré et est titulaire du titre en fief simple, en vertu de(s) l'instrument(s) spécifié(s), selon le mode spécifié de tenure de la parcelle spécifiée, décrite à l'Annexe <<A>> ci-jointe. Le titre du bien-fonds est soumis aux réserves dérogatoires précisées au paragraphe 17(4) de la Loi et également aux charges spécifiées.

THE TITLE TO THE LAND may be subject to the specified instruments, which have been entered in the instrument record and may be entered on the title register when the registration process is completed.
LE TITRE DU BIEN-FONDS peut être soumis aux instruments spécifiés qui ont été portés au registre des instruments et qui peuvent être portés au registre des titres lorsque la procédure d'enregistrement est achevée.

THIS CERTIFICATE is evidence of the particulars contained herein as of the date and time of its issue. The description is not conclusive as to the boundaries or extent of the land.
LE PRÉSENT CERTIFICAT constitue la preuve des renseignements qu'il contient à la date et à l'heure de sa délivrance. La description n'est pas probante en ce qui concerne les limites ou l'étendue du bien-fonds.

Date & Time / Date et heure : 2018-01-11 13:41:27

Registrar of Land Titles for the District of New Brunswick

Le registrateur des titres de biens-fonds de la Circonscription du Nouveau-Brunswick

Report ID / Rapport ID : 5454543

Schedule A / Annexe A

PID / NID : 65201444

Apparent Parcel Access / Accès apparent à la parcelle : Public Access / Accès public

Status / État de la demande : Current / Courant

Effective Date/Time / Date et heure de prise d'effet : 2017-03-10 13:25:51

Legal Description / Description officielle :

All that certain lot, piece or parcel of land situate lying and being in Perth-Andover, in the Parish of Andover in the County of Victoria and Province of New Brunswick, bounded and described as follows:

Commencing at a point standing on the westerly limits of the Trans Canada Highway (the new Trans Canada Highway, four-lane) at a point where the northerly limits of lands allegedly owned by Mark C. Johnson and Steven A. Cote (apparent PID 65050924) intersects the same and being the point where the southerly limits of Crown Grant C intersects the westerly limits of the Trans Canada Highway;

Thence in a direction North 85 degrees and 10 minutes West, following the northerly limits of said Mark C. Johnson and Steven A. Cote property and the southerly limits of Crown Grant C to the rear line of Crown Grant C;

Thence along said baseline North 50 degrees and 35 minutes East a distance of 1419 feet or to the division line between Lot C and Lot U;

Thence along said division line South 85 degrees and 10 minutes East to the westerly limits of the said Trans Canada Highway;

Thence in a southwesterly direction following said highway limits to the place of beginning.

Containing 63.54 hectares more or less.

Being the same lands conveyed to HSF Foods Ltd. by deed dated February 22, 2017 and registered in the Victoria County Registry Office on the 28th day of February, 2017 as Document No.36783885.

This is Exhibit "D" to the Affidavit of Bailey Campbell SWORN TO at the City of Saint John, Province of New Brunswick, this 15th day of June 2020.

BEFORE ME:

____

Notary Public in and for the Province of New Brunswick

Caleb G. Hunter

SECURITY AGREEMENT

PROTECTED

TO: FARM CREDIT CANADA ("FCC")

Customer/Loan Number: 100163788.373596
and subsequent loans

GRANTED BY: HSF Foods Ltd.
741 Central Street
Centreville, NB E7K 2M4

1. SECURITY

For value received the undersigned (the "Debtor") grants to Farm Credit Canada ("FCC") a security interest in the personal property described below and, without limiting the generality of the foregoing, all present and future accessions to, and all proceeds of any such property (hereinafter collectively called the "Collateral") as general and continuing collateral security for the due payment and performance of the Debtor's present and future Liabilities to FCC.

__√__ O (a) Specific Personal Property: the personal property described in Schedule "A" attached hereto, and all proceeds thereof;

______ O (b) Quotas and Licences: an assignment of quotas and/or licences, including increases thereto, and all proceeds thereof, particulars of which quotas or licences are described in Schedule "B" attached hereto;

__√__ O (c) All Present and After Acquired Personal Property: all of the Debtor's present and after-acquired personal property and assets wheresoever situated, including, but without limiting the generality of the foregoing, all accessions, accounts, buildings, building materials, chattel paper, crops, documents of title, equipment, fixtures, goods, instruments, intangibles, inventory, investment property, licences, livestock, money, securities, and all proceeds thereof.

__√__ O (d) Purchase Money Security Interest: the Debtor grants to FCC a purchase money security interest in the Collateral.

Debtor to initial the appropriate box or boxes to indicate which of paragraphs (a), (b), (c) and/or (d) are to apply. Paragraph (c) shall be deemed to apply if no box is initialled.

2. INDEBTEDNESS SECURED

The security interest granted by the Debtor to FCC hereby secures the performance and/or payment and satisfaction of any and all obligations, indebtedness and liability of the Debtor to FCC (including interest thereon), present and/or future advances, direct or indirect, absolute or contingent, matured or not, extended or renewed. This security interest applies and extends to all indebtedness and liability of the Debtor to FCC, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, and whether the Debtor be bound alone or with another or others, and whether as principal, surety or guarantor. The Debtor further agrees to pay and discharge all of the said indebtedness to FCC and all interest, fees, charges and other expenses payable in connection with such indebtedness, all in accordance with the terms of payment agreed upon between the parties pursuant to any and all loan agreements, mortgages, notes, and other instruments documenting all other debts and Liabilities of the Debtor to FCC arising as a consequence of any dealings between them.

3. OWNERSHIP OF THE COLLATERAL

The Debtor represents and warrants that the Debtor is the owner of the Collateral and, with respect to Collateral acquired after the date hereof, will be the owner of the Collateral, free of any mortgage, lien, charge, security interest or trust, except those in favour of FCC or incurred with FCC's prior written consent.

4. USE OF COLLATERAL

The Debtor will not, without FCC's prior written consent, sell, lease, part with possession or otherwise dispose of any of the Collateral, other than products and inventory which may lawfully be sold, leased or otherwise disposed of in the ordinary course of the Debtor's business. All proceeds of the Collateral, whether or not arising in the ordinary course of the Debtor's business shall be received by the Debtor, as trustee, for FCC and shall be forthwith paid to FCC.

5. **INSURANCE**

The Debtor shall keep the Collateral insured against loss or damage by fire and such other risks as are customarily insured for property similar to the Collateral or as FCC may reasonably require, to the full insurable value thereof, and shall either assign the insurance policies to FCC or have the proceeds thereunder made payable to FCC as FCC may require. The Debtor will, from time to time, at FCC's request, deliver such policies or satisfactory evidence of such policies to FCC. If the Debtor neglects or fails to maintain such insurance, FCC may do so, but is not obligated to do so. The Debtor agrees to immediately reimburse FCC for any amounts so paid, failing which any such amount shall form part of the Debtor's indebtedness to FCC and shall be a charge on the Collateral. The Debtor will promptly give FCC written notice of any loss or damage to all or any part of the Collateral.

6. **RECEIVABLES**

In the event of default by the Debtor, FCC may collect, realize, sell or otherwise deal with the receivables in such manner and upon such terms and conditions FCC considers appropriate. FCC may advise any person or corporation who is liable to make any payment to the Debtor of the existence of this agreement and FCC may from time to time, without the necessity of the Debtor being in default, confirm with such persons or corporations the existence and the amount of the receivables. All amounts collected or received by FCC as proceeds of the Collateral will be applied on account of the Debtor's Liabilities, in such manner and at such times as FCC may consider appropriate, or, at FCC's option, may be held unappropriated in a suspense or security account or released to the Debtor, all without prejudice to the liability of the Debtor or to FCC's rights to hold and realize the Collateral.

7. **DEBTOR'S COVENANTS**

The Debtor covenants and agrees with FCC that, during the continuance of this agreement, the Debtor:

(a) will carry on and continuously conduct its business in an efficient manner and will maintain and repair and keep in repair and good working order and condition the Collateral secured by this agreement;

(b) will keep the Collateral at the Debtor's place of business within the Province of New Brunswick, and will not remove the Collateral or any part thereof from the said province without FCC's consent;

(c) will not, without the prior written consent of FCC, make capital expenditures or pay on capital account any amount at all if the Debtor is in default under this agreement;

(d) will permit FCC, by its officers and/or authorized agents, to enter the Debtor's premises and to inspect the Collateral, plant, machinery, equipment, goods and chattels and the operation thereof; at any time and from time to time;

(e) will keep proper books of account and records covering all its business and affairs, and will permit FCC, by its officers and/or authorized agents, from time to time, to inspect the Debtor's books of account and records and to make extracts therefrom;

(f) will pay promptly when due all taxes, licence fees, assessments or other charges upon or with respect to the property secured by this agreement;

(g) has obtained and will maintain all environmental permits, licences, authorities and clearances as may be required for the Debtor to lawfully carry on its business and the Debtor confirms that it has been and will continue to be in compliance with all applicable environmental laws, regulations, rules and guidelines,

(h) indemnify and save FCC harmless from all claims, demands, liability and damages whatsoever which may arise or be incurred in connection with the use and operation of the Collateral or arising under this agreement;

(i) will do all acts necessary to raise and fatten livestock and to grow, cultivate, spray, irrigate, cut, harvest, pick, clean, preserve and protect crops, all according to the most approved methods of farming husbandry and to keep the farm on which the Collateral is located free of noxious weeds;

(j) will provide suitable range, pasture, and feed for all livestock and care for and protect them from disease, damage, injury, death, destruction by weather, wild animals, theft or other cause; and

(k) will market such livestock as FCC shall authorize or direct.

8. COSTS

The Debtor agrees to pay to FCC all costs and expenses incurred by FCC under this agreement, including, but without limitation, legal fees on a solicitor and his own client basis, and all costs charged or incurred by FCC in connection with any act deemed necessary or appropriate by FCC under this agreement in order to register, perfect, maintain and/or enforce this security interest in the Collateral or to preserve, secure, insure and/or recover said Collateral. All such amounts shall be a charge against the Collateral and shall bear interest, from time to time, at the interest rate then applicable to the Debtor's indebtedness to FCC and the Debtor shall reimburse FCC upon demand for any amounts so incurred.

9. PURCHASE MONEY INTEREST

If FCC gives value for the purposes of enabling the Debtor to acquire rights in or to any of the Collateral, the Debtor will in fact apply such value to acquire those rights and will provide FCC with such evidence in this regard as FCC may require, and the Debtor grants to FCC and FCC takes, a purchase money security interest, in such Collateral to the extent that the value is applied to acquire such rights.

10. DEFAULT

(a) Events of Default

The happening of any of the following events or conditions shall constitute default hereunder, which is hereinafter referred to as "Default", and the principal, interest and other moneys hereby secured shall, at the option of FCC, immediately become due and payable, without demand, and the security shall become enforceable, namely:

(i) The non-payment, when due, whether by acceleration or otherwise, of any principal or interest forming part of the Debtor's indebtedness;

(ii) The failure of the Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this agreement, or any other agreement or instrument between the Debtor and FCC;

(iii) If any representation, warranty or statement made by, or on behalf of, the Debtor to FCC is untrue in any material respect;

(iv) On Debtor's death, or if the Debtor is declared incompetent by a Court of competent jurisdiction;

(v) If the Debtor becomes insolvent or bankrupt or makes a proposal or files an assignment for the benefit of creditors under the Bankruptcy and Insolvency Act (Canada), or similar legislation in Canada, or any other jurisdiction; or, if a petition in bankruptcy is filed against the Debtor; or, if the Debtor is a corporation, steps are taken under any legislation by or against the Debtor seeking its liquidation, winding up, dissolution or reorganization, or any arrangement or composition of its debts;

(vi) If a receiver, trustee, custodian or other similar official is appointed in respect of the Debtor or any of the Debtor's property;

(vii) If the Debtor sells, transfers, assigns, or in any way parts with possession of, or removes from the Province of New Brunswick, the Collateral or any part thereof, without FCC's consent;

(viii) If the Debtor is a corporation and there is, in FCC's reasonable opinion, a change in effective control of the Debtor, or if the Debtor is a partnership, there is a dissolution or change in the membership of the partnership;

(ix) If any encumbrance affecting the Collateral becomes enforceable against the Collateral or a holder of a charge takes possession of all or any part of the Debtor's property, or a distress, execution or other similar process is levied against all or any part of such property;

(x) If the Debtor ceases, or threatens to cease, to carry on its business in the normal course;

(xi) If FCC, in good faith, and upon commercially reasonable grounds, believes that the prospect of payment or performance is or is about to be impaired or the Collateral is or is about to be placed in jeopardy.

(b) **Rights Upon Default**

Upon Default, FCC, and/or a receiver, will, to the extent permitted by law, have the following rights, and all other rights and remedies as provided for in the PPSA, and any other legislation and in equity.

(i) Appointment of Receiver - FCC may appoint in writing a person to be a receiver (which term shall include a receiver manager) of the Collateral, including any rights to profits thereof, and may remove any receiver and appoint another receiver. Any such receiver shall, for all purposes, be deemed to be the agent of the Debtor. FCC may, from time to time, fix the remuneration of such receiver and the Debtor shall pay FCC the amount of such remuneration. FCC shall not be liable to the Debtor or any other person in connection with the appointment, or non-appointment of a receiver or in connection with the receiver's actions or omissions.

(ii) Dealing with the Collateral - FCC, or a receiver, may take possession of all or any part of the Collateral and retain it for as long as FCC or the receiver considers appropriate, receive any rents and profits from the Collateral, carry on or concur in carrying on the business of the Debtor and sell, lease or otherwise dispose of the Collateral, or any part thereof, on such terms and conditions as FCC, or the receiver, considers appropriate. FCC, or the receiver, shall, in all instances, be afforded access to the Debtor's place of business.

(iii) Realization - FCC, or a receiver, may use, collect, sell, lease or otherwise dispose of, realize upon or release to the Debtor or other persons and otherwise deal with the Collateral in such manner and upon such terms and at such times as FCC or the receiver considers appropriate. Any such sale, lease or other disposition of the Collateral may be made in the name of or on behalf of the Debtor, or otherwise.

(iv) Application of Proceeds After Default - All proceeds of the Collateral received by FCC or a receiver shall be applied firstly to discharge or satisfy any expenses, including the receiver's remuneration and other expenses of enforcing FCC's rights under this agreement, rents, taxes, insurance premiums and outgoings affecting the Collateral, which are considered appropriate by FCC or the receiver to preserve, repair, process, maintain or enhance the Collateral or prepare it for sale, lease or other disposition or to keep in good standing any charges on the Collateral ranking in priority to any charge created by this agreement, or to sell, lease or otherwise dispose of the Collateral. The balance of any proceeds received by FCC, or a receiver, shall be applied to the Debtor's Liabilities in such manner and at such times as FCC or a receiver considers appropriate.

(v) Deficiencies - The Debtor will remain liable to FCC for payment of any Liabilities that are outstanding following realization of all or any part of the Collateral.

11. NOTICES

FCC may send to the Debtor by prepaid regular mail, addressed to the Debtor's address as set forth in the Debtor's loan application to FCC or at the last address for the Debtor contained on the files of FCC, copies of any document required by the PPSA to be delivered by FCC to the Debtor and any notices made pursuant to this agreement.

12. EXTENSIONS AND MODIFICATIONS

(a) FCC may grant extensions of time, or other indulgences, take and give up security, compromise, settle, grant, release and discharge or otherwise deal with the Debtor, debtors of the Debtor, securities and other security as FCC may deem fit and appropriate without prejudice to the liability of the Debtor or FCC's right to hold or realize against the Collateral under this agreement.

(b) No modification, variation or amendment of any provisions of this agreement shall be made except by a written agreement executed by FCC and the Debtor and no waiver of any provisions hereof shall be effective unless in writing.

13. NO OBLIGATION TO ADVANCE

Neither the execution, delivery, or registration of this agreement shall oblige FCC to advance funds to the Debtor if FCC determines, in its sole discretion, that it is not in its best interest to do so.

14. SEVERANCE

If a term or other provision of this agreement is invalid, illegal or unenforceable by any reason of any rule of law or public policy, it may be severed, in which event all other terms and provisions of this agreement shall, nevertheless, remain in full force and effect and no term or provisions shall be deemed dependent upon any other term or provisions unless so expressed herein.

15. GENERAL

(a) This agreement is in addition to and without prejudice to any other charge, security interest or agreement now or later held by FCC.

(b) The Debtor acknowledges receipt of a copy of this agreement, and waives its rights to receive a copy of the financing statement, verification statement and any financing change statement relating hereto.

(c) FCC shall not be liable to the Debtor, or any other person, for any failure or delay in exercising any rights under this agreement, or any failure to take, or to delay in taking any steps, necessary or advisable to preserve rights against the Debtor or other persons.

(d) If more than one person executes this agreement, their obligations hereunder shall be joint and several.

(e) The Debtor shall, from time to time, forthwith on FCC's request, do, make and execute all such other documents, further assignments, acts, matters and things as may be required by FCC of or with respect to the Collateral or any part thereof or as may be required to give effect to this agreement. The Debtor hereby constitutes and appoints FCC or any receiver appointed by the Court or FCC as set out herein, the true and lawful attorney of the Debtor irrevocably with full power of substitution, to do, make and execute all such assignments, documents, acts, matters or things with the right to use the name of the Debtor whenever and wherever it may be deemed necessary or expedient.

(f) The headings used in this agreement are for convenience only and are not to be considered a part of this agreement and do not in any way limit or amplify the terms and provisions of this agreement.

(g) When the context so requires, the singular shall be read as the plural and vice versa.

(h) The Debtor agrees that the provisions of Schedules A and B hereto, if applicable, shall be incorporated into and form part of this agreement.

(i) Any information released by FCC is provided solely for the use of the addressee thereof and may not be used or relied upon by any other parties without prior written consent of FCC and is only effective to the date of its release.

(j) This agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, legal representatives, successors and assigns.

16. DEFINITIONS

(a) "PPSA" means The Personal Property Security Act and any Act that may be substituted therefore, as from time to time amended, in effect in the province in which the Collateral is situated.

(b) "accessions, account, building, building materials, chattel paper, collateral, crops, documents of title, equipment, fixture, goods, instrument, intangible, inventory, licence, livestock, money, proceeds, security and security interest" and all other terms used herein as may be defined in the PPSA shall have the respective meanings given to them in the PPSA.

(c) "Books and Records" means all the books, records, files, papers and documents evidencing or relating to the Collateral which the Debtor, or any person on the Debtor's behalf, has access.

(d) "Receivables" means all debts.

(e) "Liabilities" means all present and future indebtedness and liability of every kind, nature and description, whether direct, indirect, joint or several, contingent or absolute, matured or unmatured of the Debtor, wherever and however incurred and unpaid balance thereof.

IN WITNESS WHEREOF the undersigned has executed this agreement this 5th day of October, 2009.

Witness :____________________	Signature:____________________
Print name: ____________________	Full Legal Name: Address: Date of Birth:
Witness :____________________	Signature:____________________
Print name: ____________________	Full Legal Name: Address: Date of Birth:
Witness :____________________	Signature:____________________
Print name: ____________________	Full Legal Name: Address: Date of Birth:
Witness :____________________	Signature:____________________
Print name: ____________________	Full Legal Name: Address: Date of Birth:

PROTECTED

Customer/Loan Number: 100163788.373596
and subsequent loans

IF THE DEBTOR IS A CORPORATION: HSF Foods Ltd.
CORPORATE NAME IN FULL

C/S

Ben Brake

Per: Benjamin Brake

Authorized Officer - Position: President

Per: ______________________

Authorized Officer - Position: ______________________

PROTECTED

Customer/Loan Number:

SCHEDULE "A"

Specific Personal Property

Quantity Description	Serial Number
See Attached.	

SCHEDULE "B"

Quotas and Licences

1. Description of Collateral:

ADDITIONAL COVENANTS BY DEBTOR APPLICABLE TO THE ABOVE COLLATERAL.

2. The Debtor agrees to maintain all quota/licence rights in good standing and to comply with all of the rules, regulations and orders of the Board or authority issuing such quota/licence.

3. The Debtor agrees to not apply to the Board/licensing authority for the transfer of the quota/licence, in whole or in part, without the prior written consent of FCC.

4. The security hereby granted shall extend to and include all future acquired quota/licence rights issued by the same Board/licensing authority.

5. The Debtor will, concurrent with this security agreement, execute a power of attorney in favour of FCC to enable FCC to exercise all rights of the Debtor in respect of such Quota/License in the event of default by the Debtor hereunder.

Debtor Initials

SCHEDULE "A"

Specific Personal Property

2-2008 Telescopic Conveyors , RcO 28' X 24" & 60'X 36"
2007 Telescopic/Hydraulic Bin Piler, RcO
2007 Hopper Happy Roller
2008 Elevator Conveyor, RcO
2000 5,000 bbls Hopper, Smalleys
2008 Barrel Washer, RcO
2008 Rocks/Destoner, Idaho Steel
2008 Water Clarifier, Mayo 860
2007 Chiller, Carrier, 3400F2680
3400F26809
1998 Steam Peeler, Kiremco, 9555-97-2
PESL-1000
1998 Brusher, Kiremco, 97-1076-AA
1998 Polisher/Washer, Kiremco, 9590-97
WAD-1030
2008 Vertical Elevator, Idaho Steel
1998 Large Evenflow, Idaho Steel
2008 Slicer with Wash tank, Idaho Steel
1998 Pump Tank, Comell
1998 Blancher, Idaho Steel
1998 Cooler, Idaho Steel
2008 Pump to Cooler, Comell
1998 Cooker with additives mixing drums Idaho Steel
2008 Transfer Auger, Idaho Steel
1998 2 large Drums, Idaho Steel
1998 3 small American Drum Company, Overton Machine Company 60SP
1998 6038/6686
Transfer Augers, Idaho Steel
2006 Product Blower, Delta
1998 Bag Hoses, Idaho Steel
2005 Wind Sifter, Idaho Steel
2005 Hammer Mill, Pulva, Size C Type FS 121
2005 Product Blower, DMN, PTD 80 50897
2005 Hopper Tanks, Idaho Steel
2007 Grinder, Idaho Steel
2008 Weigh System Prior to Silos, Omnitech
2005 50No. Bagging System, Schlosser, K0401002
2005 Weigher/Bagger, Greif-Velox, 830-SDD-4M- EM 10-040364-001
2005 Bag Sealer, Farbo Seigling Ltd., M685770 011-C01080213
2005 Crimper, Schlosser
2007 Electronic Scale on stand, Champ Scale
2002/2003 Sewing Machine on stand, Newlong, LR113608
NP-7ALR113608
1990 Bag Line Conveyor, Doboy, KGL 856748
1990 Bagging Machine, Doboy, PT24SPE2.854982
2006 Manual Pallet Stacker/Wrapper, Highlight, Synergy III
C390-010-0161
2007/04 Dust Removal System UAS, , SFC24-3
60060914
2007 2 X 2Pressure Blowers NYB, P0925120
1708 Steel
2007 Dry Room Racking 5 lengths X 3 high
2007 Security System 4 cameras w/CD
2007 Pressure Washer, Landu, VLP8-
3000F 155525
1997 Bunker "C" Boiler, Cleaver-Brooks, CB600-800 S-87629
1997 Standby Gen Set 350 KW/435 KVA, Onan, 350.0DFN-
9XF/2963AC G86013-30496

BB

1998 80 HP Air Compressor, Curtis, R/S50T sn No.6574
1998 Air Dryer, Airtek, SC220 SNNo. 977592H
1969 Separator, Wesffalia, SDA360L
1635211
1986 Separator, Wesffalia, CA365-01 0
1687041
2008 Chemical Pump, Ecolab, P2
801
2008 Decanter, Kubco
2006 Rotating Sieve, Niroba

PID No.10080562
Consists of the two (2) dry-products vertical hopper silos. They are units that were installed by Design Built Mechanical Inc., a division of Victor Bernard and Sons Ltd., of Dalhousie, NB.

PID No.10080562
Consists of the commercial truck weigh-scale. The scale carries Model No.7461, with Serial No.1 122245-16E, year of manufacture is
2007

PID No.10080662
Consists of the Bio-Mass Boiler Plant equipment, such as the walking-floor with double-auger feeding into the metering system, which then measures and feeds the bio-mass into the Bio-Mass Boiler's burning chamber

PID No.10080562
Consists of the Wastewater Treatment Plant equipment, such as the Air-Pumps. They are Aerzen Delta Blower units

PID No.10080562
Consists of the full potato flakes processing line, from where the receiving line enters the processing line, all the way to, and including, the bagging line. Also included are the equipment necessary for the operation of the said processing line, including the boiler, compressors, pollution equipment inside the plant, etc.

BB.

Farm Credit Canada Canada PROTECTED

Customer number: 100163788

Security Agreement

To: **Farm Credit Canada ("FCC", "us", "we" or "our")**

Provided by:

Borrower(s):

HSF Foods Ltd.

Hillspring Farms Ltd.

Guarantor(s):

Benjamin Austin Brake

Beatrice Ann Brake

("you", "your")

1. What this Security Agreement does, and what property is secured

In consideration of FCC lending money to you, you are signing and delivering this Security Agreement to give FCC a security interest in the property described in Schedule "A" attached to this Security Agreement (this property is called the "Collateral"). Our security interest in the Collateral secures the repayment of all money you owe to us at any time and the performance of your obligations under this Security Agreement and any present or future Credit Agreement or other agreement you have with us (each a "Credit Facility"). You confirm that value has been given and acknowledge that our security interest shall attach to the Collateral as soon as you have rights in such Collateral.

2. What debts are covered by this Security Agreement

This Security Agreement secures the full amount that we lend to you, plus interest on your loans and all of the costs, charges and expenses you have agreed to pay under any Credit Facility. If the amount you owe us is reduced and then later increases, this Security Agreement still applies to the total amount that you owe us at any time.

3. Ownership and use of the Collateral

By signing this Security Agreement you are assuring us that you are the owner of the Collateral and that no one else holds any mortgages or rights to any of that Collateral. If you acquire any future property that is covered by this Security Agreement, you must make sure that you obtain "good title" and that no one else has any rights in the property unless we have consented to it. Under this Security Agreement, you are not allowed to sell, lease, or transfer ownership or possession of any of the Collateral except in the ordinary course of your business. For example, you may sell inventory such as the goods you produce in your business. With our written permission, you may also sell equipment that has been replaced by new equipment or that is not needed for your business. Also, you will keep the Collateral at your place of business, unless FCC agrees otherwise..

4. Insurance

You must keep the Collateral insured against loss or damage by fire and other risks that are normally insured or as we may require. The Collateral must be insured to its full insurable value. We may require that you transfer the insurance policies to us or have us named as the loss payee. You must give us copies of the policies or proof of insurance if we ask. If you fail to maintain the insurance required by this clause, we can insure the Collateral for you and charge you for the cost, which would be added to the amount you owe us and covered by this Security Agreement. You must let us know as soon as possible of any loss or damage to any part of the Collateral.

5. Your ongoing obligations

By signing this Security Agreement, you agree to the following things concerning your business.

(a) Carrying on business - You must carry on your business as a going concern in a proper, efficient and businesslike manner so as to protect and preserve the Collateral. We have the right at any time to inspect the Collateral to ensure that the Collateral exists and that you are maintaining the Collateral in good condition. You must observe and conform to all valid requirements of any governmental or municipal authority relative to the Collateral;

(b) Books and records - You must keep proper accounting books and records covering your business and affairs and concerning the Collateral. We are allowed to inspect these books and records and make copies of them, if we ask. You agree to provide us with information with respect to the Collateral if we request;

(c) Taxes - You must pay all taxes, license fees, assessments or other charges applicable to your business on their due dates; and

(d) Environmental Permits - You must maintain all environmental permits, consents, clearance, etc. that are needed to lawfully carry on your business. By signing this Security Agreement you are confirming that you are presently respecting all environmental laws, regulations, rules and guidelines that apply to your business. You must stay in compliance at all times.

6. Out-of-pocket costs and expenses, lawsuits and claims

You are responsible for all out-of-pocket costs that we incur under this Security Agreement. Examples include but are not limited to:

(a) legal fees to prepare, register or enforce this Security Agreement;

(b) costs paid to register our security interest in the Collateral or prepare a priority agreement or similar agreement; and

(c) costs we incur to preserve, insure or seize the Collateral.

You must reimburse us for our out-of-pocket costs on demand. If you fail to pay, we are entitled to add these costs to your loan and to charge interest on these costs at the rate of 18% per year.

Repayment of our out-of-pocket expenses is secured by the Collateral to the same extent as the loans we advance to you.

If anyone sues us as a result of the use of the Collateral or any damage it has caused, we can require that you pay our costs and any loss resulting from the lawsuit, even if we agree to pay an out-of-court settlement.

7. **Limitations on the use of money**

The proceeds of any loan secured by the Collateral must be used for the purpose stated in your credit application relating to such loan.

8. **Default**

You shall be in default under this Security Agreement if any of the following things happen:

(a) If you fail to pay any amount owed to us on its due date.

(b) If you fail to strictly comply with or perform any term or condition contained in this Security Agreement or any Credit Facility.

(c) If any written statement you have made to us in this Security Agreement or in any other document you have signed is untrue in any way that we consider important.

(d) If you cannot pay your debts when they become due (insolvency) or become bankrupt or apply for protection from your creditors under any insolvency laws, if you attempt to compromise or settle your debts with creditors, or if any bankruptcy or insolvency court proceedings are started against you or by you.

(e) If a receiver, trustee, custodian or other similar official is appointed for you or any of your property.

(f) If you sell, transfer or in any other way give up possession of all or any part of the Collateral in a manner not permitted under this Security Agreement; or if you move any Collateral out of the province in which you carry on business without our written permission.

(g) If you give a security interest or other interest, other than a purchase money security interest, in the Collateral to someone else without our written permission.

(h) If your business is incorporated, it is also a default if there is a change in who owns the shares of the corporation, unless we give written permission. If your business is run by a partnership, it is a default if any partner quits or resigns, any new partner is added or the partnership is ended without our written permission.

(i) If someone else seizes or takes control of any Collateral, or threatens to do so.

(j) If you stop carrying on your business in the normal course, or threaten to do so, or sell all or substantially all of your assets.

(k) If we believe in good faith that you are not able to pay your loans owed to us or that you won't be able to perform any of your other obligations under this Security Agreement or a Credit Facility, or that the Collateral is or is about to be placed in jeopardy.

9. **Our rights if you default**

If you default we can take any one or more of the following steps and/or do anything else permitted by law to recover the amounts you owe us.

(a) Serious consequences on default – We can demand that you repay the balance of all your loans on the date specified in the notice demanding payment, including interest and other amounts added to it under the Security Agreement or the applicable credit facilities. We may also notify credit bureaus of your default. If you default, you shall be responsible for the payment of our costs incurred to collect your loans and/or repossess and sell the Collateral, plus court costs and legal fees. If you default under this Security Agreement or the credit facilities, we may consider you to be in default under any other security agreement or Credit Facility you have signed with us. You may face other serious consequences.

(b) Seizing Collateral – To the extent permitted by applicable law, we can take possession of all or any part of the Collateral either ourselves or through a receiver. We can demand that you deliver the Collateral to a place designated by us so that we may take possession. We shall be entitled to receive any rents and profits from the Collateral, to carry on your business, and sell, lease or otherwise dispose of the Collateral on terms and conditions that we consider suitable. For this purpose we are allowed to enter your place of business or any other place where the Collateral is located.

(c) Selling Collateral – We may sell the Collateral or dispose of it in any commercially reasonable way.

(d) Collecting receivables – We may collect or sell any debts owed to you by others ("receivables") on terms and conditions that we see fit. In doing this, we may agree to accept less than the amount that is owed to you in full settlement of any receivables. Even if you are not in default, you agree we can advise anyone who owes you money about this Security Agreement and require that they confirm the amount they owe you. You shall provide us with a list of all of your receivables, if we ask.

(e) Putting you into receivership – We can appoint a receiver or manager (the "receiver") to manage the Collateral or to operate your business. If we appoint a receiver, the following provisions shall apply:

(i) the receiver shall be considered to be your agent for all purposes,
(ii) you shall be required to pay the receiver's remuneration, as fixed by us,
(iii) we shall have no liability to you or anyone else concerning the appointment of a receiver or for anything the receiver does or does not do, and
(iv) you shall no longer have any right to use the Collateral or operate your business without our written permission.

(f) Powers of a receiver – If we appoint a receiver:

(i) the receiver shall have the same rights and remedies that we have under this Security Agreement and any applicable Credit Facility,
(ii) the receiver can operate your business in any way it sees fit, and
(iii) the receiver can manage and make all decisions about your business, including without limitation entering into agreements, hiring employees and purchasing equipment and inventory.

We can also ask the court to appoint a receiver and, if the court does so, the receiver shall have the powers listed in the court order. If you default we can take the following steps, plus we can do anything else permitted by law to recover the amount you owe us.

10. Deficiency

Where permitted by applicable laws, you shall remain liable to us for payment, and agree to pay us, of any amounts that are still owing to us following the sale or other disposal of all or any part of the Collateral.

11. Use of proceeds from Collateral

All proceeds we receive from the Collateral shall be applied in the following order:

(a) first, to pay the receiver's remuneration if one has been appointed;

(b) second, to pay any other expenses we incur to enforce our rights under this Security Agreement;

(c) third, to pay rents, taxes, insurance premiums and other expenses affecting the Collateral. These expenses might be incurred to preserve, repair, process or maintain the Collateral, or make it better or prepare it for sale. This clause also applies to payments we make to other creditors who have claims on the Collateral that rank ahead of ours; and

(d) lastly, to pay the amounts you owe us.

12. Extensions and modifications

(a) If we consider it appropriate, we may grant extensions of time or other indulgences to you that depart from the strict terms of this Security Agreement. We may also obtain additional security or release security we hold. We may also settle or release your obligations or otherwise deal with you or any other security or credit facilities we hold. None of these things affect your liability to us, or our right to hold the Collateral or enforce our rights against it, until we have been paid in full.

(b) No change of any provision of this Security Agreement may be made except by a written agreement signed by us and by you. No waiver of any provision of this Security Agreement shall be effective unless it is in writing.

13. We have no obligation to advance funds

Even after this Security Agreement has been signed and registered, we still do not have to advance funds to you if we decide, in our sole discretion, that it is not in our best interests to do so.

14. Other clauses that apply to this security agreement

(a) This Security Agreement is in addition to any other guarantee, security agreement or Credit Facility we now have with you or that is signed at a later date. These other agreements do not affect our rights or your obligations under this Security Agreement and this Security Agreement does not replace or terminate any of those other agreements.

(b) If any part of this Security Agreement turns out to be invalid for any reason, the rest of the Security Agreement shall still remain in full force and effect. In this case, this Security Agreement shall be read as if the invalid part was not included in it.

(c) The Collateral does not include the last day of the term of any lease held by you, but if you sell your interest under any such lease, you shall hold such last day in trust for us and assign it as we request.

(d) The Collateral does not include any of your rights under contracts that state that such rights cannot be subject to our security interest, but you shall hold your interest in such rights in trust for us and shall assign such rights to us if you obtain permission to do so. If we ask you to do so, you shall do your best to obtain such permission.

(e) We are not liable to you, or any other person, for any failure or delay in exercising any of our rights under this Security Agreement. The same applies to any failure on our part to take any steps to preserve rights against you or other persons, or any delay in doing so.

(f) If more than one person has signed this Security Agreement with us, everyone who has signed is responsible to us for all the obligations specified in this Security Agreement on a joint and several basis.

(g) This Security Agreement shall remain in full force and effect and we shall not discharge the security interest until all present and future debt or other obligations owing to us by you are paid or performed in full.

(h) You agree to sign all other documents that we consider necessary to carry out the intent of this Security Agreement or to exercise our rights over the Collateral. Nevertheless, you agree that we (or any receiver we may appoint or that a court may appoint) may sign any document or do anything else on your behalf as your attorney whenever necessary or expedient.

(i) A reference to this Security Agreement includes any schedules attached to it.

(j) You acknowledge that you have received a copy of this Security Agreement.

(k) To the extent permitted by law, you acknowledge that you are giving up your right to receive a copy of any financing statement, financing change statement or verification statement that we obtain when we register our security interest in the Collateral.

(l) This Security Agreement benefits our successors and binds you and your heirs, legal representatives, successors and permitted assigns. You may not transfer your obligations under this Security Agreement to anyone else without our written permission. We may transfer our rights under this Security Agreement without your permission.

(m) This Security Agreement is governed by the laws of the Province of New Brunswick and the laws of Canada applicable therein. We may commence an action or other court proceeding on this Security Agreement in the courts of this province and you agree to submit to the jurisdiction of such courts and be bound by any judgment that any such court may make. We also reserve the right to start an action or other court proceeding against you anywhere outside this province.

I have read this Security Agreement and agree to its terms.

Dated this 28th day of January, 2011, at Woodstock
in the Province of New Brunswick.

Borrower(s)

Corporation/company

HSF Foods Ltd. (Print corporate/company name),

by Benjamin Brake (Print name of person signing on behalf of the corporation/company)

President (Print title of person signing on behalf of the corporation/company)

(X) Ben Brake

(Signature of person signing on behalf of the corporation/company)
I have authority to bind the corporation/company.

(Corporate seal if available)

Corporation/company

Hillspring Farms Ltd. (Print corporate/company name),

by Benjamin Brake (Print name of person signing on behalf of the corporation/company)

President (Print title of person signing on behalf of the corporation/company)

(X) Ben Brake

(Signature of person signing on behalf of the corporation/company)
I have authority to bind the corporation/company.

(Corporate seal if available)

Guarantor(s)

Tracey McIntosh	(X) Ben Brake
(Witness signature)	(Guarantor signature)
Tracey McIntosh	Benjamin Austin Brake
(Print witness name)	(Print guarantor name)
Tracey McIntosh	(X) Beatrice Brake
(Witness signature)	(Guarantor signature)
Tracey McIntosh	Beatrice Ann Brake
(Print witness name)	(Print guarantor name)

Schedule "A"

You grant FCC a security interest in the following:

General security agreement

All of your present and after-acquired personal property.

Specific personal property

(a) Specific equipment - serial numbered goods:

Equipment type: Woodchip Boiler
Make or name of manufacturer: Keeler/Dorr-Oliver
Model:
Year: 1986
Serial number: 17210

Equipment type: Woodchip Dryer
Make or name of manufacturer: Duske
Model: TPD-3500
Year: 2010
Serial number: SD75-22

Note: "Serial numbered goods" are defined by legislation to include motor vehicles, trailers, mobile homes and aircraft. Motor vehicles include vehicles such as cars, trucks and buses. In Alberta, British Columbia, Manitoba, Saskatchewan, the Northwest Territories, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador, motor vehicles also include tractors and combines, but not any other machinery designed for use in farming.

All types and kinds of personal property which are proceeds of the Collateral, including without limitation, goods, crops, chattel paper, securities, investment property, documents of title, instruments, money and intangibles (including accounts).

Farm Credit Canada   Canadä   PROTECTED

Customer number: 100008003

Security Agreement

To: **Farm Credit Canada ("FCC", "us", "we" or "our")**

Provided by:

Borrower(s):

HSF Foods Ltd. and Hillspring Farms Ltd.

("you", "your")

1. What this Security Agreement does, and what property is secured

In consideration of FCC lending money to you, you are signing and delivering this Security Agreement to give FCC a security interest in the property described in Schedule "A" attached to this Security Agreement (this property is called the "Collateral"). Our security interest in the Collateral secures the repayment of all money you owe to us at any time and the performance of your obligations under this Security Agreement and any present or future Credit Agreement or other agreement you have with us (each a "Credit Facility"). You confirm that value has been given and acknowledge that our security interest shall attach to the Collateral as soon as you have rights in such Collateral.

2. What debts are covered by this Security Agreement

This Security Agreement secures the full amount that we lend to you, plus interest on your loans and all of the costs, charges and expenses you have agreed to pay under any Credit Facility. If the amount you owe us is reduced and then later increases, this Security Agreement still applies to the total amount that you owe us at any time.

3. Ownership and use of the Collateral

By signing this Security Agreement you are assuring us that you are the owner of the Collateral and that no one else holds any mortgages or rights to any of that Collateral. If you acquire any future property that is covered by this Security Agreement, you must make sure that you obtain "good title" and that no one else has any rights in the property unless we have consented to it. Under this Security Agreement, you are not allowed to sell, lease, or transfer ownership or possession of any of the Collateral except in the ordinary course of your business. For example, you may sell inventory such as the goods you produce in your business. With our written permission, you may also sell equipment that has been replaced by new equipment or that is not needed for your business. Also, you will keep the Collateral at your place of business, unless FCC agrees otherwise..

4. **Insurance**

You must keep the Collateral insured against loss or damage by fire and other risks that are normally insured or as we may require. The Collateral must be insured to its full insurable value. We may require that you transfer the insurance policies to us or have us named as the loss payee. You must give us copies of the policies or proof of insurance if we ask. If you fail to maintain the insurance required by this clause, we can insure the Collateral for you and charge you for the cost, which would be added to the amount you owe us and covered by this Security Agreement. You must let us know as soon as possible of any loss or damage to any part of the Collateral.

5. **Your ongoing obligations**

By signing this Security Agreement, you agree to the following things concerning your business.

(a) Carrying on business - You must carry on your business as a going concern in a proper, efficient and businesslike manner so as to protect and preserve the Collateral. We have the right at any time to inspect the Collateral to ensure that the Collateral exists and that you are maintaining the Collateral in good condition. You must observe and conform to all valid requirements of any governmental or municipal authority relative to the Collateral;

(b) Books and records - You must keep proper accounting books and records covering your business and affairs and concerning the Collateral. We are allowed to inspect these books and records and make copies of them, if we ask. You agree to provide us with information with respect to the Collateral if we request;

(c) Taxes - You must pay all taxes, license fees, assessments or other charges applicable to your business on their due dates; and

(d) Environmental Permits - You must maintain all environmental permits, consents, clearance, etc. that are needed to lawfully carry on your business. By signing this Security Agreement you are confirming that you are presently respecting all environmental laws, regulations, rules and guidelines that apply to your business. You must stay in compliance at all times.

6. **Out-of-pocket costs and expenses, lawsuits and claims**

You are responsible for all out-of-pocket costs that we incur under this Security Agreement. Examples include but are not limited to:

(a) legal fees to prepare, register or enforce this Security Agreement;

(b) costs paid to register our security interest in the Collateral or prepare a priority agreement or similar agreement; and

(c) costs we incur to preserve, insure or seize the Collateral.

You must reimburse us for our out-of-pocket costs on demand. If you fail to pay, we are entitled to add these costs to your loan and to charge interest on these costs at the rate of 18% per year.

Repayment of our out-of-pocket expenses is secured by the Collateral to the same extent as the loans we advance to you.

If anyone sues us as a result of the use of the Collateral or any damage it has caused, we can require that you pay our costs and any loss resulting from the lawsuit, even if we agree to pay an out-of-court settlement.

7. **Limitations on the use of money**

The proceeds of any loan secured by the Collateral must be used for the purpose stated in your credit application relating to such loan.

8. **Default**

You shall be in default under this Security Agreement if any of the following things happen:

(a) If you fail to pay any amount owed to us on its due date.

(b) If you fail to strictly comply with or perform any term or condition contained in this Security Agreement or any Credit Facility.

(c) If any written statement you have made to us in this Security Agreement or in any other document you have signed is untrue in any way that we consider important.

(d) If you cannot pay your debts when they become due (insolvency) or become bankrupt or apply for protection from your creditors under any insolvency laws, if you attempt to compromise or settle your debts with creditors, or if any bankruptcy or insolvency court proceedings are started against you or by you.

(e) If a receiver, trustee, custodian or other similar official is appointed for you or any of your property.

(f) If you sell, transfer or in any other way give up possession of all or any part of the Collateral in a manner not permitted under this Security Agreement; or if you move any Collateral out of the province in which you carry on business without our written permission.

(g) If you give a security interest or other interest, other than a purchase money security interest, in the Collateral to someone else without our written permission.

(h) If your business is incorporated, it is also a default if there is a change in who owns the shares of the corporation, unless we give written permission. If your business is run by a partnership, it is a default if any partner quits or resigns, any new partner is added or the partnership is ended without our written permission.

(i) If someone else seizes or takes control of any Collateral, or threatens to do so.

(j) If you stop carrying on your business in the normal course, or threaten to do so, or sell all or substantially all of your assets.

(k) If we believe in good faith that you are not able to pay your loans owed to us or that you won't be able to perform any of your other obligations under this Security Agreement or a Credit Facility, or that the Collateral is or is about to be placed in jeopardy.

9. **Our rights if you default**

If you default we can take any one or more of the following steps and/or do anything else permitted by law to recover the amounts you owe us.

(a) Serious consequences on default – We can demand that you repay the balance of all your loans on the date specified in the notice demanding payment, including interest and other amounts added to it under the Security Agreement or the applicable credit facilities. We may also notify credit bureaus of your default. If you default, you shall be responsible for the payment of our costs incurred to collect your loans and/or repossess and sell the Collateral, plus court costs and legal fees. If you default under this Security Agreement or the credit facilities, we may consider you to be in default under any other security agreement or Credit Facility you have signed with us. You may face other serious consequences.

(b) Seizing Collateral – To the extent permitted by applicable law, we can take possession of all or any part of the Collateral either ourselves or through a receiver. We can demand that you deliver the Collateral to a place designated by us so that we may take possession. We shall be entitled to receive any rents and profits from the Collateral, to carry on your business, and sell, lease or otherwise dispose of the Collateral on terms and conditions that we consider suitable. For this purpose we are allowed to enter your place of business or any other place where the Collateral is located.

(c) Selling Collateral – We may sell the Collateral or dispose of it in any commercially reasonable way.

(d) Collecting receivables – We may collect or sell any debts owed to you by others ("receivables") on terms and conditions that we see fit. In doing this, we may agree to accept less than the amount that is owed to you in full settlement of any receivables. Even if you are not in default, you agree we can advise anyone who owes you money about this Security Agreement and require that they confirm the amount they owe you. You shall provide us with a list of all of your receivables, if we ask.

(e) Putting you into receivership – We can appoint a receiver or manager (the "receiver") to manage the Collateral or to operate your business. If we appoint a receiver, the following provisions shall apply:

  (i) the receiver shall be considered to be your agent for all purposes,
  (ii) you shall be required to pay the receiver's remuneration, as fixed by us,
  (iii) we shall have no liability to you or anyone else concerning the appointment of a receiver or for anything the receiver does or does not do, and
  (iv) you shall no longer have any right to use the Collateral or operate your business without our written permission.

(f) Powers of a receiver – If we appoint a receiver:

  (i) the receiver shall have the same rights and remedies that we have under this Security Agreement and any applicable Credit Facility,
  (ii) the receiver can operate your business in any way it sees fit, and
  (iii) the receiver can manage and make all decisions about your business, including without limitation entering into agreements, hiring employees and purchasing equipment and inventory.

We can also ask the court to appoint a receiver and, if the court does so, the receiver shall have the powers listed in the court order. If you default we can take the following steps, plus we can do anything else permitted by law to recover the amount you owe us.

10. Deficiency

Where permitted by applicable laws, you shall remain liable to us for payment, and agree to pay us, of any amounts that are still owing to us following the sale or other disposal of all or any part of the Collateral.

11. Use of proceeds from Collateral

All proceeds we receive from the Collateral shall be applied in the following order:

(a) first, to pay the receiver's remuneration if one has been appointed;

(b) second, to pay any other expenses we incur to enforce our rights under this Security Agreement;

(c) third, to pay rents, taxes, insurance premiums and other expenses affecting the Collateral. These expenses might be incurred to preserve, repair, process or maintain the Collateral, or make it better or prepare it for sale. This clause also applies to payments we make to other creditors who have claims on the Collateral that rank ahead of ours; and

(d) lastly, to pay the amounts you owe us.

12. Extensions and modifications

(a) If we consider it appropriate, we may grant extensions of time or other indulgences to you that depart from the strict terms of this Security Agreement. We may also obtain additional security or release security we hold. We may also settle or release your obligations or otherwise deal with you or any other security or credit facilities we hold. None of these things affect your liability to us, or our right to hold the Collateral or enforce our rights against it, until we have been paid in full.

(b) No change of any provision of this Security Agreement may be made except by a written agreement signed by us and by you. No waiver of any provision of this Security Agreement shall be effective unless it is in writing.

13. We have no obligation to advance funds

Even after this Security Agreement has been signed and registered, we still do not have to advance funds to you if we decide, in our sole discretion, that it is not in our best interests to do so.

14. Other clauses that apply to this security agreement

(a) This Security Agreement is in addition to any other guarantee, security agreement or Credit Facility we now have with you or that is signed at a later date. These other agreements do not affect our rights or your obligations under this Security Agreement and this Security Agreement does not replace or terminate any of those other agreements.

(b) If any part of this Security Agreement turns out to be invalid for any reason, the rest of the Security Agreement shall still remain in full force and effect. In this case, this Security Agreement shall be read as if the invalid part was not included in it.

(c) The Collateral does not include the last day of the term of any lease held by you, but if you sell your interest under any such lease, you shall hold such last day in trust for us and assign it as we request.

(d) The Collateral does not include any of your rights under contracts that state that such rights cannot be subject to our security interest, but you shall hold your interest in such rights in trust for us and shall assign such rights to us if you obtain permission to do so. If we ask you to do so, you shall do your best to obtain such permission.

(e) We are not liable to you, or any other person, for any failure or delay in exercising any of our rights under this Security Agreement. The same applies to any failure on our part to take any steps to preserve rights against you or other persons, or any delay in doing so.

(f) If more than one person has signed this Security Agreement with us, everyone who has signed is responsible to us for all the obligations specified in this Security Agreement on a joint and several basis.

(g) This Security Agreement shall remain in full force and effect and we shall not discharge the security interest until all present and future debt or other obligations owing to us by you are paid or performed in full.

(h) You agree to sign all other documents that we consider necessary to carry out the intent of this Security Agreement or to exercise our rights over the Collateral. Nevertheless, you agree that we (or any receiver we may appoint or that a court may appoint) may sign any document or do anything else on your behalf as your attorney whenever necessary or expedient.

(i) A reference to this Security Agreement includes any schedules attached to it.

(j) You acknowledge that you have received a copy of this Security Agreement.

(k) To the extent permitted by law, you acknowledge that you are giving up your right to receive a copy of any financing statement, financing change statement or verification statement that we obtain when we register our security interest in the Collateral.

(l) This Security Agreement benefits our successors and binds you and your heirs, legal representatives, successors and permitted assigns. You may not transfer your obligations under this Security Agreement to anyone else without our written permission. We may transfer our rights under this Security Agreement without your permission.

(m) This Security Agreement is governed by the laws of the Province of New Brunswick and the laws of Canada applicable therein. We may commence an action or other court proceeding on this Security Agreement in the courts of this province and you agree to submit to the jurisdiction of such courts and be bound by any judgment that any such court may make. We also reserve the right to start an action or other court proceeding against you anywhere outside this province.

I have read this Security Agreement and agree to its terms.

Dated this 24th day of September, 2012, at Woodstock
in the Province of New Brunswick.

Borrower(s)

Corporation/company

HSF Foods Ltd. (Print corporate/company name).

by Benjamin Brake (Print name of person signing on behalf of the corporation/company)

President (Print title of person signing on behalf of the corporation/company)

(Signature of person signing on behalf of the corporation/company)
I have authority to bind the corporation/company.

(Corporate seal if available)

Borrower(s)

Corporation/company

Hillspring Farms Ltd. (Print corporate/company name).

by Benjamin Brake (Print name of person signing on behalf of the corporation/company)

President (Print title of person signing on behalf of the corporation/company)

(Signature of person signing on behalf of the corporation/company)
I have authority to bind the corporation/company.

(Corporate seal if available)

Schedule "A"

You grant FCC a security interest in the following:

Specific personal property

(a) Specific equipment - item description - non-serial numbered goods

2012 Cardinal Wood Chip Feed Bin s/n 1459-a
2012 Cardinal hydraulic power Pac s/n 1459-b
2012 cardinal trough belt conveyor s/n 1459-c
2012 Cardinal Chip stacking conveyor s/n 1459-d
2012 Cardinal screen base s/n 1470-a
together with all present and after-acquired attachments, accessories and accessions thereto.

All types and kinds of personal property which are proceeds of the Collateral, including without limitation, goods, crops, chattel paper, securities, investment property, documents of title, instruments, money and intangibles (including accounts).

Schedule "C"
Equipment List

Make	Serial #	Model
Highline Bale Pro 6600	Serial # 9HC6155	
5300 International Case-Seed Drill	Serial # 0822101	
3 BT 5300-6 Row Cultivator Rear Mount		
5100 International-Seed Drill	Serial # 0390210C017812	
Clark 5000 LBS Fork Life	Serial # Y355-353-2823	Model C500Y45 3 Section Mast
1978 Allis Chalmers Dozer	Serial # HD21P14995	
1981 Fiat Allis Dozer	Serial # 22023	Model HD21
1982 International 3288 6 Cylinder	Serial # 252000ZU000579	
1982 JSW Excavator	Serial # s4-0424	Model BH80E
1983 Dahlmon Potato Planter-6 Row		Model PP650
1984 Trailmobile 45' Van - Plate #THT 190		
1984 Fruehauf 42'	Serial # 2H8R04531ES02605	
1986 Massey 550 Combine	Serial # 2363006145	
1986 Freightliner Classic	Serial # 2FV9Y0Y9XGV261702	
1986 GMC Brigadere	Serial # 1GDT8C4YOGV535894	
1986 Freightliner Classic	Serial # 2FUPYDYB3GV283983	
1987 T-173 Thomas Skid Steer Loader		
1987 Freightliner	Serial # 2FYPYXYB6HV299162	
1987 Freightliner	Serial # 2FUPYDYB0HV285014	
1977 Allis Chalmers Dozer	Serial # HD21P14750	Model HD21
1990 Komatsu Excavator	Serial # A70953	Model PC 200LC
1992 Freightliner FLD 120	Serial # 2FUYDXYB6NA499400	
1992 Thomas Skid Steer Loader	Serial # LN001295	Model 153S
1994 John Deere 4435 Hydro Combine	Serial # Z04435H057885	
1995 Freightliner Classic 120	Serial # 2FUPDXYB4SA736196	
1995 International	Serial # 1HTSHAAT4SH645662	
1996 Freightliner FLD120	Serial # 2FUYDDYB6TA761587	
1997 Freightliner Classic 120	Serial # 2FUPDXYB5VA714938	
1999 Case International MX120		
1999 Case 5500-Seed Drill	Serial # 130370-0390407	
2000 Freightliner FLD 120	Serial # 1FUPDXYBXYLF59353	
2001 Lockwood 4 Row potato Windrower	Serial # 7900006-DW	Model 4109
2001 Western Star 4964EX	Serial # 2WKEDD3J61K970748	
2002 MX 170 Case 4 x 4 Tractor		
2002 Lockwood 4 Row Potato Windrower	Serial # 790011DW	Model 4109
2003 Case International 18' Disc Harrow	Serial CCF0006160	Model 501
2003 Case International MX285	Serial # JAZ127464	
2004 Case International 32' Harrows		Model 4300
2004 Snow Blower 9'	Serial # B00108HD032	Model 108HD
2004 Hartland Machine Bin Piler Extendable Unit		
2004 MX255 Case International	Serial # TAZ126232	
2005 Snow Blower 9'	Serial #B03108HD043	
2005 Lockwood 4 Row Potato Windrower	Serial # 301878	Model 5000
2006 Lockwood Potato Harvester - Air Vac	Serial # 700379	
2006 Lockwood Potato Harvester - Air Vac	Serial # 700391	
2006 Case International Mower	Serial # HD6210055	Model DX25E
2007 Case International TM 10 FT	Serial #JFH0033946	Model Tiger Mate II
2007 John Deere Skid Steer	Serial # T00332B130025	Model 332
2007 Milestone 5' Seed Cutter		
2007 Case International Potato Sprayer	Serial # Y7T021-729	Model SPX 3320

2007 Case IH Patriot Sprayer		
2008 Lockwood 4 Row Potato Windrower	Serial # 800138	Model 514W
2008 Lockwood 4 Row Potato Windrower	Serial # 800139	Model 514
2008 Case International 4 x 4 Hydro Mower		Model CC31 MWX
2008 Utility Reefer Van	Serial # 1UYVS353X6V529501	
2008 3000R Utility Reefer Van	Serial 3 1UYVS35318M529502	
2009 3000R Utility Reefer Van	Serial # 1UYVS35308M533301	
2012 Lockwood 6 Row Windrower		
2012 Lockwood Planter x 2		
2012 Manac Chip Trailer		
856 Farmall Diesel Tractor	Serial # 14450SY	
766 Farmall International Open Station Tractor	Serial # 2490191U01776	
706 Farmall	Serial # 33993	
510 International-Seed Drill	Serial # 0390144C011314	
48' Reefer Van - Plate #TBF 452		
72" Skid Steer Manure		
70" Skid Steer Potato Bucket		
61" Fork Tine Bucket		
60" Older Loader Bucket		
Loading Conveyor 28' long 24" wide		
45" Fork Tine Bucket		
John Deere 40 Row Potato Planter		
30' Tandem Fifth Wheel Trailer		
22' x 8' Steel Flat Body		
Extendable Potato Conveyor - 4 Wheel Undercarriage 32" Wide Table		
Extendable Potato Conveyor - 4 Wheel Undercarriage 24" Wide Table	Serial # 700379	
Red Bin Piler Self Propelled 24" Beds Extendible		
21' Gas powered Red Conveyor		
Extendable Potato Conveyor - 4 Wheel Undercarriage 24" Wide Table		
16' S Tine Harrow		
15' Steel Land Roller		
15' Steel land Roller -2 Drum		
7' + 7' Flip Up Bush Hog	Serial # 455-1	Model 3320-7
15' Red Land Roller-2 Drum		
5' 6' Older Skid Steer Bucket with Teeth		
10 Furrow Land Plow	Serial # 041186	Model 8205
Hesson 10' Chisel Plow		Model 2310
9 Furrow Land Plow	Serial # 051370	Model 8205
8' Power Angle Plow/Attachment for Skid Steer		
MX220 Case 4 x 4 Tractor	Serial #2204C4JJA0114501	
7' Potato Bucket/Self Dumping		
2 Sets "Smalley" build 4 Row Cultivators Front Side Mount		
Dorman Genset 6 cylinder Diesel		
Dahlman 6 Row Potato Planter	Serial # P6032	Model PP650
Potato Bulk Box 16' 50-60 Barrel		
Fox Brady 4 Row Roto Beater		Model 1680
Brillion 4 Row Roto Beater	Serial # 157451	Model FS-1445-1
3 Hartland Machine Front Mount Cultivators		
2 Row Roto Beater		
Dahlmon 2 Row Windrower	Serial # 75950	Model STW

Mayrath 8" PTO Grain Auger-48" Long on Wheels		
Daewoo - 4,000 LB Electric Fork Lift	Serial #CJ-00166	Model BC20S-2
RCO Sorting Table		
Thomas Rock Picker		
Thomas Rock Picker	Serial # RP02540	
Thomas Rock Picker	Serial # RP000261	
Thomas Rock Picker	Serial # 160001	
Thomas Rock Picker		
Jay Lor Cutter Mixer Unit	Serial # T-92053745-B	Model 2575
PTO Driven Genset for Planter Mounting		Model 1W Italy
Skid Steer Rock Picker Bucket		
Skid Steer Fork Bucket-Side Dump Cylinder Quick Attach		
Skid Steer Fork Bucket with Rotator		
2002 Red Telescopic Bin Piler Gagnon Ornamental 24' Conveyor/3' x 8' Load Conveyor/16' x 30' Front Load Conveyor		
PTO Driven Genset for Planter Mounting		Model 1W Italy
Jay Lor Cutter Mixer Unit	Serial # T-92053745-B	Model 2575
RCO Sorting Table		
Tile Dispensing Unit		
RCO Bin Piler Large Capacity Dual Un-Loading		
RCO Bin Piler Inside Use Adjustable Un-Loading Conveyor		
Electric Fork Lift	Serial # 6GG513	Model M50D Cat
Case Loader	Serial # 1032015	Model L300
Farmall H Tractor	Serial # 372331	
Power Angle Snow Plow	Serial # 23574	Model 10-35
Caterpillar D6C Dozer	Serial # 76A425	
John Deere 40 Row Potato Planter		

Year	Item	Make	Model	Serial
2-2008 -	Telescopic Conveyors	RcO	28' X 24" & 60' X 36"	
2007-	Telescopic/Hydraulic Bin Piler	RcO		
2007	Hopper Happy Roller			
2008	Elevator Conveyor	RcO		
2000	5,000 bbls Hopper	Smalleys		
2008	Barrel Washer	RcO		
2008	Rocks/Destoner Idaho Steel			
2008	Water Clarifier Mayo	860		
2007	Chiller Carrier			3400F2680
3400F26809				
1998	Steam Peeler	Kiremco		9555-97-2
PESL-1000				
1998	Brusher	Kiremco		97-1076-AA
1998	Polisher/Washer	Kiremco		9590-97
WAD-1030				
2008	Vertical Elevator	Idaho Steel		
1998	Large Evenflow	Idaho Steel		
2008	Slicer with Wash Tank	Idaho Steel		

1998	Pump Tank	Cornell			
1998	Blancher	Idaho Steel			
1998	Cooler	Idaho Steel			
2008	Pump to Cooler	Cornell			
1998	Cooker with additives mixing drums	Idaho Steel			
2008	Transfer Auger	Idaho Steel			
1998	2 large Drums	Idaho Steel			
1998	3 small American Drum Company	Overton Machine Company		60SP	
1998	6038/6686				
Transfer Augers		Idaho Steel			
2006	Product Blower	Delta			
1998	Bag Hoses	Idaho Steel			
2005	Wind Sifter	Idaho Steel			
2005	Hammer Mill	Pulva	Size C Type FS		
121					
2005	Product Blower	DMN	PTD 80	50897	
2005	Hopper Tanks	Idaho Steel			
2007	Grinder	Idaho Steel			
2008	Weigh System Prior to Silos	Omnitech			
2005	50# Bagging System	Schlosser		K0401002	
2005 10-040364-001	Weigher/Bagger	Greif-Velox		830-SDD-4M-EM	
2005	Bag Sealer	Farbo Seigling Ltd		M685770	
011-CO1080213					
2005	Crimper	Schlosser			
2007	Electronic Scale on stand	Champ Scale			
2002/2003	Sewing Machine on stand	Newlong		LR113608	
NP-7ALR113608					
1990	Bag Line Conveyor	Doboy		KGL	
856748					
1990	Bagging Machine	Doboy		PT24SPE2.	
854982					
2006	Manual Pallet Stacker/Wrapper	Highlight		Synergy III	
C390-010-0161					
2007/04	Dust Removal System	UAS		SFC24-3	
60060914					
2007	2 X 2Pressure Blowers	NYB		P0925120	1708
Steel					
2007	Dry Room Racking 5 lengths X 3 high				
2007	Security System 4 cameras w/CD				
2007 3000F 155525	Pressure Washer	Landu		VLP8-	
1997 CB600-800	Bunker "C" Boiler S-87629	Cleaver-Brooks			
1997	Standby Gen Set 350 KW/435 KVA G86013-30496	Onan		350.0DFN-9XF/2963AC	
1998 6574	80 HP Air Compressor	Curtis		R/S50T	
1998	Air Dryer	Airtek		SC220	
977592H					
1969 1635211	Separator	Westfalia		SDA360L	
1986	Separator	Westfalia		CA365-010	

1687041			
2008 801	Chemical Pump	Ecolab	P2
2008	Decanter	Kubco	
2006	Rotating Sieve	Niroba	

PID #10080562

Consists of the two (2) dry-products vertical hopper silos. They are units that were installed by Design Built Mechanical Inc., a division of Victor Bernard and Sons Ltd., of Dalhousie, NB.

PID #10080562

Consists of the commercial truck weigh-scale.
The scale carries Model #7461, with Serial #1122245-16E, year of manufacture is 2007.

PID #10080562

Consists of the Bio-Mass Boiler Plant equipment, such as the walking-floor with double-auger feeding into the metering system, which then measures and feeds the bio-mass into the Bio-Mass Boiler's burning chamber.

PID #10080562

Consists of the Wastewater Treatment Plant equipment, such as the Air-Pumps. They are Aerzen Delta Blower units.

PID #10080562

Consists of the full potato flakes processing line, from where the receiving line enters the processing line, all the way to, and including, the bagging line. Also included are the equipment necessary for the operation of the said processing line, including the boiler, compressors, pollution equipment inside the plant, etc.

Farm Credit Canada Canadä **PROTECTED**

Customer number: 100163788.54936700

Security Agreement

To: Farm Credit Canada ("FCC", "us", "we" or "our")

Provided by:

Borrower(s):

HSF FOODS LTD.

HILLSPRING FARMS LTD.

("you", "your")

1. What this Security Agreement does, and what property is secured

In consideration of FCC lending money to you, you are signing and delivering this Security Agreement to give FCC a security interest in the property described in Schedule "A" attached to this Security Agreement (this property is called the "Collateral"). Our security interest in the Collateral secures the repayment of all money you owe to us at any time and the performance of your obligations under this Security Agreement and any present or future Credit Agreement or other agreement you have with us (each a "Credit Facility"). You confirm that value has been given and acknowledge that our security interest shall attach to the Collateral as soon as you have rights in such Collateral.

2. What debts are covered by this Security Agreement

This Security Agreement secures the full amount that we lend to you, plus interest on your loans and all of the costs, charges and expenses you have agreed to pay under any Credit Facility. If the amount you owe us is reduced and then later increases, this Security Agreement still applies to the total amount that you owe us at any time.

3. Ownership and use of the Collateral

By signing this Security Agreement you are assuring us that you are the owner of the Collateral and that no one else holds any mortgages or rights to any of that Collateral. If you acquire any future property that is covered by this Security Agreement, you must make sure that you obtain "good title" and that no one else has any rights in the property unless we have consented to it. Under this Security Agreement, you are not allowed to sell, lease, or transfer ownership or possession of any of the Collateral except in the ordinary course of your business. For example, you may sell inventory such as the goods you produce in your business. With our written permission, you may also sell equipment that has been replaced by new equipment or that is not needed for your business. Also, you will keep the Collateral at your place of business, unless FCC agrees otherwise.

4. Insurance

You must keep the Collateral insured against loss or damage by fire and other risks that are normally insured or as we may require. The Collateral must be insured to its full insurable value. We may require that you transfer the insurance policies to us or have us named as the loss payee. You must give us copies of the policies or proof of insurance if we ask. If you fail to maintain the insurance required by this clause, we can insure the Collateral for you and charge you for the cost, which would be added to the amount you owe us and covered by this Security Agreement. You must let us know as soon as possible of any loss or damage to any part of the Collateral.

5. Your ongoing obligations

By signing this Security Agreement, you agree to the following things concerning your business.

(a) Carrying on business - You must carry on your business as a going concern in a proper, efficient and businesslike manner so as to protect and preserve the Collateral. We have the right at any time to inspect the Collateral to ensure that the Collateral exists and that you are maintaining the Collateral in good condition. You must observe and conform to all valid requirements of any governmental or municipal authority relative to the Collateral;

(b) Books and records - You must keep proper accounting books and records covering your business and affairs and concerning the Collateral. We are allowed to inspect these books and records and make copies of them, if we ask. You agree to provide us with information with respect to the Collateral if we request;

(c) Taxes - You must pay all taxes, license fees, assessments or other charges applicable to your business on their due dates; and

(d) Environmental Permits - You must maintain all environmental permits, consents, clearance, etc. that are needed to lawfully carry on your business. By signing this Security Agreement you are confirming that you are presently respecting all environmental laws, regulations, rules and guidelines that apply to your business. You must stay in compliance at all times.

6. Out-of-pocket costs and expenses, lawsuits and claims

You are responsible for all out-of-pocket costs that we incur under this Security Agreement. Examples include but are not limited to:

(a) legal fees to prepare, register or enforce this Security Agreement;

(b) costs paid to register our security interest in the Collateral or prepare a priority agreement or similar agreement; and

(c) costs we incur to preserve, insure or seize the Collateral.

You must reimburse us for our out-of-pocket costs on demand. If you fail to pay, we are entitled to add these costs to your loan and to charge interest on these costs at the rate of 18% per year.

Repayment of our out-of-pocket expenses is secured by the Collateral to the same extent as the loans we advance to you.

If anyone sues us as a result of the use of the Collateral or any damage it has caused, we can require that you pay our costs and any loss resulting from the lawsuit, even if we agree to pay an out-of-court settlement.

7. **Limitations on the use of money**

The proceeds of any loan secured by the Collateral must be used for the purpose stated in your credit application relating to such loan.

8. **Default**

You shall be in default under this Security Agreement if any of the following things happen:

(a) If you fail to pay any amount owed to us on its due date.

(b) If you fail to strictly comply with or perform any term or condition contained in this Security Agreement or any Credit Facility.

(c) If any written statement you have made to us in this Security Agreement or in any other document you have signed is untrue in any way that we consider important.

(d) If you cannot pay your debts when they become due (insolvency) or become bankrupt or apply for protection from your creditors under any insolvency laws, if you attempt to compromise or settle your debts with creditors, or if any bankruptcy or insolvency court proceedings are started against you or by you.

(e) If a receiver, trustee, custodian or other similar official is appointed for you or any of your property.

(f) If you sell, transfer or in any other way give up possession of all or any part of the Collateral in a manner not permitted under this Security Agreement; or if you move any Collateral out of the province in which you carry on business without our written permission.

(g) If you give a security interest or other interest, other than a purchase money security interest, in the Collateral to someone else without our written permission.

(h) If your business is incorporated, it is also a default if there is a change in who owns the shares of the corporation, unless we give written permission. If your business is run by a partnership, it is a default if any partner quits or resigns, any new partner is added or the partnership is ended without our written permission.

(i) If someone else seizes or takes control of any Collateral, or threatens to do so.

(j) If you stop carrying on your business in the normal course, or threaten to do so, or sell all or substantially all of your assets.

(k) If we believe in good faith that you are not able to pay your loans owed to us or that you won't be able to perform any of your other obligations under this Security Agreement or a Credit Facility, or that the Collateral is or is about to be placed in jeopardy.

9. Our rights if you default

If you default we can take any one or more of the following steps and/or do anything else permitted by law to recover the amounts you owe us.

(a) Serious consequences on default – We can demand that you repay the balance of all your loans on the date specified in the notice demanding payment, including interest and other amounts added to it under the Security Agreement or the applicable credit facilities. We may also notify credit bureaus of your default. If you default, you shall be responsible for the payment of our costs incurred to collect your loans and/or repossess and sell the Collateral, plus court costs and legal fees. If you default under this Security Agreement or the credit facilities, we may consider you to be in default under any other security agreement or Credit Facility you have signed with us. You may face other serious consequences.

(b) Seizing Collateral – To the extent permitted by applicable law, we can take possession of all or any part of the Collateral either ourselves or through a receiver. We can demand that you deliver the Collateral to a place designated by us so that we may take possession. We shall be entitled to receive any rents and profits from the Collateral, to carry on your business, and sell, lease or otherwise dispose of the Collateral on terms and conditions that we consider suitable. For this purpose we are allowed to enter your place of business or any other place where the Collateral is located.

(c) Selling Collateral – We may sell the Collateral or dispose of it in any commercially reasonable way.

(d) Collecting receivables – We may collect or sell any debts owed to you by others ("receivables") on terms and conditions that we see fit. In doing this, we may agree to accept less than the amount that is owed to you in full settlement of any receivables. Even if you are not in default, you agree we can advise anyone who owes you money about this Security Agreement and require that they confirm the amount they owe you. You shall provide us with a list of all of your receivables, if we ask.

(e) Putting you into receivership – We can appoint a receiver or manager (the "receiver") to manage the Collateral or to operate your business. If we appoint a receiver, the following provisions shall apply:

(i) the receiver shall be considered to be your agent for all purposes,
(ii) you shall be required to pay the receiver's remuneration, as fixed by us,
(iii) we shall have no liability to you or anyone else concerning the appointment of a receiver or for anything the receiver does or does not do, and
(iv) you shall no longer have any right to use the Collateral or operate your business without our written permission.

(f) Powers of a receiver – If we appoint a receiver:

(i) the receiver shall have the same rights and remedies that we have under this Security Agreement and any applicable Credit Facility,
(ii) the receiver can operate your business in any way it sees fit, and
(iii) the receiver can manage and make all decisions about your business, including without limitation entering into agreements, hiring employees and purchasing equipment and inventory.

We can also ask the court to appoint a receiver and, if the court does so, the receiver shall have the powers listed in the court order. If you default we can take the following steps, plus we can do anything else permitted by law to recover the amount you owe us.

10. Deficiency

Where permitted by applicable laws, you shall remain liable to us for payment, and agree to pay us, of any amounts that are still owing to us following the sale or other disposal of all or any part of the Collateral.

11. Use of proceeds from Collateral

All proceeds we receive from the Collateral shall be applied in the following order:

(a) first, to pay the receiver's remuneration if one has been appointed;

(b) second, to pay any other expenses we incur to enforce our rights under this Security Agreement;

(c) third, to pay rents, taxes, insurance premiums and other expenses affecting the Collateral. These expenses might be incurred to preserve, repair, process or maintain the Collateral, or make it better or prepare it for sale. This clause also applies to payments we make to other creditors who have claims on the Collateral that rank ahead of ours; and

(d) lastly, to pay the amounts you owe us.

12. Extensions and modifications

(a) If we consider it appropriate, we may grant extensions of time or other indulgences to you that depart from the strict terms of this Security Agreement. We may also obtain additional security or release security we hold. We may also settle or release your obligations or otherwise deal with you or any other security or credit facilities we hold. None of these things affect your liability to us, or our right to hold the Collateral or enforce our rights against it, until we have been paid in full.

(b) No change of any provision of this Security Agreement may be made except by a written agreement signed by us and by you. No waiver of any provision of this Security Agreement shall be effective unless it is in writing.

13. We have no obligation to advance funds

Even after this Security Agreement has been signed and registered, we still do not have to advance funds to you if we decide, in our sole discretion, that it is not in our best interests to do so.

14. Other clauses that apply to this security agreement

(a) This Security Agreement is in addition to any other guarantee, security agreement or Credit Facility we now have with you or that is signed at a later date. These other agreements do not affect our rights or your obligations under this Security Agreement and this Security Agreement does not replace or terminate any of those other agreements.

(b) If any part of this Security Agreement turns out to be invalid for any reason, the rest of the Security Agreement shall still remain in full force and effect. In this case, this Security Agreement shall be read as if the invalid part was not included in it.

(c) The Collateral does not include the last day of the term of any lease held by you, but if you sell your interest under any such lease, you shall hold such last day in trust for us and assign it as we request.

(d) The Collateral does not include any of your rights under contracts that state that such rights cannot be subject to our security interest, but you shall hold your interest in such rights in trust for us and shall assign such rights to us if you obtain permission to do so. If we ask you to do so, you shall do your best to obtain such permission.

(e) We are not liable to you, or any other person, for any failure or delay in exercising any of our rights under this Security Agreement. The same applies to any failure on our part to take any steps to preserve rights against you or other persons, or any delay in doing so.

(f) If more than one person has signed this Security Agreement with us, everyone who has signed is responsible to us for all the obligations specified in this Security Agreement on a joint and several basis.

(g) This Security Agreement shall remain in full force and effect and we shall not discharge the security interest until all present and future debt or other obligations owing to us by you are paid or performed in full.

(h) You agree to sign all other documents that we consider necessary to carry out the intent of this Security Agreement or to exercise our rights over the Collateral. Nevertheless, you agree that we (or any receiver we may appoint or that a court may appoint) may sign any document or do anything else on your behalf as your attorney whenever necessary or expedient.

(i) A reference to this Security Agreement includes any schedules attached to it.

(j) You acknowledge that you have received a copy of this Security Agreement.

(k) To the extent permitted by law, you acknowledge that you are giving up your right to receive a copy of any financing statement, financing change statement or verification statement that we obtain when we register our security interest in the Collateral.

(l) This Security Agreement benefits our successors and binds you and your heirs, legal representatives, successors and permitted assigns. You may not transfer your obligations under this Security Agreement to anyone else without our written permission. We may transfer our rights under this Security Agreement without your permission.

(m) This Security Agreement is governed by the laws of the Province of New Brunswick and the laws of Canada applicable therein. We may commence an action or other court proceeding on this Security Agreement in the courts of this province and you agree to submit to the jurisdiction of such courts and be bound by any judgment that any such court may make. We also reserve the right to start an action or other court proceeding against you anywhere outside this province.

☐ Negotiable securities

I have read this Security Agreement and agree to its terms.

Dated this 2 day of December, 2013, at Woodstock in the Province of New Brunswick.

Borrower(s)

Corporation/company

HSF FOODS LTD. (Print corporate/company name),

by Benjamin Brake (Print name of person signing on behalf of the corporation/company)

President (Print title of person signing on behalf of the corporation/company)

(Signature of person signing on behalf of the corporation/company)
I have authority to bind the corporation/company.

(Corporate seal if available)

Corporation/company

HILLSPRING FARMS LTD. (Print corporate/company name),

by Benjamin Brake (Print name of person signing on behalf of the corporation/company)

President (Print title of person signing on behalf of the corporation/company)

(Signature of person signing on behalf of the corporation/company)
I have authority to bind the corporation/company

(Corporate seal if available)

Schedule "A"

You grant FCC a security interest in the following:

■ 1. **Specific personal property**

■ a) Specific equipment - item description - non-serial numbered goods

specific equipment required for the implementation of a waste reclaimer, drying and suspension burning system for the new biomass boiler, including but not limited to the following:

Skid Mounted Steam Turbine Generator, Ser, 3526 Kva, 2821 Kw, 2300v Synchronous Marathon Magnapower Generator, Tuthill Energy/Murry Turbomachinery 400 Psig Inlet Single Stage Steam Turbine, 6200 Rpm, with Lufkin 3.465/1 Gear Reducer (1800 Rpm Output) with Lubrication Unit, Controls, Vibration Monitor and Service Connection Switchgear
Control Cabinet and Miscellaneous Switchgear including: Fisher Control Steam Valve and ABB Pressure Transmitters

Steam Driven Boiler Feed Pump, SISI MSMR pump with Coppus Turbine and Woodward TG13 governor. Pump is SIHIMSMR 06504 Four Stage with Coppus Model RLA23E 200,3500 Steam Turbine

Steel building to house waste 63X155X40
Steel building to house boiler 40X70X42
Stainless Stell Contrifuge Package from Kubco, Decanter Services Inc.
Drying potato pile from Clean Gas Systems, Inc.
Hopper for Dryer
Tutbine and Tutbine electrical parts
Boiler purchased from Berg Realty US Mfg Serial #17389, built in 1990 Board #5605

< Note: If the Collateral does not fit within one of the six categories, please contact FCC legal counsel for assistance in describing the Collateral. >

together with all present and after-acquired attachments, accessories and accessions thereto.

All types and kinds of personal property which are proceeds of the Collateral, including without limitation, goods, crops, chattel paper, securities, investment property, documents of title, instruments, money and intangibles (including accounts).

Farm Credit Canada Canada PROTECTED

Security Agreement

Customer number: 575104000

To: **Farm Credit Canada ("FCC", "us", "we" or "our")**

Provided by:

Borrower(s):

HSF Foods Ltd.

("you", "your")

1. What this Security Agreement does, and what property is secured

In consideration of FCC lending money to you, you are signing and delivering this Security Agreement to give FCC a security interest in the property described in Schedule "A" attached to this Security Agreement (this property is called the "Collateral"). Our security interest in the Collateral secures the repayment of all money you owe to us at any time and the performance of your obligations under this Security Agreement and any present or future Credit Agreement or other agreement you have with us (each a "Credit Facility"). You confirm that value has been given and acknowledge that our security interest shall attach to the Collateral as soon as you have rights in such Collateral.

2. What debts are covered by this Security Agreement

This Security Agreement secures the full amount that we lend to you, plus interest on your loans and all of the costs, charges and expenses you have agreed to pay under any Credit Facility. If the amount you owe us is reduced and then later increases, this Security Agreement still applies to the total amount that you owe us at any time.

3. Ownership and use of the Collateral

By signing this Security Agreement you are assuring us that you are the owner of the Collateral and that no one else holds any mortgages or rights to any of that Collateral. If you acquire any future property that is covered by this Security Agreement, you must make sure that you obtain "good title" and that no one else has any rights in the property unless we have consented to it. Under this Security Agreement, you are not allowed to sell, lease, or transfer ownership or possession of any of the Collateral except in the ordinary course of your business. For example, you may sell inventory such as the goods you produce in your business. With our written permission, you may also sell equipment that has been replaced by new equipment or that is not needed for your business. Also, you will keep the Collateral at your place of business, unless FCC agrees otherwise.

4. **Insurance**

You must keep the Collateral insured against loss or damage by fire and other risks that are normally insured or as we may require. The Collateral must be insured to its full insurable value. We may require that you transfer the insurance policies to us or have us named as the loss payee. You must give us copies of the policies or proof of insurance if we ask. If you fail to maintain the insurance required by this clause, we can insure the Collateral for you and charge you for the cost, which would be added to the amount you owe us and covered by this Security Agreement. You must let us know as soon as possible of any loss or damage to any part of the Collateral.

5. **Your ongoing obligations**

By signing this Security Agreement, you agree to the following things concerning your business.

(a) Carrying on business - You must carry on your business as a going concern in a proper, efficient and businesslike manner so as to protect and preserve the Collateral. We have the right at any time to inspect the Collateral to ensure that the Collateral exists and that you are maintaining the Collateral in good condition. You must observe and conform to all valid requirements of any governmental or municipal authority relative to the Collateral;

(b) Books and records - You must keep proper accounting books and records covering your business and affairs and concerning the Collateral. We are allowed to inspect these books and records and make copies of them, if we ask. You agree to provide us with information with respect to the Collateral if we request;

(c) Taxes - You must pay all taxes, license fees, assessments or other charges applicable to your business on their due dates; and

(d) Environmental Permits - You must maintain all environmental permits, consents, clearance, etc. that are needed to lawfully carry on your business. By signing this Security Agreement you are confirming that you are presently respecting all environmental laws, regulations, rules and guidelines that apply to your business. You must stay in compliance at all times.

6. **Out-of-pocket costs and expenses, lawsuits and claims**

You are responsible for all out-of-pocket costs that we incur under this Security Agreement. Examples include but are not limited to:

(a) legal fees to prepare, register or enforce this Security Agreement;

(b) costs paid to register our security interest in the Collateral or prepare a priority agreement or similar agreement; and

(c) costs we incur to preserve, insure or seize the Collateral.

You must reimburse us for our out-of-pocket costs on demand. If you fail to pay, we are entitled to add these costs to your loan and to charge interest on these costs at the rate of 18% per year.

Repayment of our out-of-pocket expenses is secured by the Collateral to the same extent as the loans we advance to you.

If anyone sues us as a result of the use of the Collateral or any damage it has caused, we can require that you pay our costs and any loss resulting from the lawsuit, even if we agree to pay an out-of-court settlement.

7. **Limitations on the use of money**

The proceeds of any loan secured by the Collateral must be used for the purpose stated in your credit application relating to such loan.

8. **Default**

You shall be in default under this Security Agreement if any of the following things happen:

(a) If you fail to pay any amount owed to us on its due date.

(b) If you fail to strictly comply with or perform any term or condition contained in this Security Agreement or any Credit Facility.

(c) If any written statement you have made to us in this Security Agreement or in any other document you have signed is untrue in any way that we consider important.

(d) If you cannot pay your debts when they become due (insolvency) or become bankrupt or apply for protection from your creditors under any insolvency laws, if you attempt to compromise or settle your debts with creditors, or if any bankruptcy or insolvency court proceedings are started against you or by you.

(e) If a receiver, trustee, custodian or other similar official is appointed for you or any of your property.

(f) If you sell, transfer or in any other way give up possession of all or any part of the Collateral in a manner not permitted under this Security Agreement; or if you move any Collateral out of the province in which you carry on business without our written permission.

(g) If you give a security interest or other interest, other than a purchase money security interest, in the Collateral to someone else without our written permission.

(h) If your business is incorporated, it is also a default if there is a change in who owns the shares of the corporation, unless we give written permission. If your business is run by a partnership, it is a default if any partner quits or resigns, any new partner is added or the partnership is ended without our written permission.

(i) If someone else seizes or takes control of any Collateral, or threatens to do so.

(j) If you stop carrying on your business in the normal course, or threaten to do so, or sell all or substantially all of your assets.

(k) If we believe in good faith that you are not able to pay your loans owed to us or that you won't be able to perform any of your other obligations under this Security Agreement or a Credit Facility, or that the Collateral is or is about to be placed in jeopardy.

9. **Our rights if you default**

If you default we can take any one or more of the following steps and/or do anything else permitted by law to recover the amounts you owe us.

(a) Serious consequences on default – We can demand that you repay the balance of all your loans on the date specified in the notice demanding payment, including interest and other amounts added to it under the Security Agreement or the applicable credit facilities. We may also notify credit bureaus of your default. If you default, you shall be responsible for the payment of our costs incurred to collect your loans and/or repossess and sell the Collateral, plus court costs and legal fees. If you default under this Security Agreement or the credit facilities, we may consider you to be in default under any other security agreement or Credit Facility you have signed with us. You may face other serious consequences.

(b) Seizing Collateral – To the extent permitted by applicable law, we can take possession of all or any part of the Collateral either ourselves or through a receiver. We can demand that you deliver the Collateral to a place designated by us so that we may take possession. We shall be entitled to receive any rents and profits from the Collateral, to carry on your business, and sell, lease or otherwise dispose of the Collateral on terms and conditions that we consider suitable. For this purpose we are allowed to enter your place of business or any other place where the Collateral is located.

(c) Selling Collateral – We may sell the Collateral or dispose of it in any commercially reasonable way.

(d) Collecting receivables – We may collect or sell any debts owed to you by others ("receivables") on terms and conditions that we see fit. In doing this, we may agree to accept less than the amount that is owed to you in full settlement of any receivables. Even if you are not in default, you agree we can advise anyone who owes you money about this Security Agreement and require that they confirm the amount they owe you. You shall provide us with a list of all of your receivables, if we ask.

(e) Putting you into receivership – We can appoint a receiver or manager (the "receiver") to manage the Collateral or to operate your business. If we appoint a receiver, the following provisions shall apply:

- (i) the receiver shall be considered to be your agent for all purposes,
- (ii) you shall be required to pay the receiver's remuneration, as fixed by us,
- (iii) we shall have no liability to you or anyone else concerning the appointment of a receiver or for anything the receiver does or does not do, and
- (iv) you shall no longer have any right to use the Collateral or operate your business without our written permission.

(f) Powers of a receiver – If we appoint a receiver:

- (i) the receiver shall have the same rights and remedies that we have under this Security Agreement and any applicable Credit Facility,
- (ii) the receiver can operate your business in any way it sees fit, and
- (iii) the receiver can manage and make all decisions about your business, including without limitation entering into agreements, hiring employees and purchasing equipment and inventory.

We can also ask the court to appoint a receiver and, if the court does so, the receiver shall have the powers listed in the court order. If you default we can take the following steps, plus we can do anything else permitted by law to recover the amount you owe us.

10. **Deficiency**

Where permitted by applicable laws, you shall remain liable to us for payment, and agree to pay us, of any amounts that are still owing to us following the sale or other disposal of all or any part of the Collateral.

11. **Use of proceeds from Collateral**

All proceeds we receive from the Collateral shall be applied in the following order:

(a) first, to pay the receiver's remuneration if one has been appointed;

(b) second, to pay any other expenses we incur to enforce our rights under this Security Agreement;

(c) third, to pay rents, taxes, insurance premiums and other expenses affecting the Collateral. These expenses might be incurred to preserve, repair, process or maintain the Collateral, or make it better or prepare it for sale. This clause also applies to payments we make to other creditors who have claims on the Collateral that rank ahead of ours; and

(d) lastly, to pay the amounts you owe us.

12. **Extensions and modifications**

(a) If we consider it appropriate, we may grant extensions of time or other indulgences to you that depart from the strict terms of this Security Agreement. We may also obtain additional security or release security we hold. We may also settle or release your obligations or otherwise deal with you or any other security or credit facilities we hold. None of these things affect your liability to us, or our right to hold the Collateral or enforce our rights against it, until we have been paid in full.

(b) No change of any provision of this Security Agreement may be made except by a written agreement signed by us and by you. No waiver of any provision of this Security Agreement shall be effective unless it is in writing.

13. **We have no obligation to advance funds**

Even after this Security Agreement has been signed and registered, we still do not have to advance funds to you if we decide, in our sole discretion, that it is not in our best interests to do so.

14. **Other clauses that apply to this security agreement**

(a) This Security Agreement is in addition to any other guarantee, security agreement or Credit Facility we now have with you or that is signed at a later date. These other agreements do not affect our rights or your obligations under this Security Agreement and this Security Agreement does not replace or terminate any of those other agreements.

(b) If any part of this Security Agreement turns out to be invalid for any reason, the rest of the Security Agreement shall still remain in full force and effect. In this case, this Security Agreement shall be read as if the invalid part was not included in it.

(c) The Collateral does not include the last day of the term of any lease held by you, but if you sell your interest under any such lease, you shall hold such last day in trust for us and assign it as we request.

(d) The Collateral does not include any of your rights under contracts that state that such rights cannot be subject to our security interest, but you shall hold your interest in such rights in trust for us and shall assign such rights to us if you obtain permission to do so. If we ask you to do so, you shall do your best to obtain such permission.

(e) We are not liable to you, or any other person, for any failure or delay in exercising any of our rights under this Security Agreement. The same applies to any failure on our part to take any steps to preserve rights against you or other persons, or any delay in doing so.

(f) If more than one person has signed this Security Agreement with us, everyone who has signed is responsible to us for all the obligations specified in this Security Agreement on a joint and several basis.

(g) This Security Agreement shall remain in full force and effect and we shall not discharge the security interest until all present and future debt or other obligations owing to us by you are paid or performed in full.

(h) You agree to sign all other documents that we consider necessary to carry out the intent of this Security Agreement or to exercise our rights over the Collateral. Nevertheless, you agree that we (or any receiver we may appoint or that a court may appoint) may sign any document or do anything else on your behalf as your attorney whenever necessary or expedient.

(i) A reference to this Security Agreement includes any schedules attached to it.

(j) You acknowledge that you have received a copy of this Security Agreement.

(k) To the extent permitted by law, you acknowledge that you are giving up your right to receive a copy of any financing statement, financing change statement or verification statement that we obtain when we register our security interest in the Collateral.

(l) This Security Agreement benefits our successors and binds you and your heirs, legal representatives, successors and permitted assigns. You may not transfer your obligations under this Security Agreement to anyone else without our written permission. We may transfer our rights under this Security Agreement without your permission.

(m) This Security Agreement is governed by the laws of the Province of New Brunswick and the laws of Canada applicable therein. We may commence an action or other court proceeding on this Security Agreement in the courts of this province and you agree to submit to the jurisdiction of such courts and be bound by any judgment that any such court may make. We also reserve the right to start an action or other court proceeding against you anywhere outside this province.

☐ Negotiable securities

I have read this Security Agreement and agree to its terms.

Dated this 2 day of September, 2014, at Centreville.
in the Province of New Brunswick.

Borrower(s)

Corporation/company

HSF Foods Ltd. (Print corporate/company name),

by Benjamin Austin Brake (Print name of person signing on behalf of the corporation/company)

President (Print title of person signing on behalf of the corporation/company)

(Signature of person signing on behalf of the corporation/company) (Corporate seal if available)

I have authority to bind the corporation/company.

Schedule "A"

You grant FCC a security interest in the following:

☒ 1. **Specific personal property**

☒ a) Specific equipment - serial numbered goods:

Equipment type: Morbark Chipvestor
Make or name of manufacturer: Caterpillar
Model: 30 RXL
Year: 2006
Serial number: 2039

Equipment type: Engine
Make or name of manufacturer: Caterpillar
Model: 860-HP Chipper 83"
Year: 2006
Serial number: BDT04558

Note: "Serial numbered goods" are defined by legislation to include motor vehicles, trailers, mobile homes and aircraft. Motor vehicles include vehicles such as cars, trucks and buses. In Alberta, British Columbia, Manitoba, Saskatchewan, the Northwest Territories, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador, motor vehicles also include tractors and combines, but not any other machinery designed for use in farming.

All types and kinds of personal property which are proceeds of the Collateral, including without limitation, goods, crops, chattel paper, securities, investment property, documents of title, instruments, money and intangibles (including accounts).

Farm Credit Canada Canada

PROTECTED

Security Agreement

Customer number: 100008003

To: Farm Credit Canada ("FCC", "us", "we" or "our")

Provided by:

Borrower(s):

Hillspring Farms Ltd.

HSF Foods Ltd.

Guarantor(s):

Benjamin Austin Brake

("you", "your")

1. What this Security Agreement does, and what property is secured

In consideration of FCC lending money to you, you are signing and delivering this Security Agreement to give FCC a security interest in the property described in Schedule "A" attached to this Security Agreement (this property is called the "Collateral"). Our security interest in the Collateral secures the repayment of all money you owe to us at any time and the performance of your obligations under this Security Agreement and any present or future Credit Agreement or other agreement you have with us (each a "Credit Facility"). You confirm that value has been given and acknowledge that our security interest shall attach to the Collateral as soon as you have rights in such Collateral.

2. What debts are covered by this Security Agreement

This Security Agreement secures the full amount that we lend to you, plus interest on your loans and all of the costs, charges and expenses you have agreed to pay under any Credit Facility. If the amount you owe us is reduced and then later increases, this Security Agreement still applies to the total amount that you owe us at any time.

3. Ownership and use of the Collateral

By signing this Security Agreement you are assuring us that you are the owner of the Collateral and that no one else holds any mortgages or rights to any of that Collateral. If you acquire any future property that is covered by this Security Agreement, you must make sure that you obtain "good title" and that no one else has any rights in the property unless we have consented to it. Under this Security Agreement, you are not allowed to sell, lease, or transfer ownership or possession of any of the Collateral except in the ordinary course of your business. For example, you may sell inventory such as the goods you produce in your business. With our written permission, you may also sell equipment that has been replaced by new equipment or that is not needed for your business. Also, you will keep the Collateral at your place of business, unless FCC agrees otherwise.

4. **Insurance**

You must keep the Collateral insured against loss or damage by fire and other risks that are normally insured or as we may require. The Collateral must be insured to its full insurable value. We may require that you transfer the insurance policies to us or have us named as the loss payee. You must give us copies of the policies or proof of insurance if we ask. If you fail to maintain the insurance required by this clause, we can insure the Collateral for you and charge you for the cost, which would be added to the amount you owe us and covered by this Security Agreement. You must let us know as soon as possible of any loss or damage to any part of the Collateral.

5. **Your ongoing obligations**

By signing this Security Agreement, you agree to the following things concerning your business.

(a) Carrying on business - You must carry on your business as a going concern in a proper, efficient and businesslike manner so as to protect and preserve the Collateral. We have the right at any time to inspect the Collateral to ensure that the Collateral exists and that you are maintaining the Collateral in good condition. You must observe and conform to all valid requirements of any governmental or municipal authority relative to the Collateral;

(b) Books and records - You must keep proper accounting books and records covering your business and affairs and concerning the Collateral. We are allowed to inspect these books and records and make copies of them, if we ask. You agree to provide us with information with respect to the Collateral if we request;

(c) Taxes - You must pay all taxes, license fees, assessments or other charges applicable to your business on their due dates; and

(d) Environmental Permits - You must maintain all environmental permits, consents, clearance, etc. that are needed to lawfully carry on your business. By signing this Security Agreement you are confirming that you are presently respecting all environmental laws, regulations, rules and guidelines that apply to your business. You must stay in compliance at all times.

6. **Out-of-pocket costs and expenses, lawsuits and claims**

You are responsible for all out-of-pocket costs that we incur under this Security Agreement. Examples include but are not limited to:

(a) legal fees to prepare, register or enforce this Security Agreement;

(b) costs paid to register our security interest in the Collateral or prepare a priority agreement or similar agreement; and

(c) costs we incur to preserve, insure or seize the Collateral.

You must reimburse us for our out-of-pocket costs on demand. If you fail to pay, we are entitled to add these costs to your loan and to charge interest on these costs at the rate of 18% per year.

Repayment of our out-of-pocket expenses is secured by the Collateral to the same extent as the loans we advance to you.

If anyone sues us as a result of the use of the Collateral or any damage it has caused, we can require that you pay our costs and any loss resulting from the lawsuit, even if we agree to pay an out-of-court settlement.

7. Limitations on the use of money

The proceeds of any loan secured by the Collateral must be used for the purpose stated in your credit application relating to such loan.

8. Default

You shall be in default under this Security Agreement if any of the following things happen:

(a) If you fail to pay any amount owed to us on its due date.

(b) If you fail to strictly comply with or perform any term or condition contained in this Security Agreement or any Credit Facility.

(c) If any written statement you have made to us in this Security Agreement or in any other document you have signed is untrue in any way that we consider important.

(d) If you cannot pay your debts when they become due (insolvency) or become bankrupt or apply for protection from your creditors under any insolvency laws, if you attempt to compromise or settle your debts with creditors, or if any bankruptcy or insolvency court proceedings are started against you or by you.

(e) If a receiver, trustee, custodian or other similar official is appointed for you or any of your property.

(f) If you sell, transfer or in any other way give up possession of all or any part of the Collateral in a manner not permitted under this Security Agreement; or if you move any Collateral out of the province in which you carry on business without our written permission.

(g) If you give a security interest or other interest, other than a purchase money security interest, in the Collateral to someone else without our written permission.

(h) If your business is incorporated, it is also a default if there is a change in who owns the shares of the corporation, unless we give written permission. If your business is run by a partnership, it is a default if any partner quits or resigns, any new partner is added or the partnership is ended without our written permission.

(i) If someone else seizes or takes control of any Collateral, or threatens to do so.

(j) If you stop carrying on your business in the normal course, or threaten to do so, or sell all or substantially all of your assets.

(k) If we believe in good faith that you are not able to pay your loans owed to us or that you won't be able to perform any of your other obligations under this Security Agreement or a Credit Facility, or that the Collateral is or is about to be placed in jeopardy.

9. **Our rights if you default**

If you default we can take any one or more of the following steps and/or do anything else permitted by law to recover the amounts you owe us.

(a) Serious consequences on default – We can demand that you repay the balance of all your loans on the date specified in the notice demanding payment, including interest and other amounts added to it under the Security Agreement or the applicable credit facilities. We may also notify credit bureaus of your default. If you default, you shall be responsible for the payment of our costs incurred to collect your loans and/or repossess and sell the Collateral, plus court costs and legal fees. If you default under this Security Agreement or the credit facilities, we may consider you to be in default under any other security agreement or Credit Facility you have signed with us. You may face other serious consequences.

(b) Seizing Collateral – To the extent permitted by applicable law, we can take possession of all or any part of the Collateral either ourselves or through a receiver. We can demand that you deliver the Collateral to a place designated by us so that we may take possession. We shall be entitled to receive any rents and profits from the Collateral, to carry on your business, and sell, lease or otherwise dispose of the Collateral on terms and conditions that we consider suitable. For this purpose we are allowed to enter your place of business or any other place where the Collateral is located.

(c) Selling Collateral – We may sell the Collateral or dispose of it in any commercially reasonable way.

(d) Collecting receivables – We may collect or sell any debts owed to you by others ("receivables") on terms and conditions that we see fit. In doing this, we may agree to accept less than the amount that is owed to you in full settlement of any receivables. Even if you are not in default, you agree we can advise anyone who owes you money about this Security Agreement and require that they confirm the amount they owe you. You shall provide us with a list of all of your receivables, if we ask.

(e) Putting you into receivership – We can appoint a receiver or manager (the "receiver") to manage the Collateral or to operate your business. If we appoint a receiver, the following provisions shall apply:

(i) the receiver shall be considered to be your agent for all purposes,
(ii) you shall be required to pay the receiver's remuneration, as fixed by us,
(iii) we shall have no liability to you or anyone else concerning the appointment of a receiver or for anything the receiver does or does not do, and
(iv) you shall no longer have any right to use the Collateral or operate your business without our written permission.

(f) Powers of a receiver – If we appoint a receiver:

(i) the receiver shall have the same rights and remedies that we have under this Security Agreement and any applicable Credit Facility,
(ii) the receiver can operate your business in any way it sees fit, and
(iii) the receiver can manage and make all decisions about your business, including without limitation entering into agreements, hiring employees and purchasing equipment and inventory.

We can also ask the court to appoint a receiver and, if the court does so, the receiver shall have the powers listed in the court order. If you default we can take the following steps, plus we can do anything else permitted by law to recover the amount you owe us.

10. Deficiency

Where permitted by applicable laws, you shall remain liable to us for payment, and agree to pay us, of any amounts that are still owing to us following the sale or other disposal of all or any part of the Collateral.

11. Use of proceeds from Collateral

All proceeds we receive from the Collateral shall be applied in the following order:

(a) first, to pay the receiver's remuneration if one has been appointed;

(b) second, to pay any other expenses we incur to enforce our rights under this Security Agreement;

(c) third, to pay rents, taxes, insurance premiums and other expenses affecting the Collateral. These expenses might be incurred to preserve, repair, process or maintain the Collateral, or make it better or prepare it for sale. This clause also applies to payments we make to other creditors who have claims on the Collateral that rank ahead of ours; and

(d) lastly, to pay the amounts you owe us.

12. Extensions and modifications

(a) If we consider it appropriate, we may grant extensions of time or other indulgences to you that depart from the strict terms of this Security Agreement. We may also obtain additional security or release security we hold. We may also settle or release your obligations or otherwise deal with you or any other security or credit facilities we hold. None of these things affect your liability to us, or our right to hold the Collateral or enforce our rights against it, until we have been paid in full.

(b) No change of any provision of this Security Agreement may be made except by a written agreement signed by us and by you. No waiver of any provision of this Security Agreement shall be effective unless it is in writing.

13. We have no obligation to advance funds

Even after this Security Agreement has been signed and registered, we still do not have to advance funds to you if we decide, in our sole discretion, that it is not in our best interests to do so.

14. Other clauses that apply to this security agreement

(a) This Security Agreement is in addition to any other guarantee, security agreement or Credit Facility we now have with you or that is signed at a later date. These other agreements do not affect our rights or your obligations under this Security Agreement and this Security Agreement does not replace or terminate any of those other agreements.

(b) If any part of this Security Agreement turns out to be invalid for any reason, the rest of the Security Agreement shall still remain in full force and effect. In this case, this Security Agreement shall be read as if the invalid part was not included in it.

(c) The Collateral does not include the last day of the term of any lease held by you, but if you sell your interest under any such lease, you shall hold such last day in trust for us and assign it as we request.

(d) The Collateral does not include any of your rights under contracts that state that such rights cannot be subject to our security interest, but you shall hold your interest in such rights in trust for us and shall assign such rights to us if you obtain permission to do so. If we ask you to do so, you shall do your best to obtain such permission.

(e) We are not liable to you, or any other person, for any failure or delay in exercising any of our rights under this Security Agreement. The same applies to any failure on our part to take any steps to preserve rights against you or other persons, or any delay in doing so.

(f) If more than one person has signed this Security Agreement with us, everyone who has signed is responsible to us for all the obligations specified in this Security Agreement on a joint and several basis.

(g) This Security Agreement shall remain in full force and effect and we shall not discharge the security interest until all present and future debt or other obligations owing to us by you are paid or performed in full.

(h) You agree to sign all other documents that we consider necessary to carry out the intent of this Security Agreement or to exercise our rights over the Collateral. Nevertheless, you agree that we (or any receiver we may appoint or that a court may appoint) may sign any document or do anything else on your behalf as your attorney whenever necessary or expedient.

(i) A reference to this Security Agreement includes any schedules attached to it.

(j) You acknowledge that you have received a copy of this Security Agreement.

(k) To the extent permitted by law, you acknowledge that you are giving up your right to receive a copy of any financing statement, financing change statement or verification statement that we obtain when we register our security interest in the Collateral.

(l) This Security Agreement benefits our successors and binds you and your heirs, legal representatives, successors and permitted assigns. You may not transfer your obligations under this Security Agreement to anyone else without our written permission. We may transfer our rights under this Security Agreement without your permission.

(m) This Security Agreement is governed by the laws of the Province of New Brunswick and the laws of Canada applicable therein. We may commence an action or other court proceeding on this Security Agreement in the courts of this province and you agree to submit to the jurisdiction of such courts and be bound by any judgment that any such court may make. We also reserve the right to start an action or other court proceeding against you anywhere outside this province.

☐ Negotiable securities

I have read this Security Agreement and agree to its terms.

Dated this 5th day of September, 2014, at WOODSTOCK in the Province of New Brunswick.

Borrower(s)

Corporation/company

Hillspring Farms Ltd. (Print corporate/company name),

by Benjamin A. Brake (Print name of person signing on behalf of the corporation/company)

President (Print title of person signing on behalf of the corporation/company)

(Signature of person signing on behalf of the corporation/company)

I have authority to bind the corporation/company. (Corporate seal if available)

Corporation/company

HSF Foods Ltd. (Print corporate/company name),

by Benjamin A. Brake (Print name of person signing on behalf of the corporation/company)

President (Print title of person signing on behalf of the corporation/company)

(Signature of person signing on behalf of the corporation/company)

I have authority to bind the corporation/company. (Corporate seal if available)

Guarantor(s)

D Anne Pratt

(Witness signature)

D. Anne Pratt

(Print witness name)

(Guarantor signature)

Benjamin Austin Brake

(Print guarantor name)

Schedule "A"

You grant FCC a security interest in the following:

■ 1. **General security agreement**

All of your present and after-acquired personal property.

■ 2. **Specific personal property**

■ a) Specific equipment - item description - non-serial numbered goods

new potato equipment: 1-72" Dirt Eliminator - RCO, Serial No DE72BF6015RT608-01-14

4 - 72" Sizers - RCO, Serial Numbers: AS7220-BF6013-01-14, AS7200-BF6013-02-14, AS7220-BF6013-03-14, AS7220-BF6013-04-14

1 - 6 row Windrower - Lockwood/Maine, Serial No. C03301

together with all present and after-acquired attachments, accessories and accessions thereto.

■ b) Specific equipment - kind description - non-serial numbered goods

All of your present and future	two new potato storage buildings (under construction) together with all contents thereof located on PID 10161412 including but not limited to: ventilation systems, equipment, tools, etc.
All of your present and future	new Fabrication Shop (under construction) together with all contents thereof, situate on PID 10161412 including, without limiting the generality thereof, the following: 300 Ton Allsteel Press brake including laser safe components - Wila Crowning Die and CaG Plasma cutting system and including all tools and attachments, but not limited to the following, Hougen Model HMD904 Mag Drill w/chucks and case, Heckert Model BS 50 AI Geared Head Drill, Bridgeport Series II Mill 11" X 58" table, ACU Rite 2 Axis DRO, Quill Power Feed, Coolant, 40 taper, H Frame Hydraulic Press, approx, 150 ton cap., 5' between uprights w/ 2 hydraulic power packs, 2 rams and safety cage, 2 ton cap, approx, 45' crain w 2 ton cap. KITO chainfall w/ pendant control, Caterpillar 8000 lb capacity forklift, model 780DSTR LP, 188" Lift height, 3 stage mast, 4' forks, solid tires s/n 5KB05337, yard press, Yellow A frame runway w/CM 3 ton cap. hoist, 5 sections of pallet racking w/ contents including approximately 20 pallets of assorted metal components, Roller machine, Triple Roller Machine, large GE fabricated steel structures, etc.

All types and kinds of personal property which are proceeds of the Collateral, including without limitation, goods, crops, chattel paper, securities, investment property, documents of title, instruments, money and intangibles (including accounts).

Farm Credit Canada Canada

Security Agreement

Customer number: 100008003

To: **Farm Credit Canada ("FCC", "us", "we" or "our")**

Provided by:

Borrower(s):

Guarantor(s):

HSF FOODS LTD.

("you", "your")

1. What this Security Agreement does, and what property is secured

In consideration of FCC lending money to you, you are signing and delivering this Security Agreement to give FCC a security interest in the property described in Schedule "A" attached to this Security Agreement (this property is called the "Collateral"). Our security interest in the Collateral secures the repayment of all money you owe to us at any time and the performance of your obligations under this Security Agreement and any present or future Credit Agreement or other agreement you have with us (each a "Credit Facility"). You confirm that value has been given and acknowledge that our security interest shall attach to the Collateral as soon as you have rights in such Collateral.

2. What debts are covered by this Security Agreement

This Security Agreement secures the full amount that we lend to you, plus interest on your loans and all of the costs, charges and expenses you have agreed to pay under any Credit Facility. If the amount you owe us is reduced and then later increases, this Security Agreement still applies to the total amount that you owe us at any time.

3. Ownership and use of the Collateral

By signing this Security Agreement you are assuring us that you are the owner of the Collateral and that no one else holds any mortgages or rights to any of that Collateral. If you acquire any future property that is covered by this Security Agreement, you must make sure that you obtain "good title" and that no one else has any rights in the property unless we have consented to it. Under this Security Agreement, you are not allowed to sell, lease, or transfer ownership or possession of any of the Collateral except in the ordinary course of your business. For example, you may sell inventory such as the goods you produce in your business. With our written permission, you may also sell equipment that has been replaced by new equipment or that is not needed for your business. Also, you will keep the Collateral at your place of business, unless FCC agrees otherwise. If the collateral includes quota, you agree to: (i) maintain all quota and license rights in good standing and to comply with all of requirements of the issuing Board or authority; and (ii) renew and maintain any assignment of quota given to FCC before any expiry of the same, whether pursuant to rules or regulations of the issuing Board or authority or otherwise.

4. Insurance

You must keep the Collateral insured against loss or damage by fire and other risks that are normally insured or as we may require. The Collateral must be insured to its full insurable value. We may require that you transfer the insurance policies to us or have us named as the loss payee. You must give us copies of the policies or proof of insurance if we ask. If you fail to maintain the insurance required by this clause, we can insure the Collateral for you and charge you for the cost, which would be added to the amount you owe us and covered by this Security Agreement. You must let us know as soon as possible of any loss or damage to any part of the Collateral.

5. Your ongoing obligations

By signing this Security Agreement, you agree to the following things concerning your business.

(a) Carrying on business - You must carry on your business as a going concern in a proper, efficient and businesslike manner so as to protect and preserve the Collateral. We have the right at any time to inspect the Collateral to ensure that the Collateral exists and that you are maintaining the Collateral in good condition. You must observe and conform to all valid requirements of any governmental or municipal authority relative to the Collateral;

(b) Books and records - You must keep proper accounting books and records covering your business and affairs and concerning the Collateral. We are allowed to inspect these books and records and make copies of them, if we ask. You agree to provide us with information with respect to the Collateral if we request;

(c) Taxes - You must pay all taxes, license fees, assessments or other charges applicable to your business on their due dates; and

(d) Environmental Permits - You must maintain all environmental permits, consents, clearance, etc. that are needed to lawfully carry on your business. By signing this Security Agreement you are confirming that you are presently respecting all environmental laws, regulations, rules and guidelines that apply to your business. You must stay in compliance at all times.

6. Out-of-pocket costs and expenses, lawsuits and claims

You are responsible for all out-of-pocket costs that we incur under this Security Agreement. Examples include but are not limited to:

(a) legal fees to prepare, register or enforce this Security Agreement;

(b) costs paid to register our security interest in the Collateral or prepare a priority agreement or similar agreement; and

(c) costs we incur to preserve, insure or seize the Collateral.

You must reimburse us for our out-of-pocket costs on demand. If you fail to pay, we are entitled to add these costs to your loan and to charge interest on these costs at the rate of 18% per year.

Repayment of our out-of-pocket expenses is secured by the Collateral to the same extent as the loans we advance to you.

If anyone sues us as a result of the use of the Collateral or any damage it has caused, we can require that you pay our costs and any loss resulting from the lawsuit, even if we agree to pay an out-of-court settlement.

7. **Limitations on the use of money**

The proceeds of any loan secured by the Collateral must be used for the purpose stated in your credit application relating to such loan.

8. **Default**

You shall be in default under this Security Agreement if any of the following things happen:

(a) If you fail to pay any amount owed to us on its due date.

(b) If you fail to strictly comply with or perform any term or condition contained in this Security Agreement or any Credit Facility.

(c) If any written statement you have made to us in this Security Agreement or in any other document you have signed is untrue in any way that we consider important.

(d) If you cannot pay your debts when they become due (insolvency) or become bankrupt or apply for protection from your creditors under any insolvency laws, if you attempt to compromise or settle your debts with creditors, or if any bankruptcy or insolvency court proceedings are started against you or by you.

(e) If a receiver, trustee, custodian or other similar official is appointed for you or any of your property.

(f) If you sell, transfer or in any other way give up possession of all or any part of the Collateral in a manner not permitted under this Security Agreement; or if you move any Collateral out of the province in which you carry on business without our written permission.

(g) If you give a security interest or other interest, other than a purchase money security interest, in the Collateral to someone else without our written permission.

(h) If your business is incorporated, it is also a default if there is a change in who owns the shares of the corporation, unless we give written permission. If your business is run by a partnership, it is a default if any partner quits or resigns, any new partner is added or the partnership is ended without our written permission.

(i) If someone else seizes or takes control of any Collateral, or threatens to do so.

(j) If you stop carrying on your business in the normal course, or threaten to do so, or sell all or substantially all of your assets.

(k) If we believe in good faith that you are not able to pay your loans owed to us or that you won't be able to perform any of your other obligations under this Security Agreement or a Credit Facility, or that the Collateral is or is about to be placed in jeopardy.

9. **Our rights if you default**

If you default we can take any one or more of the following steps and/or do anything else permitted by law to recover the amounts you owe us.

(a) Serious consequences on default – We can demand that you repay the balance of all your loans on the date specified in the notice demanding payment, including interest and other amounts added to it under the Security Agreement or the applicable credit facilities. We may also notify credit bureaus of your default. If you default, you shall be responsible for the payment of our costs incurred to collect your loans and/or repossess and sell the Collateral, plus court costs and legal fees. If you default under this Security Agreement or the credit facilities, we may consider you to be in default under any other security agreement or Credit Facility you have signed with us. You may face other serious consequences.

(b) Seizing Collateral – To the extent permitted by applicable law, we can take possession of all or any part of the Collateral either ourselves or through a receiver. We can demand that you deliver the Collateral to a place designated by us so that we may take possession. We shall be entitled to receive any rents and profits from the Collateral, to carry on your business, and sell, lease or otherwise dispose of the Collateral on terms and conditions that we consider suitable. For this purpose we are allowed to enter your place of business or any other place where the Collateral is located.

(c) Selling Collateral – We may sell the Collateral or dispose of it in any commercially reasonable way.

(d) Collecting receivables – We may collect or sell any debts owed to you by others ("receivables") on terms and conditions that we see fit. In doing this, we may agree to accept less than the amount that is owed to you in full settlement of any receivables. Even if you are not in default, you agree we can advise anyone who owes you money about this Security Agreement and require that they confirm the amount they owe you. You shall provide us with a list of all of your receivables, if we ask.

(e) Putting you into receivership – We can appoint a receiver or manager (the "receiver") to manage the Collateral or to operate your business. If we appoint a receiver, the following provisions shall apply:

(i) the receiver shall be considered to be your agent for all purposes,
(ii) you shall be required to pay the receiver's remuneration, as fixed by us,
(iii) we shall have no liability to you or anyone else concerning the appointment of a receiver or for anything the receiver does or does not do, and
(iv) you shall no longer have any right to use the Collateral or operate your business without our written permission.

(f) Powers of a receiver – If we appoint a receiver:

(i) the receiver shall have the same rights and remedies that we have under this Security Agreement and any applicable Credit Facility,
(ii) the receiver can operate your business in any way it sees fit, and
(iii) the receiver can manage and make all decisions about your business, including without limitation entering into agreements, hiring employees and purchasing equipment and inventory. .

We can also ask the court to appoint a receiver and, if the court does so, the receiver shall have the powers listed in the court order. If you default we can take the following steps, plus we can do anything else permitted by law to recover the amount you owe us.

10. Deficiency

Where permitted by applicable laws, you shall remain liable to us for payment, and agree to pay us, of any amounts that are still owing to us following the sale or other disposal of all or any part of the Collateral.

11. Use of proceeds from Collateral

All proceeds we receive from the Collateral shall be applied in the following order:

(a) first, to pay the receiver's remuneration if one has been appointed;

(b) second, to pay any other expenses we incur to enforce our rights under this Security Agreement;

(c) third, to pay rents, taxes, insurance premiums and other expenses affecting the Collateral. These expenses might be incurred to preserve, repair, process or maintain the Collateral, or make it better or prepare it for sale. This clause also applies to payments we make to other creditors who have claims on the Collateral that rank ahead of ours; and

(d) lastly, to pay the amounts you owe us.

12. Extensions and modifications

(a) If we consider it appropriate, we may grant extensions of time or other indulgences to you that depart from the strict terms of this Security Agreement. We may also obtain additional security or release security we hold. We may also settle or release your obligations or otherwise deal with you or any other security or credit facilities we hold. None of these things affect your liability to us, or our right to hold the Collateral or enforce our rights against it, until we have been paid in full.

(b) No change of any provision of this Security Agreement may be made except by a written agreement signed by us and by you. No waiver of any provision of this Security Agreement shall be effective unless it is in writing.

13. We have no obligation to advance funds

Even after this Security Agreement has been signed and registered, we still do not have to advance funds to you if we decide, in our sole discretion, that it is not in our best interests to do so.

14. Other clauses that apply to this security agreement

(a) This Security Agreement is in addition to any other guarantee, security agreement or Credit Facility we now have with you or that is signed at a later date. These other agreements do not affect our rights or your obligations under this Security Agreement and this Security Agreement does not replace or terminate any of those other agreements.

(b) If any part of this Security Agreement turns out to be invalid for any reason, the rest of the Security Agreement shall still remain in full force and effect. In this case, this Security Agreement shall be read as if the invalid part was not included in it.

(c) The Collateral does not include the last day of the term of any lease held by you, but if you sell your interest under any such lease, you shall hold such last day in trust for us and assign it as we request.

(d) The Collateral does not include any of your rights under contracts that state that such rights cannot be subject to our security interest, but you shall hold your interest in such rights in trust for us and shall assign such rights to us if you obtain permission to do so. If we ask you to do so, you shall do your best to obtain such permission.

(e) We are not liable to you, or any other person, for any failure or delay in exercising any of our rights under this Security Agreement. The same applies to any failure on our part to take any steps to preserve rights against you or other persons, or any delay in doing so.

(f) If more than one person has signed this Security Agreement with us, everyone who has signed is responsible to us for all the obligations specified in this Security Agreement on a joint and several basis.

(g) This Security Agreement shall remain in full force and effect and we shall not discharge the security interest until all present and future debt or other obligations owing to us by you are paid or performed in full.

(h) You agree to sign all other documents that we consider necessary to carry out the intent of this Security Agreement or to exercise our rights over the Collateral. Nevertheless, you agree that we (or any receiver we may appoint or that a court may appoint) may sign any document or do anything else on your behalf as your attorney whenever necessary or expedient.

(i) A reference to this Security Agreement includes any schedules attached to it.

(j) You acknowledge that you have received a copy of this Security Agreement.

(k) To the extent permitted by law, you acknowledge that you are giving up your right to receive a copy of any financing statement, financing change statement or verification statement that we obtain when we register our security interest in the Collateral.

(l) This Security Agreement benefits our successors and binds you and your heirs, legal representatives, successors and permitted assigns. You may not transfer your obligations under this Security Agreement to anyone else without our written permission. We may transfer our rights under this Security Agreement without your permission.

(m) This Security Agreement is governed by the laws of the Province of New Brunswick and the laws of Canada applicable therein. We may commence an action or other court proceeding on this Security Agreement in the courts of this province and you agree to submit to the jurisdiction of such courts and be bound by any judgment that any such court may make. We also reserve the right to start an action or other court proceeding against you anywhere outside this province.

(n) If Saskatchewan law governs this Security Agreement, you agree that *The Limitation of Civil Rights Act* (Saskatchewan) does not apply to this Agreement or any other agreement you have with us.

☐ Form G - Waiver ☐ Form H - Certificate ☐ Corporate waiver

☐ Negotiable securities

I have read this Security Agreement and agree to its terms.

Dated this 1st day of May, 2015, at Woodstock
In the Province of New Brunswick.

Borrower(s)

Guarantor(s)

Corporation/company

HSF FOODS LTD. (Print corporate/company name),

by Benjamin A. Brake (Print name of person signing on behalf of the corporation/company)

President (Print title of person signing on behalf of the corporation/company)

(Signature of person signing on behalf of the corporation/company)
I have authority to bind the corporation/company.

(Corporate seal if available)

Schedule "A"

You grant FCC a security interest in the following:

☒ 1. **General security agreement**

All of your present and after-acquired personal property.

☐ **Specific personal property**

☐ Specific equipment - serial numbered goods:

Equipment type:

Make or name of manufacturer:

Model:

Year:

Serial number:

Note: "Serial numbered goods" are defined by legislation to include motor vehicles, trailers, mobile homes and aircraft. Motor vehicles include vehicles such as cars, trucks and buses. In Alberta, British Columbia, Manitoba, Saskatchewan, the Northwest Territories, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador, motor vehicles also include tractors and combines, but not any other machinery designed for use in farming.

☐ Specific equipment - item description - non-serial numbered goods

< ie. One 2004 Degelman Rock Picker, model #9350 >

together with all present and after-acquired attachments, accessories and accessions thereto.

☐ Specific equipment - kind description - non-serial numbered goods

All of your present and future

< ie. grain bins >

☐ Livestock

All livestock, including but not limited to

< ie. dairy cattle >

now or hereinafter acquired, all natural increases, all proceeds, all substitutions and replacements.

☐ **Quota and Licences**

FCC must have a specific security interest in "all

< ie. dairy >

quota, now or hereinafter acquired, and all proceeds."

☐ **Other**

< Note: If the Collateral does not fit within one of the six categories, please contact FCC legal counsel for assistance in describing the Collateral. >

All types and kinds of personal property which are proceeds of the Collateral, including without limitation, goods, crops, chattel paper, securities, investment property, documents of title, instruments, money and intangibles (including accounts).

PROVINCE OF NEW BRUNSWICK

COUNTY OF CARLETON

I, BENJAMIN A. BRAKE, of Woodstock in the County of Carleton and Province of New Brunswick, MAKE OATH AND SAY:

1. I am the President of HSF FOODS LTD. an incorporated company, and as such have personal knowledge of all matters sworn to herein.

2. The seal affixed to the foregoing instrument is the seal of HSF FOODS LTD. and was affixed thereto by order of the Board of Directors.

3. The signature "BENJAMIN A. BRAKE" subscribed to the foregoing instrument is my signature.

4. The President is the signing officer of the company duly authorized to execute the foregoing instrument.

SWORN TO at the Town of Woodstock in the County of Carleton and Province of New Brunswick, this 1st day of May, A.D. 2015; BEFORE ME:

A Commissioner of Oaths
Being a Solicitor

PROTECTED

Security Agreement

Customer number: 100008003

To: Farm Credit Canada ("FCC", "us", "we" or "our")

Provided by:

Guarantor:

HSF FOODS LTD.

("you", "your")

1. What this Security Agreement does, and what property is secured

In consideration of FCC lending money to you, you are signing and delivering this Security Agreement to give FCC a security interest in the property described in Schedule "A" attached to this Security Agreement (this property is called the "Collateral"). Our security interest in the Collateral secures the repayment of all money you owe to us at any time and the performance of your obligations under this Security Agreement, the credit agreement dated as of April 1, 2015 between FCC and you (the "Credit Agreement") and any other Security Document (as that term is defined in the Credit Agreement) referred to in the Credit Agreement (each a "Credit Facility"). You confirm that value has been given and acknowledge that our security interest shall attach to the Collateral as soon as you have rights in such Collateral.

2. What debts are covered by this Security Agreement

This Security Agreement secures the full amount that we lend to you, plus interest on your loans and all of the costs, charges and expenses you have agreed to pay under any Credit Facility. If the amount you owe us is reduced and then later increases, this Security Agreement still applies to the total amount that you owe us at any time.

3. Ownership and use of the Collateral

By signing this Security Agreement you are assuring us that you are the owner of the Collateral. If you acquire any future property that is covered by this Security Agreement, you must make sure that you obtain "good title" and that no one else has any rights in the property unless we have consented to it. Under this Security Agreement, you are not allowed to sell, lease, or transfer ownership or possession of any of the Collateral except in the ordinary course of your business or as otherwise provided in any Credit Facility. Also, you will keep the Collateral at your place of business, unless FCC agrees otherwise. If the Collateral includes quota, you agree to: (i) maintain all quota and license rights in good standing and to comply with all of requirements of the issuing Board or authority; and (ii) renew and maintain any assignment of quota given to FCC before any expiry of the same, whether pursuant to rules or regulations of the issuing Board or authority or otherwise.

4. Insurance

You must keep the Collateral insured against loss or damage by fire and other risks that are normally insured or as we may require. The Collateral must be insured to its full insurable value. We may require that you transfer the insurance policies to us or have us named as the loss payee.

You must give us copies of the policies or proof of insurance if we ask. If you fail to maintain the insurance required by this clause, we can insure the Collateral for you and charge you for the cost, which would be added to the amount you owe us and covered by this Security Agreement. You must let us know as soon as possible of any loss or damage to any part of the Collateral.

5. Your ongoing obligations

By signing this Security Agreement, you agree to the following things concerning your business.

(a) Carrying on business - You must carry on your business as a going concern in a proper, efficient and businesslike manner so as to protect and preserve the Collateral. We have the right at any time to inspect the Collateral to ensure that the Collateral exists and that you are maintaining the Collateral in good condition. You must observe and conform to all valid requirements of any governmental or municipal authority relative to the Collateral;

(b) Books and records - You must keep proper accounting books and records covering your business and affairs and concerning the Collateral. We are allowed to inspect these books and records and make copies of them, if we ask. You agree to provide us with information with respect to the Collateral if we request;

(c) Taxes - You must pay all taxes, license fees, assessments or other charges applicable to your business on their due dates; and

(d) Environmental Permits - You must maintain all environmental permits, consents, clearance, etc. that are needed to lawfully carry on your business. By signing this Security Agreement you are confirming that you are presently in compliance in all material respects with all environmental laws, regulations, rules and guidelines that apply to your business. You must stay in such compliance at all times.

6. Out-of-pocket costs and expenses, lawsuits and claims

You are responsible for all out-of-pocket costs that we incur under this Security Agreement. Examples include but are not limited to:

(a) legal fees to prepare, register or enforce this Security Agreement;

(b) costs paid to register our security interest in the Collateral or prepare a priority agreement or similar agreement; and

(c) costs we incur to preserve, insure or seize the Collateral.

You must reimburse us for our out-of-pocket costs on demand. If you fail to pay, we are entitled to add these costs to your loan and to charge interest on these costs at the rate of 18% per year.

Repayment of our out-of-pocket expenses is secured by the Collateral to the same extent as the loans we advance to you.

If anyone sues us as a result of the use of the Collateral or any damage it has caused, we can require that you pay our costs and any loss resulting from the lawsuit, even if we agree to pay an out-of-court settlement.

7. Limitations on the use of money

The proceeds of any loan secured by the Collateral must be used for the purpose stated in your credit application relating to such loan.

8. **Default**

You shall be in default under this Security Agreement if any of the following things happen:

(a) If you fail to pay any amount owed to us on its due date.

(b) If you fail to strictly comply with or perform any term or condition contained in this Security Agreement or any Credit Facility.

(c) If any written statement you have made to us in this Security Agreement or in any other document you have signed is untrue in any material respect.

(d) If you cannot pay your debts when they become due (insolvency) or become bankrupt or apply for protection from your creditors under any insolvency laws, if you attempt to compromise or settle your debts with creditors, or if any bankruptcy or insolvency court proceedings are started against you or by you.

(e) If a receiver, trustee, custodian or other similar official is appointed for you or any of your property.

(f) If you sell, transfer or in any other way give up possession of all or any part of the Collateral in a manner not permitted under this Security Agreement or any Credit Facility; or if you move any Collateral out of the province in which you carry on business without our written permission.

(g) If you give a security interest or other interest, other than a purchase money security interest or any other security interest or other interest permitted in any Credit Facility, in the Collateral to someone else without our written permission.

(h) If your business is incorporated, it is also a default if there is a change in who owns the shares representing more than 50% of the voting control of the corporation, unless we give written permission. If your business is run by a partnership, it is a default if any partner quits or resigns, any new partner is added or the partnership is ended without our written permission.

(i) If someone else seizes or takes control of any Collateral, or threatens to do so.

(j) If you stop carrying on your business in the normal course, or threaten to do so, or sell all or substantially all of your assets.

(k) If we believe in good faith that you are not able to pay your loans owed to us or that you won't be able to perform any of your other obligations under this Security Agreement or a Credit Facility, or that the Collateral is or is about to be placed in jeopardy.

9. **Our rights if you default**

If you default we can take any one or more of the following steps and/or do anything else permitted by law to recover the amounts you owe us.

(a) Serious consequences on default – We can demand that you repay the balance of all your loans on the date specified in the notice demanding payment, including interest and other amounts added to it under the Security Agreement or the applicable Credit Facilities. We may also notify credit bureaus of your default. If you default, you shall be responsible for the payment of our costs incurred to collect your loans and/or repossess and sell the Collateral, plus court costs and legal fees. If you default under this Security

Agreement or the Credit Facilities, we may consider you to be in default under any other security agreement or Credit Facility you have signed with us.

(b) Seizing Collateral – To the extent permitted by applicable law, we can take possession of all or any part of the Collateral either ourselves or through a receiver. We can demand that you deliver the Collateral to a place designated by us so that we may take possession. We shall be entitled to receive any rents and profits from the Collateral, to carry on your business, and sell, lease or otherwise dispose of the Collateral on terms and conditions that we consider suitable. For this purpose we are allowed to enter your place of business or any other place where the Collateral is located.

(c) Selling Collateral – We may sell the Collateral or dispose of it in any commercially reasonable way.

(d) Collecting receivables – We may collect or sell any debts owed to you by others ("receivables") on terms and conditions that we see fit. In doing this, we may agree to accept less than the amount that is owed to you in full settlement of any receivables. Even if you are not in default, you agree we can advise anyone who owes you money about this Security Agreement and require that they confirm the amount they owe you. You shall provide us with a list of all of your receivables, upon reasonable request.

(e) Putting you into receivership – We can appoint a receiver or manager (the "receiver") to manage the Collateral or to operate your business. If we appoint a receiver, the following provisions shall apply:

   (i) the receiver shall be considered to be your agent for all purposes,
   (ii) you shall be required to pay the receiver's remuneration, as fixed by us,
   (iii) we shall have no liability to you or anyone else concerning the appointment of a receiver or for anything the receiver does or does not do, and
   (iv) you shall no longer have any right to use the Collateral or operate your business without our written permission.

(f) Powers of a receiver – If we appoint a receiver:

   (i) the receiver shall have the same rights and remedies that we have under this Security Agreement and any applicable Credit Facility,
   (ii) the receiver can operate your business in any way it sees fit, and
   (iii) the receiver can manage and make all decisions about your business, including without limitation entering into agreements, hiring employees and purchasing equipment and inventory.

We can also ask the court to appoint a receiver and, if the court does so, the receiver shall have the powers listed in the court order. If you default we can take the following steps, plus we can do anything else permitted by law to recover the amount you owe us.

10. **Deficiency**

Where permitted by applicable laws, you shall remain liable to us for payment, and agree to pay us, of any amounts that are still owing to us following the sale or other disposal of all or any part of the Collateral.

11. **Use of proceeds from Collateral**

All proceeds we receive from the Collateral shall be applied in the following order:

(a) first, to pay the receiver's remuneration if one has been appointed;

(b) second, to pay any other expenses we incur to enforce our rights under this Security Agreement;

(c) third, to pay rents, taxes, insurance premiums and other expenses affecting the Collateral. These expenses might be incurred to preserve, repair, process or maintain the Collateral, or make it better or prepare it for sale. This clause also applies to payments we make to other creditors who have claims on the Collateral that rank ahead of ours; and

(d) lastly, to pay the amounts you owe us.

12. Extensions and modifications

(a) If we consider it appropriate, we may grant extensions of time or other indulgences to you that depart from the strict terms of this Security Agreement. We may also obtain additional security or release security we hold. We may also settle or release your obligations or otherwise deal with you or any other security or credit facilities we hold. None of these things affect your liability to us, or our right to hold the Collateral or enforce our rights against it, until we have been paid in full.

(b) No change of any provision of this Security Agreement may be made except by a written agreement signed by us and by you. No waiver of any provision of this Security Agreement shall be effective unless it is in writing.

13. We have no obligation to advance funds

Even after this Security Agreement has been signed and registered, we still do not have to advance funds to you if we decide, in our sole discretion, that it is not in our best interests to do so.

14. Other clauses that apply to this security agreement

(a) This Security Agreement is in addition to any other guarantee, security agreement or Credit Facility we now have with you or that is signed at a later date. These other agreements do not affect our rights or your obligations under this Security Agreement and this Security Agreement does not replace or terminate any of those other agreements.

(b) If any part of this Security Agreement turns out to be invalid for any reason, the rest of the Security Agreement shall still remain in full force and effect. In this case, this Security Agreement shall be read as if the invalid part was not included in it.

(c) The Collateral does not include the last day of the term of any lease held by you, but if you sell your interest under any such lease, you shall hold such last day in trust for us and assign it as we request.

(d) The Collateral does not include any of your rights under contracts that state that such rights cannot be subject to our security interest, but you shall hold your interest in such rights in trust for us and shall assign such rights to us if you obtain permission to do so. If we ask you to do so, you shall do your best to obtain such permission.

(e) We are not liable to you, or any other person, for any failure or delay in exercising any of our rights under this Security Agreement. The same applies to any failure on our part to take any steps to preserve rights against you or other persons, or any delay in doing so.

(f) If more than one person has signed this Security Agreement with us, everyone who has signed is responsible to us for all the obligations specified in this Security Agreement on a joint and several basis.

(g) This Security Agreement shall remain in full force and effect and we shall not discharge the security interest until all present and future debt or other obligations owing to us by you are paid or performed in full.

(h) You agree to sign all other documents that we consider necessary to carry out the intent of this Security Agreement or to exercise our rights over the Collateral. Nevertheless, you agree that we (or any receiver we may appoint or that a court may appoint) may sign any document or do anything else on your behalf as your attorney whenever necessary or expedient.

(i) A reference to this Security Agreement includes any schedules attached to it.

(j) You acknowledge that you have received a copy of this Security Agreement.

(k) To the extent permitted by law, you acknowledge that you are giving up your right to receive a copy of any financing statement, financing change statement or verification statement that we obtain when we register our security interest in the Collateral.

(l) This Security Agreement benefits our successors and binds you and your heirs, legal representatives, successors and permitted assigns. You may not transfer your obligations under this Security Agreement to anyone else without our written permission. We may transfer our rights under this Security Agreement without your permission.

(m) This Security Agreement is governed by the laws of the Province of New Brunswick and the laws of Canada applicable therein. We may commence an action or other court proceeding on this Security Agreement in the courts of this province and you agree to submit to the jurisdiction of such courts and be bound by any judgment that any such court may make. We also reserve the right to start an action or other court proceeding against you anywhere outside this province.

I have read this Security Agreement and agree to its terms.

Dated this 1st day of May, 2015, at Woodstock in the Province of New Brunswick.

Guarantor:

Corporation/company

HSF FOODS LTD.
_________________________ (Print corporate/company name).

by Benjamin A. Brake (Print name of person signing on behalf of the corporation/company)

by President _________________________ (Print title of person signing on behalf of the corporation/company)

Ben Brake
____
(Signature of person signing on behalf of the corporation/company)
I have authority to bind the corporation/company.

(Corporation seal if available)

Schedule "A"

You grant FCC a security interest in the following:

1. **Specific personal property**

a) Specific equipment – item description

Make / Model	Serial Number	Type
1 - 6 row Windrower - Lockwood/Maine, together with all present and after-acquired attachments, accessories and accessions thereto.	C03301	
10 Furrow Land Plow, Model 8205	41186	
15' Red Land Roller-2 Drum		
15' Steel Land Roller		
15' Steel land Roller -2 Drum		
16' S Tine Harrow		
1708 Steel		
1-72" Dirt Eliminator - RCO, together with all present and after-acquired attachments, accessories and accessions thereto.	DE72BF6015RT608-01-14	
1969 Separator, Wesffalia, SDA360L	1635211	
1977 Allis Chalmers Dozer, Model HD21	HD21P14750	Motor Vehicle
1981 Fiat Allis Dozer, Model HD21	22023	Motor Vehicle
1982 International 3288 6 Cylinder	252000ZU000579	Motor Vehicle
1982 JSW Excavator, Model BH80E	s40424	Motor Vehicle
1983 Dahlmon Potato Planter-6 Row Model PP650		
1984 Fruehauf 42'	2H8R04531ES02605	
1984 Trailmobile 45'Van - Plate No.THT 190		
1986 Freightliner Classic	2FV9YOY9XGV261702	Motor Vehicle
1986 Freightliner Classic	2FUPYDYB3GV283983	Motor Vehicle
1986 GMC Brigadere	1GDT8C4YOGV535894	Motor Vehicle
1986 Keeler/Dorr-Oliver Woodchip Boiler	17210	
1986 Separator Westfalia CA365-010	1687041	
1987 Freightliner	2FUPYDYB0HV285014	Motor Vehicle
1987 Freightliner	2FYPYXYB6HV299162	Motor Vehicle
1987 T-173 Thomas Skid Steer Loader		Motor Vehicle
1990 Bag Line Conveyor, Doboy	KGL 856748	
1990 Bagging Machine, Doboy	PT24SPE2.854982	
1990 Komatsu Excavator, Model PC 200LC	A70953	Motor Vehicle
1992 Freightliner FLD 120	2FUYDXYB6NA499400	Motor Vehicle
1992 Thomas Skid Steer Loader, Model 153S	LN001295	Motor Vehicle
1994 John Deere 4435 Hydro Combine	Z04435HO57885	Motor Vehicle
1995 Freightliner Classic 120	2FUPDXYB4SA736196	Motor Vehicle
1995 International	IHTSHAAT4SH645662	Motor Vehicle
1996 Freightliner FLD120	2FUYDDYB6TA761587	Motor Vehicle

1997 Bunker "C" Boiler Cleaver-Brooks	CB600-800 S-87629	
1997 Freightliner Classic 120	2FUPDXYB5VA714938	Motor Vehicle
1997 Standby Gen Set 350 KW/435 KVA, Onan	350.ODFN-9XF/2963AC G86013-30496	
1998 2 large Drums, Idaho Steel		
1998 3 small American Drum Company, Overton Machine Company 60SP		
1998 6038/6686 Transfer Augers Idaho Steel		
1998 80 HP Air Compressor, Curtis, R/S50T	6574	
1998 Air Dryer, Airtek, SC220	977592H	
1998 Bag Hoses, Idaho Steel		
1998 Blancher, Idaho Steel		
1998 Brusher Kiremco	97-1076-AA	
1998 Cooker with additives mixing drums Idaho Steel		
1998 Cooler, Idaho Steel		
1998 Large Evenflow, Idaho Steel		
1998 Polisher/Washer, Kiremco, 9590-97		
1998 Pump Tank, Cornell		
1998 Steam Peeler, Kiremco, 9555-97-2		
1999 Case 5500-Seed Drill	1303700390407	Trailer
1999 Case International MX120		
2 Row Roto Beater		
2 Sets "Smalley" build 4 Row Cultivators Front Side Mount		
2000 5,000 bbls Hopper Smalleys		
2000 Freightliner FLD 120	1FUPDXYBXYLF59353	Motor Vehicle
2001 Lockwood 4 Row potato Windrower, Model 4109	7900006-DW	Trailer
2001 Western Star 4964EX	2WKEDD3J61K970748	Motor Vehicle
2002 Lockwood 4 Row Potato Windrower, Model 4109	790011 DW	Trailer
2002 MX 170 Case 4 x 4 Tractor		
2002 Red Telescopic Bin Piler Gagnon Ornamental 24' Conveyor/3' x 8' Load Conveyor/16' x 30' Front		
2002/2003 Sewing Machine on stand, Newlong,	LR113608 NP-7ALR113608	
2003 Case International 18' Disc Harrow, Model 501	CCF0006160	Trailer
2003 Case International MX285	JAZ127464	Motor Vehicle
2004 Case International 32'Harrows, Model 4300		
2004 Hartland Machine Bin Piler Extendable Unit		
2004 MX255 Case International	TAZ126232	
2005 50# Bagging System Schlosser K0401002		
2005 50No. Bagging System, Schlosser	K0401002	
2005 Bag Sealer, Farbo Seigling Ltd.	M685770 011-C01080213	
2005 Crimper, Schlosser		
2005 Hammer Mill Pulva Size C Type FS		
2005 Hammer Mill, Pulva, Size C Type FS 121		
2005 Hopper Tanks, Idaho Steel		
2005 Lockwood 4 Row Potato Windrower, Model 5000	301878	Trailer
2005 Product Blower DMN PTD	80 50897	

2005 Snow Blower 9'	BO3108HDO43	Trailer
2005 Weigher/Bagger, Greif-Velox	830-SDD-4M- EM 10-040364-001	
2005 Wind Sifter, Idaho Steel		
2006 30RXL Morbark Chipvestor S/N 2039 Hours:7000 Engine S/N BDT04558 Caterpillar 3412, 860-HP Chipper 83"		
2006 Case International Mower, Model DX25E	HD6210055	Motor Vehicle
2006 Lockwood Potato Harvester - Air Vac	700379	Trailer
2006 Lockwood Potato Harvester - Air Vac	700391	Trailer
2006 Manual Pallet Stacker/Wrapper Highlight Synergy III	C390-010-0161	
2006 Manual Pallet Stacker/Wrapper, Highlight, Synergy III		
2006 Product Blower Delta		
2006 Rotating Sieve Niroba		
2007 2 X 2 Pressure Blowers NYB P0925120 1708 Steel		
2007 Case IH Patriot Sprayer, model SPX3320,	Y7T022012	Motor Vehicle
2007 Case International Potato Sprayer, Model SPX 3320	Y7T021729	Trailer
2007 Case International TM 10 FT, Model Tiger Mate 11	JFH0033946	Trailer
2007 Chiller Carrier	3400F2680	
2007 Dry Room Racking 5 lengths X 3 high		
2007 Electronic Scale on stand Champ Scale		
2007 Grinder, Idaho Steel		
2007 Hopper Happy Roller		
2007 John Deere Skid Steer, Model 332	T00332BI 30025	Motor Vehicle
2007 Milestone 5' Seed Cutter		
2007 Pressure Washer, Landu, VLP8-3000F 155525		
2007 Security System 4 cameras w/CD		
2007 Telescopic/Hydraulic Bin Piler, RcO		
2007/04 Dust Removal System UAS SFC24-3	60060914	
2008 3000R Utility Reefer Van	1UYVS35318M529502	Motor Vehicle
2008 Barrel Washer RcO		
2008 CASE 450	N7M463997	
2008 Case International 4 x 4 Hydro Mower, Model CC31 MWX		
2008 Chemical Pump Ecolab P2	801	
2008 Chemical Pump, Ecolab, P2		
2008 Decanter Kubco		
2008 Elevator Conveyor RcO		
2008 HORST 4000	86075	
2008 HORST BO500	08LA08615	
2008 HORST BO500	08LA08523	
2008 Lockwood 4 Row Potato Windrower, Model 514	800139	Trailer
2008 Lockwood 4 Row Potato Windrower, Model 514W	800138	Trailer
2008 Pump to Cooler Cornell		
2008 Rocks/Destoner Idaho Steel		
2008 Slicer with Wash Tank Idaho Steel		
2008 SMYTH W 7FT	SH080724526	
2008 Transfer Auger Idaho Steel		
2008 Utility Reefer Van	1UYVS353X6V529501	Motor Vehicle
2008 Vertical Elevator Idaho Steel		

2008 Water Clarifier Mayo 860		
2008 Weigh System Prior to Silos Omnitech		
2009 3000R Utility Reefer Van	1UYVS35308M533301	Motor Vehicle
2010 Duske TPD-3500 Woodchip Dryer	SD75-22	
2011 International Truck 9900i SFA 6x4	3HSCHAPR6BN266737	Motor Vehicle
2012 Cardinal Chip stacking conveyor	1459-d	
2012 Cardinal hydraulic power Pac	1459-b	
2012 Cardinal screen base	1470-a	
2012 Cardinal trough belt conveyor	1459-c	
2012 Cardinal Wood Chip Feed Bin	1459-a	
2012 Lockwood 6 Row Windrower		
2012 Lockwood Planter x 2		
2012 Manac Chip Trailer		
2013 Doepker B-Bulk lead trailer	2DEGBSA34D1029569	Trailer
2014 FORD F150	1FTFW1ETXEFA63869	Motor Vehicle
21' Gas powered Red Conveyor		
22' x 8' Steel Flat Body		
2-2008 - Telescopic Conveyors RcO 28' X 24" & 60' X 36"		
3 BT 5300-6 Row Cultivator Rear Mount		
3 Hartland Machine Front Mount Cultivators		
30' Tandem Fifth Wheel Trailer		
30RXL 2006 Used Morbark Chiparvestor equipped with all standard equipment,Chipper 83"	2039	
340OF26809		
4 - 72" Sizers - RCO, together with all present and after-acquired attachments, accessories and accessions thereto.	AS7220-BF6013-01-14 AS7200-BF6013-02-14 AS7220-BF6013-03-14 AS7220-BF6013-04-14	
45" Fork Tine Bucket		
48' Reefer Van - Plate #TBF 452		
5' 6' Older Skid Steer Bucket with Teeth		
510 International-Seed Drill	0390144C011314	
5100 International-Seed Drill	0390210C017812	Trailer
5300 International Case-Seed Drill	822101	Trailer
60" Older Loader Bucket		
61" Fork Tine Bucket		
7' + 7' Flip Up Bush Hog, Model 3320-7	455-1	
7' Potato Bucket/Self Dumping		
70" Skid Steer Potato Bucket		
706 Farmall	33993	
72" Skid Steer Manure		
766 Farmall International Open Station Tractor	2490191U01776	
8' Power Angle Plow/Attachment for Skid Steer		
856 Farmall Diesel Tractor	14450SY	
9 Furrow Land Plow, Model 8205	51370	
Brillion 4 Row Roto Beater, Model FS-1445-1	157451	
C390-010-0161		
Case Loader, Model L300	1032015	
Caterpillar D6C Dozer	76A425	

Clark 5000 LBS Fork Life, Model C50OY45, 3 Section Mast	Y355-353-2823	Motor Vehicle
Daewoo - 4,000 LB Electric Fork Lift, Model BC20S-2	CJ-00166	
Dahlman 6 Row Potato Planter, Model PP650	P6032	
Dahlmon 2 Row Windrower, Model STW	75950	
Dorman Genset 6 cylinder Diesel		
Electric Fork Lift, Model M50D Cat	6GG513	
Extendable Potato Conveyor - 4 Wheel Undercarriage 24" Wide Table		
Extendable Potato Conveyor - 4 Wheel Undercarriage 24" Wide Table	700379	
Extendable Potato Conveyor - 4 Wheel Undercarriage 32" Wide Table		
Fabrication Shop (under construction) together with all contents thereof, situate on PID 10161412 including, without limiting the generality thereof, the following: 300 Ton Allsteel Press brake including laser safe components - Wila Crowning Die and CaG Plasma cutting system and including all tools and attachments, but not limited to the following, Hougen Model HMD904 Mag Drill w/chucks and case, Heckert Model BS 50 Al Geared Head Drill, Bridgeport Series II Mill 11" X 58" table, ACU Rite 2 Axis DRO, Quill Power Feed, Coolant, 40 taper, H Frame Hydraulic Press, approx, 150 ton cap., 5' between uprights w/ 2 hydraulic power packs, 2 rams and safety cage, 2 ton cap, approx, 45' Crain w 2 ton cap. KITO chainfall w/ pendant control, Caterpillar 8000 lb capacity forklift, model 780DSTR LP, 188" Lift height, 3 stage mast, 4' forks, solid tires s/n 5KB05337, yard press, Yellow A frame runway w/CM 3 ton cap. hoist, 5 sections of pallet racking w/ contents including approximately 20 pallets of assorted metal components, Roller machine, Triple Roller Machine, large GE fabricated steel structures, etc.		
Farmall H Tractor	372331	
Fox Brady 4 Row Roto Beater Model 1680		
Hesson 10' Chisel Plow Model 2310		
Highline Bale Pro 6600	9HC6155	Trailer
Jay Lor Cutter Mixer Unit, Model 2575	T-92053745-B	
John Deere 333DTT	1T0333DKJCD238560	Motor Vehicle
John Deere 40 Row Potato Planter		
Load Conveyor		
Loading Conveyor 28' long 24" wide		
Mayrath 8" PTO Grain Auger-48" Long on Wheels		
MX220 Case 4 x 4 Tractor	2204C4JJA0114501	
One (1) Used 2002 Liebherr A904 Hydraulic Rubber Tired Log Loader complete with all attachments and accesories	710-13531	
PESL-1000		
PID #10080562: Consists of the Bio-Mass Boiler Plant equipment, such as the walking-floor with double-auger feeding into the metering system, which then measures and feeds the bio-mass into the Bio-Mass Boiler's burning chamber.		
PID #10080562: Consists of the commercial truck weigh-scale. The scale carries Model #7461, year of manufacture is 2007.	1122245-16E	

PID #10080562: Consists of the full potato flakes processing line, from where the receiving line enters the processing line, all the way to, and including, the bagging line. Also included are the equipment necessary for the operation of the said processing line, including the boiler, compressors, pollution equipment inside the plant, etc.		
PID #10080562: Consists of the two (2) dry-products vertical hopper silos. They are units that were installed by Design Built Mechanical Inc., a division of Victor Bernard and Sons Ltd., of Dalhousie, NB.		
PID #10080562: Consists of the Wastewater Treatment Plant equipment, such as the Air-Pumps. They are Aerzen Delta Blower units.		
Potato Bulk Box 16' 50-60 Barrel		
Potato storage buildings together with all contents thereof located on PID 10161412 including but not limited to: ventilation systems, equipment, tools, etc.		
Power Angle Snow Plow, Model 10-35	23574	
PTO Driven Genset for Planter Mounting Model 1W Italy		
RCO Bin Piler Inside Use Adjustable Un-Loading Conveyor		
RCO Bin Piler Large Capacity Dual Un-Loading		
RCO Sorting Table		
Red Bin Piler Self Propelled 24" Beds Extendible		
Skid Steer Fork Bucket with Rotator		
Skid Steer Fork Bucket-Side Dump Cylinder Quick Attach		
Skid Steer Rock Picker Bucket		
Specific equipment required for the implementation of a waste reclaimer, drying and suspension burning system for the new biomass boiler, including but not limited to the following: Skid Mounted Steam Turbine Generator, Ser, 3526 Kva, 2821 Kw, 2300v Synchronous Marathon Magnapower Generator, Tuthill Energy/Murry Turbomachinery 400 Psig Inlet Single Stage Steam Turbine, 6200 Rpm, with Lufkin 3.465/1 Gear Reducer (1800 Rpm Output) with Lubrication Unit, Controls, Vibration Monitor and Service Connection Switchgear Control Cabinet and Miscellaneous Switchgear including: Fisher Control Steam Valve and ABB Pressure Transmitters Steam Driven Boiler Feed Pump, SISI MSMR pump with Coppus Turbine and Woodward TG13 governor. Pump is SIHIMSMR 06504 Four Stage with Coppus Model RLA23E 200,3500 Steam Turbine Steel building to house waste 63X155X40 Steel building to house boiler 40X70X42 Stainless Steel Contrifuge Package from Kubco, Decanter Services Inc. Drying potato pile from Clean Gas Systems, Inc. Hopper for Dryer Tutbine and Tutbine electrical parts Boiler purchased from Berg Realty US Mfg Serial #17389, built in 1990 Board #5605		

Thomas Rock Picker		
Thomas Rock Picker		
Thomas Rock Picker	RP000261	
Thomas Rock Picker	RP02540	
Tile Dispensing Unit	160001	
Transfer Augers, Idaho Steel		
WAD-1030		

This is Exhibit "E" to the Affidavit of Bailey Campbell SWORN TO at the City of Saint John, Province of New Brunswick, this 18 day of June 2020.

BEFORE ME:

____

Notary Public in and for the Province of New Brunswick

Caleb G. Hunter

100008003.
373588

INTER-CREDITOR PRIORITY AGREEMENT

THIS AGREEMENT dated for reference as of the 23 day of February, 2010.

BETWEEN:

FARM CREDIT CANADA, a corporation incorporated under the *Farm Credit Corporation Act* (Canada) ("FCC")

- and -

CANADIAN IMPERIAL BANK OF COMMERCE, a Canadian chartered bank having a branch office in the Town of Woodstock, in the Province of New Brunswick ("CIBC")

- and -

HILLSPRING FARMS LTD., a corporation incorporated under the laws of the Province of New Brunswick, ("Hillspring")

- and -

HSF FOODS LTD., a corporation incorporated under the laws of the Province of New Brunswick, ("HSF")

- and -

(Hillspring and HSF are hereinafter individually and collectively referred to as the "Borrowers")

WHEREAS the Borrowers are currently or will be indebted to FCC and CIBC pursuant to certain facilities made available to or which will be made available to the Borrower;

AND WHEREAS FCC has registered or may hereafter register security interests in certain personal property of the Borrowers, the security interests of FCC in the personal property of the Borrowers is collectively referred to as (the "FCC Security") pursuant to one or more security agreements or other agreements between the Borrowers and FCC ("the FCC Security Documents");

AND WHEREAS CIBC has registered or may hereafter register security interests in certain personal property of the Borrowers, the security interests of CIBC in the personal property of the Borrowers is collectively referred to as (the "CIBC Security") pursuant to one or more security agreements or other agreements between the Borrowers and CIBC ("the CIBC Security Documents");

AND WHEREAS the parties have agreed to enter into this Agreement in order to set out the respective priorities of the FCC Security and CIBC Security and to replace all previous agreements between FCC and CIBC with respect to the Borrowers if any;

NOW THEREFORE, for value received and in order to induce FCC and CIBC to advance credit, make loans or provide financial accommodations to the Borrowers, the parties hereto agree with each other as follows:

1. **Consents**

1.01 Each of the parties hereby consents to the creation and issuance by the Borrowers to FCC and CIBC of respectively, the FCC Security and the CIBC Security and to the incurring by the Borrowers of the indebtedness and obligations secured thereby.

1.02 Where there is any conflict regarding the priority of the FCC Security and the CIBC Security the provisions of this Agreement shall prevail.

2. **Priorities**

2.01 FCC and CIBC agree and recognise that the CIBC Security has priority and shall rank in preference to the FCC Security with respect to:

1) money in accounts of the Borrower other than money derived directly or indirectly from the sale, lease, or other disposition or financing of any real property or equipment other than inventory;
2) foreign exchange contracts to which either or both of the Borrowers are parties;
3) all accounts receivable of the Borrowers; and,
4) inventory of the Borrowers,

to a maximum limit of all amounts owing by and from the Borrowers to CIBC plus interest as set out in the CIBC Security together with all reasonable costs for enforcement of the CIBC Security.

2.02. FCC and CIBC agree and recognise that the FCC Security has priority and shall rank in preference to the CIBC Security with respect to all present and after acquired personal property wheresoever situate of the Borrowers, other than:

1) money in accounts of the Borrower other than money derived directly or indirectly from the sale, lease or other disposition or financing of any real property or equipment other than Inventory;
2) foreign exchange contracts to which either or both of the Borrowers are parties;
3) the accounts receivable of the Borrowers; and,
4) inventory of the Borrowers,

to a maximum limit of all amounts owing by and from the Borrowers to FCC plus interest as set out in the FCC Security together with all reasonable costs of enforcement of the FCC Security.

2.03 The priorities contained herein shall apply in all events and circumstances regardless of:

(a) the date of execution, attachment, registration, perfection or reperfection of the FCC Security or the CIBC Security;
(b) the date of any advance or advances made by FCC or CIBC to the Borrowers;
(c) the date of default by the Borrowers under the FCC Security or the CIBC Security or the dates or crystallization of any floating charges held by FCC or CIBC; or
(d) any priority granted by any principle of law or any statute, including without limitation, the *Personal Property Security Act* (New Brunswick).

2.04 Any proceeds from Insurance received by the Borrowers or by FCC or CIBC in respect of property and assets of the Borrowers charged by the FCC Security or the CIBC Security shall be dealt with according to the preceding provisions hereof as though such insurance proceeds were paid or payable as proceeds of realization of the collateral for which they compensate and all insurance proceeds received by the Borrowers shall be held in trust by it for the benefit of FCC and CIBC in accordance with the provisions hereof.

2.05 If all or any portion of the FCC Security or CIBC Security is claimed or found by a trustee in bankruptcy or a Court of competent jurisdiction to be unenforceable, invalid, unregistered or unperfected, then the foregoing provisions of the Article shall not apply to such security to the extent that such security is so found to be unenforceable, invalid, unregistered or unperfected as against a third party unless FCC or CIBC, as the case may be, shall be diligently contesting such a claim and has provided the other party with a satisfactory indemnity.

2.06 The Borrowers shall permit FCC and CIBC, their respective officers, employees, and agents, access at all reasonable times to the property and assets of the Borrowers.

3. Non-Disturbance

3.01 FCC and CIBC agree to not hinder the other in enforcing their Security and their rights and remedies with respect to the Security.

4. Information and Default

4.01 From time to time upon request therefore, FCC and CIBC may advise each other of the particulars of the indebtedness and liability of the Borrowers to each other and all security held by each therefore and the Borrowers hereby consents to the release of any such information.

5. Consent of the Borrower

5.01 The Borrowers hereby consent to the terms of this Agreement and confirm to and agree with FCC and CIBC that, so long as the Borrowers remain obligated or indebted to FCC or CIBC, it shall stand possessed of its property and assets so charged in favour of FCC and CIBC in accordance with their respective interests and priorities as set out in this Agreement.

6. General

6.01 Any notice required or permitted to be given pursuant to the Agreement shall be in writing and shall be addressed and delivered to the parties hereto as follows:

to FCC: FARM CREDIT CANADA
Suite 230
1133 St. George Blvd.
Moncton, New Brunswick
E1E 4E1

Attention:

to CIBC: CANADIAN IMPERIAL BANK OF COMMERCE
448 Queen Street
Fredericton, NB
E3B 1B6

Attention:

to the Borrower: HILLSPRING FARMS LTD.
55 McElroy Road, RR#3
Beechwood, New Brunswick
E7J 1Y8

Attention: Mr. Ben Brake

to the Borrower: HSF FOODS LTD.
55 McElroy Road, RR#3
Beechwood, New Brunswick
E7J 1Y8

Attention: Mr. Ben Brake

Notices may be sent by facsimile or served personally on any business day and in each case shall be deemed to be received on the business day so transmitted by facsimile or personally delivered.

6.02 Neither FCC nor CIBC shall transfer or assign the FCC Security or the CIBC Security, as the case may be, without obtaining from the transferee or assignee an agreement to be bound by the provisions of this Agreement, in a form satisfactory to the other of them. Neither FCC nor CIBC shall be liable for any inadvertent omission to obtain an agreement from the other party as required pursuant to this section.

6.03 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

6.04 The parties hereto agree to execute and provide such further and other documents and do such further and other acts as may be necessary to give effect to this Agreement.

6.05 This Agreement shall be governed and construed in accordance with the laws of the Province of New Brunswick.

6.06 Neither FCC nor CIBC shall take any action to defeat or challenge the priorities set forth in the Agreement.

6.07 This Agreement may be executed in counterpart.

IN WITNESS WHEREOF the parties hereto have executed this Agreement under the hands of their duly authorized officers.

FARM CREDIT CANADA

Per: ______________________

Witness

CANADIAN IMPERIAL BANK OF COMMERCE

Per: ______________________

HILLSPRING FARMS LTD.

Per: ______________________

HSF FOODS LTD.

Per: ______________________

This is Exhibit "F" to the Affidavit of Bailey Campbell SWORN TO at the City of Saint John, Province of New Brunswick, this 18 day of June 2020.

BEFORE ME:

Notary Public in and for the Province of New Brunswick

Caleb G. Hunter

ASSIGNMENT OF CONTRACT

THIS AGREEMENT is dated as of the 26 day of October, 2018 between HSF Foods Ltd., and Farm Credit Canada (**"FCC"**).

RECITALS

WHEREAS:

A. The HSF Foods Ltd., as borrower, and FCC, as lender, entered into an amended and restated credit agreement dated as of October 29, 2018 (the **"Credit Agreement"**) along with the Guarantors (as defined in the Credit Agreement); and

B. HSF Foods Ltd. (the **"Assignor"**) has agreed, in addition to any other security granted, to assign all of its right, title and interest in and to, or related to, the Assigned Property (as defined below) to FCC in order to secure the performance of its Obligations (as defined below), under the Credit Agreement;

NOW THEREFORE for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), each of the parties hereto agrees as follows:

1. **Definitions.** In this Agreement and any recital and/or schedule hereto, unless there is something in the subject matter or text inconsistent therewith or unless the context otherwise specifies or requires, capitalized terms shall have the meanings ascribed to such terms in the Credit Agreement and, in addition:

   "Agreement" means this Agreement, including the schedules, as the same may be amended, revised, supplemented, restated, renewed or replaced at any time and from time to time;

   "Business Day" means a day on which banks are open in Saint John, New Brunswick;

   "Default" means the occurrence of an Event of Default under and as defined in the Credit Agreement and a default of the terms of this Agreement;

   "Obligations" means all present and future indebtedness, liabilities and obligations of every kind, nature and description (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured) which the Credit Parties or the Assignor has from time to time incurred or may incur or be under to FCC, in connection with or pursuant to the Credit Agreement and the Security Documents;

   "Contract" shall mean that certain power purchase agreement, dated February 15, 2018, among the Assignor and New Brunswick Power Corporation;

2. **Assignment.** As general and continuing collateral and direct security for the due payment and performance of the Obligations, the Assignor hereby assigns, transfers and sets over absolutely to and in favour of FCC, the Contract (except the last day of the term of any leases for which the Assignor shall stand possessed of upon trust for FCC to assign and dispose of as FCC shall direct) and all of the Assignor's right, title, interest and benefit in, to and under the Contract and all rights, profit and proceeds arising out of or derived therefrom which now are or which may at any time hereafter be issued to, held by, registered in the name of, or owned by the Assignor or which may be due or owing to the Assignor in respect of the said Contract or any part thereof together with all records, books and papers recording, evidencing, or relating to the said Contract and, without limiting the foregoing, the benefits of all agreements, permissions, approvals, consents and licenses granted to the Assignor under the Contract, whether governmental or otherwise, and of all guarantees, covenants, terms, conditions, representations and warranties made or expressed therein or implied by law in relation thereto and all rights of the Assignor created under the Contract in respect of having the right to give consents or approvals, make selections, exercise options, participate in arbitration or other legal proceedings, give notices and declare defaults thereunder (all of the foregoing collectively, the "**Assigned Property**").

3. **Further Assurance.** If any of the Assigned Property is not assignable, whether by the terms thereof or otherwise, or in respect of which consents to the assignment cannot be or have not been obtained, the benefit of any such Assigned Property shall be held by the Assignor in trust for FCC for FCC's sole benefit. Any actions to be performed in relation to such Assigned Property after Default will be performed by FCC in the name of the Assignor. The Assignor and all persons rightfully claiming or to claim any estate, right, title or interest in, to and under the Assigned Property, and every part thereof, shall and will from time to time and at all times hereafter upon every reasonable request of FCC make, do and execute or cause or procure to be made, done and executed all such further acts, deeds and assurances for the more effectual assigning and assuring of the Assigned Property unto FCC in the manner aforesaid and according to the true intent and meaning of this Agreement, as and by FCC, its successors and assigns, or its counsel, shall be reasonably advised or required.

4. **Representations, Warranties, Covenants and Acknowledgments of the Assignor.**

The Assignor hereby represents and warrants to and covenants with FCC as follows:

(a) Neither this Agreement nor the assignment of the Contract to FCC:

(i) shall in any way lessen or relieve the Assignor from the obligation of the Assignor to observe, satisfy and perform each and every term, agreement, provision, condition, obligation and covenant set out in, or required to be observed by the Assignor in order to fulfill its obligations pursuant to the Contract;

(ii) shall cause FCC to become or be deemed to be liable for the obligations of the Assignor under the Contract; or

(iii) imposes any liability on FCC for any act or omission on its part in connection with this Agreement or the assignment of the Assigned Property including, without limitation, fulfillment or non-fulfillment by the FCC of the terms, agreements, provisions, conditions, obligations and covenants of the Assignor set out in the Contract.

(b) other than Permitted Liens, the Assignor has not assigned, transferred or set over, or granted any Lien on or in respect of, any Assigned Property or any of its rights thereunder to any person except to FCC and shall not so long as the Obligations are outstanding.

5. On and following (but not before) a Default that is continuing, FCC may collect, realize upon, sell, or otherwise deal with the Assigned Property or any part thereof in such manner, upon such terms and conditions, and at such time or times as may seem to it advisable and without notice to the Assignor, subject to the requirements of any applicable law, and may charge on its own behalf and pay to others reasonable sums for expenses incurred and for services rendered (expressly including legal fees and disbursements) in or in connection with collecting, realizing, selling or obtaining payment in respect of the Assigned Property and may add the amount of such sums to the indebtedness of the Assignor.

6. FCC shall not be liable or accountable for any failure to collect, realize upon, sell or obtain payment in respect of the Assigned Property or any part thereof and shall not be bound to institute proceedings for the purpose of collecting, realizing or obtaining payment of the same or for the purpose of preserving any rights of FCC, or any other person, firm or corporation in respect of the same.

7. FCC may grant extensions of time and other indulgences, take and give up securities, abstain from taking, perfecting or registering security, accept compositions, grant releases and discharges and otherwise deal with the Assignor, debtors (for greater certainty following a Default that is continuing) of the Assignor, sureties and others and with the Assigned Property and other securities as FCC may see fit without prejudice to the liability of the Assignor or FCC's right to hold and realize the security pursuant to this Assignment.

8. **Enurement.** This Agreement shall be binding upon and enure to the benefit of FCC, the Assignor and their respective successors and permitted assigns.

9. **Notices.** Any notice by a party hereto shall be properly given if made in the manner prescribed by the Credit Agreement.

10. **Waiver.** No consent or waiver, express or implied, by FCC to or of any breach or Default by the Assignor in the performance of its Obligations hereunder shall be deemed or construed to be a consent to or waiver of any other breach or Default in the performance by the Assignor of its Obligations hereunder. Failure on the part of FCC to complain of any act or failure to act of the Assignor or to declare the Assignor in Default, irrespective of how long such failure continues, shall not, by itself, constitute a waiver by FCC of its rights hereunder.

11. **Survival.** All covenants, undertakings, agreements, representations and warranties made by the Assignor in this Agreement shall survive the execution and delivery of this Agreement and shall continue in full force and effect until the Credit Agreement and all Security Documents delivered in connection therewith are terminated and released. All representations and warranties made by the Assignor hereunder shall be deemed to be material and to have been relied upon by FCC. All covenants, undertakings, agreements, representations and warranties made by the Assignor in this Agreement are in relation to the Contract and any amendments thereto.

12. **Severability.** If any term, agreement, provision, condition, obligation or covenant set out in this Agreement is determined to be invalid or unenforceable by a court of competent jurisdiction from which no further appeal lies or is taken, that term, agreement, provision, condition, obligation or covenant shall be deemed to be severed herefrom and the remaining terms, agreements, provisions, conditions, obligations and covenants of this Agreement shall not be affected thereby and shall remain valid and enforceable.

13. **Power of Attorney.** Upon the occurrence and during the continuance of any Default, the Assignor hereby irrevocably appoints FCC and any officer or agent of FCC, with full power of substitution, as the Assignor's true and lawful attorney-in-fact, to do on the Assignor's behalf anything which can lawfully be done by an attorney in connection with the assignment herein contained, including, without limitation, receiving and acknowledging receipt of proceeds of insurance, signing and filing proofs of claim or any other documentation relating to the initiation or evidencing of a claim under the Contract, negotiating in FCC's discretion amendments, riders and endorsements to the Contract and the execution and delivery of any and all documents, agreements and instruments in connection with any of the foregoing, all such documents, agreements and instruments to be in form and substance as FCC may approve, such approval to be conclusively evidenced by the execution thereof by FCC on behalf of the Assignor and the Assignor declares this to be a general power of attorney in the widest respect.

14. **Time of the Essence.** Time is of the essence of each provision of this Agreement.

15. **Costs.** The Assignor agrees to pay all legal and other costs of FCC in connection with realizing upon, enforcing and attempting to enforce the terms of this Agreement or the security granted hereby; all such costs when incurred shall be secured hereby.

16. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, but all of which when taken together constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Agreement by fax or by sending a scanned copy by electronic mail shall be as effective as delivery of a manually executed counterpart of this Agreement.

17. **Governing Law.** The validity, interpretation and performance of this Agreement shall be governed by the laws of the Province of New Brunswick and the federal laws of Canada applicable therein.

18. **Interpretation.** The insertion in this Agreement of headings is for the convenience of reference only and shall not affect the construction or interpretation of this Agreement. In this Agreement, words (including defined terms) in the singular include the plural and vice versa and words in one gender include all genders. The words "the Agreement", "hereby", "herein", "hereof", "hereto" and similar expressions used in any paragraph of this Agreement relate or refer to the whole of this Agreement and not to that paragraph only, unless otherwise expressly provided.

19. **Amendment.** No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by FCC and the Assignor. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver, will be limited to the specific breach waived.

20. **Termination.** This Agreement shall be terminated upon FCC confirming in writing satisfaction in full of all Obligations.

[The remainder of this page has been intentionally left blank. Signature page follows.]

[Signature page to Assignment of Contract executed by the undersigned.]

IN WITNESS WHEREOF the Assignor has executed this Agreement the day and year first above written.

HSF Foods Ltd.

By: ______________________
Name: Benjamin Brake
Title: President

By: ______________________
Name: Benjamin Brake
Title: President

This is Exhibit "G" to the Affidavit of Bailey Campbell SWORN TO at the City of Saint John, Province of New Brunswick, this 18th day of June 2020.

BEFORE ME:

____

Notary Public in and for the Province of New Brunswick

Caleb G. Hunter

NOTICE OF ASSIGNMENT OF CONTRACT

TO: New Brunswick Power Corporation
P.O. Box 2000
515 King Street
Fredericton, NB, E3B 4X1

TAKE NOTICE THAT HSF Foods Ltd. has assigned to Farm Credit Canada (1133 St. George Blvd., Suite 200, Moncton, NB, E1E 4E1, Attn: Michael Beaulne, Legal Counsel, email: michael.beaulne@fcc-fac.ca), a certain power purchase agreement between HSF Foods Ltd., as developer, and New Brunswick Power Corporation, dated as of February 15, 2018 (the "**Contract**").

THIS NOTICE OF ASSIGNMENT is being provided to you in accordance with section 14.2(b) of the Contract.

THIS NOTICE OF ASSIGNMENT shall be irrevocable, except by written notice, countersigned and agreed to by Farm Credit Canada.

Dated at Woodstock, New Brunswick this 26 day of October, 2018.

HSF Foods Ltd.

Per:

Per:

Per: Benjamin Brake
President

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