2025 01G _____

IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF the *Companies' Creditors Arrangement Act*, RSC 1985 c. C-36, as amended (the **CCAA**)

AND IN THE MATTER OF an application by Ocean View Farms Limited

AFFIDAVIT OF ALLISON HENNING

SUMMARY OF CURRENT DOCUMENT	
Court File No:	2025 01G _____
Date of Filing of Document:	9th September 2025
Name of Filing Party or Person:	The Bank of Nova Scotia
Application to which Document being filed relates:	Notice of Application dated 3 September 2025 made by Ocean View Farms Limited and Interlocutory Application dated 9th September 2025 made by The Bank of Nova Scotia
Statement of purpose in filing:	To resist relief sought in Notice of Application or seek alternative relief to that sought in Notice of Application and support relief sought in Interlocutory Application

I, **ALLISON HENNING**, of Edmonton, Alberta, **MAKE OATH** and say as follows:

Introduction

1. I am a Senior Manager in Special Accounts Management with The Bank of Nova Scotia (the **Bank**) with responsibility for the Bank's accounts with Ocean View Farms Limited (the **Company**).

2. The facts set out in this affidavit are within my direct knowledge arising from my position and role with the Bank. Where any matter set out in this affidavit is not within my direct knowledge, I set out the source of my knowledge and believe that the matter is true. Nothing in this affidavit constitutes a waiver of privilege. In particular, where I refer in this affidavit to communications with or advice from lawyers, or to any past or ongoing legal proceedings, I do not intend to waive any privilege and no privilege is waived.

3. Attached as **Exhibit A** is a paginated bundle of true copies of various documents to which I will refer in this affidavit. Except where otherwise stated, or the context requires, references in this affidavit to "pages" are to pages of Exhibit A marked in the red pagination.

4. I make this affidavit:

   4.1. in response to the Notice of Application dated 3 September 2025 made on behalf of the Company for various relief under the *Companies' Creditors Arrangement Act*, RSC 1985 c.C-36, as amended (the **CCAA**) and the Affidavit of Richard Walsh sworn 3 September 2025 filed in support of the Notice of Application (the **Walsh Affidavit**); and

   4.2. in support of the Interlocutory Application made on behalf of the Bank resisting the relief sought in the Notice of Application or alternatively seeking that any initial order granted or continued on the Notice of Application contain certain alternative relief to that sought by the Company.

5. The Bank's counsel received copies of the Company's Notice of Application and the Walsh Affidavit on 4 September 2025 at approximately 5:38pm Newfoundland time and the Bank has had limited time to respond in advance of the initial hearing. If the Court grants an initial stay under section 11.02(1) of the CCAA, the Bank reserves the right to file additional affidavit evidence in advance of the comeback hearing.

6. In summary, the Bank's position is:

6.1. The Notice of Application should be dismissed. A CCAA proceeding is not appropriate or necessary in the circumstances. The Bank will consent to a stay of proceedings under section 69(2)(b) of the *Bankruptcy and Insolvency Act*, RSC 1985 c.B-3, as amended (the **BIA**) to allow the Company to pursue creditor protection and a resolution using the notice of intention process under section 50.4 of the BIA, provided the Bank is satisfied with the Company's plans for such a proceeding.

6.2. If the Court disagrees with that position, and allows a CCAA process to move forward:

6.2.1. Janes & Noseworthy Limited (**JNL**) should be appointed as the monitor, without the need for a chief restructuring officer, rather than the dual appointments of S.R. Stack & Company (2023) Ltd as monitor with Resolve Advisory Services Ltd as chief restructuring officer.

6.2.2. The Company's interim financing should be provided by the Bank under the terms of the Interim Financing Term Sheet (the **Bank DIP Loan**) attached to the Interlocutory Application.

7. I have reviewed the Company's materials filed with its application, which make in various places certain allegations about the Bank and its approach to the Company and its loan facilities that the Bank does not accept. While I do not address specifically each of these allegations below, the Bank does not accept that it has acted unreasonably at any time in pursuing a resolution of the Company's financial difficulties. Rather, as explained below, the Bank has continuously sought a mutually-agreeable out of court solution and has never taken any steps to force a liquidation or closure of the Company's business.

The Company's loans with the Bank

8. The Company, and its predecessor general partnership that formerly operated its farm business, has borrowed from the Bank since 2018. The current loan arrangements are set out in a commitment letter dated 1 November 2023 (the **Credit Agreement**), a copy of which is at pages 1 to 17 of Exhibit A.

9. As of 8 September 2025, the Company's indebtedness to the Bank under the four loans under the Credit Agreement is $7,622,148.42, as follows:

   9.1. $611,014.62 under an overdraft facility, comprising $600,000.00 in principal and $11,014.62 in accrued and unpaid interest. Interest accrues at the Bank's prime rate from time to time plus 3.50% per annum;

   9.2. $346,027.70 under a non-revolving term loan, comprising $339,500.00 in principal and $6,527.70 in accrued and unpaid interest. Interest accrues at the Bank's prime rate from time to time plus 2.90% per annum;

   9.3. $4,116,551.43 under a non-revolving term loan, comprising $4,038,894.00 in principal and $77,657.43 in accrued and unpaid interest. Interest accrues at the Bank's prime rate from time to time plus 2.90% per annum; and

   9.4. $2,548,554.67 under a non-revolving term loan, comprising $2,500,477.00 in principal and $48,077.67 in accrued and unpaid interest. Interest accrues at the Bank's prime rate from time to time plus 2.90% per annum.

10. In addition, as of 8 September 2025, the Borrower is indebted to the Bank in the amount of $506.00 in respect of a Scotia Visa Business Credit Card facility, and $23,306.88 for incurred and unpaid professional fees. Professional fees continue to be incurred.

The Company's loan defaults

11. Since December 2022, the Company has been in breach of its debt service ratio covenants with the Bank under its loan agreements in effect from time to time. In October 2023, in response to its deteriorating financial position, the Company requested an interest-only accommodation from the Bank. The Bank agreed to that request, initially for a one-year period, which is reflected in the Credit Agreement of November 2023. In the event, the Company has made no principal repayments to the Bank since the Bank granted the original accommodation.

12. In response to various defaults (set out in more detail below), the Bank issued default letters to the Company in June 2024 and October 2024, copies of which are at pages 18 to 24 of Exhibit A:

    12.1. On 18 June 2024, the Bank issued a default letter because, among other things, the Company had not provided the Bank with its annual financial statements by its reporting deadline, certain interest payments had not been made on time, and the Company had not provided an appraisal of certain assets by its reporting deadline. The Bank agreed to continue extending credit notwithstanding these defaults subject to various conditions set out in the letter, to which the Company agreed.

    12.2. On 4 October 2024, the Bank issued a default letter because, among other things, the Company had not provided its annual financial statements and borrowing base calculation by its reporting deadline, the Company had not provided confirmation of a capital injection or alternative financing arrangement satisfactory to the Bank by the agreed deadline, and a certain interest payment had been made late after being denied due to insufficient funds. The Bank agreed to continue extending credit notwithstanding these defaults subject to various conditions set out in the letter, to which the Company agreed.

Bank's efforts to resolve Company's defaults

13. In July 2024, the Bank engaged MNP Ltd (**MNP**), a financial advisory firm, to advise the Bank and work with the Company in respect of the Bank indebtedness. In October 2024, after completing its review of farm operations and discussions with Company management, MNP presented the Company with draft financial projections and go-forward options, including operational change suggestions to improve liquidity. The Company did not engage substantively with MNP's operational suggestions, and in early November 2024 the Company advised MNP it had decided a liquidation and wind-down of the farm was the best option, and the Company had consulted with Grant Thornton on its restructuring options.

14. On 14 November 2024, the Bank learned, through a notice delivered by the Farm Debt Mediation Service, and through MNP, that the Company had made an application for a stay of proceedings under the *Farm Debt Mediation Act*, SC 1997, c.21, as amended (the **FDMA**).

15. Due to the confidentiality of the FDMA process, including section 24(1) of the FDMA, I am limited in what I can say in this affidavit about the FDMA process. However, the stay of proceedings under the FDMA expired on 14 March 2025, after several extensions, without any final mediated resolution between the Bank and the Company.

16. A week before the FDMA stay expired, on 7 March 2025, the Company's counsel wrote to the Bank advising that the Company was preparing to file for creditor protection under the CCAA and that they expected the application to be filed within 7 days. A copy of this letter is at page 25 of Exhibit A.

17. Prior to receiving that letter, I had arranged a telephone call with Richard Walsh for 10 March. When I sought confirmation from Mr Walsh on that day as to whether we were still meeting in light of Company counsel's letter, Mr Walsh responded that we were not. However, we did end up speaking that day, and I expressed to Mr Walsh the Bank's intent to work with the Company on a forbearance arrangement to allow the Company

time to pursue a going concern sale or a refinance, and that indicative forbearance terms would be provided.

18. The next day, 11 March 2025, Bank counsel provided Company counsel with indicative forbearance terms by email, and per the Company's request on our 10 March call, I scheduled a call for 14 March to discuss the indicative forbearance terms, which the Company did not attend and then did not respond to my requests by email and telephone to reschedule. On 18 March, Company counsel responded to Bank counsel by email stating that the proposed forbearance terms were not acceptable and that a decision on seeking creditor protection and running a process to sell the farm assets would be made "*in the next day or so*". That same day, I sent another email to the Company reiterating that the Bank would still like to discuss forbearance terms, but the Company did not respond to my email.

19. When no action was taken by the Company to seek creditor protection, I emailed the Company on 2 April 2025 seeking to schedule a telephone call to discuss updates on the Company's efforts to refinance or sell the farm, and the Bank's proposed forbearance. I offered to include legal counsel for both parties if the Company wished. The Company did not respond to this email.

20. A week later, on 9 April 2025, I telephoned Mr Walsh to ask about status as we had not received any update from the Company or its counsel since late March. Mr Walsh advised me that he would discuss with Company counsel and get back to me. The next day, we spoke again and Mr Walsh told me that he intended to move forward with a CCAA process. I reiterated that the Bank wanted to discuss forbearance arrangements to provide for a more cost-effective approach for all parties.

21. During May 2025, the Bank and its counsel attempted several times to arrange calls with the Company and its counsel to discuss status and a potential forbearance agreement. On 21 May 2025, a call was held with the Bank, its counsel, and Company counsel. At that meeting, the Company through its counsel agreed to provide the Bank with updates on its refinancing efforts and comments on the proposed forbearance

terms. The Bank followed up for these updates and comments by emails on 2, 9, and 12 June.

22. In early July 2025, Company counsel advised Bank counsel that the Company was making progress on a refinancing proposal with National Bank. Company counsel agreed to provide updates on those discussions. By late July, the Bank had not received any further update and I emailed Mr Walsh and Company counsel on 22 July seeking an update. Company counsel responded on 28 July, advising, among other things, that National Bank had declined to proceed with a refinancing.

23. On 31 July 2025, the Bank and its counsel had a Teams meeting with the Company and its counsel. At that meeting, the Bank again articulated its preference for a collaborative and cooperative approach, and the Company and its counsel agreed to provide the Bank with a 13-week cashflow projection and comments on the draft forbearance terms. The Company and its counsel did not provide these materials.

24. In early August 2025, the Company's operating account with the Bank became overdrawn. The Bank and its counsel attempted several times to arrange meetings with the Company and its counsel to discuss the urgent liquidity situation, including to understand the condition of the farm and the position on animal health and welfare. Company counsel resisted any meeting.

25. On 18 August 2025, Company counsel advised Bank counsel that the Company intended to file for relief under the CCAA the following week. In response to the Bank's requests, Company counsel also advised that they would provide the Bank with copies of the CCAA application materials in advance of filing, and that they would share the revised cashflow forecasts with the Bank when they were complete.

26. Notwithstanding those comments, the Bank only received the Company's CCAA application materials, including the cashflow projections and the Debtor-in-Possession Financing Term Sheet issued by Libra Finance Company Inc (the **Libra DIP Loan**), after

those materials had been filed with the Court as part of the general distribution to the service list.

27. Despite Bank counsel having advised Company counsel that the Bank was willing to provide interim financing subject to customary conditions such as review of cashflow projections and negotiation of satisfactory terms, the Company did not engage with the Bank on interim financing needs or provide the Bank with any indication of how much interim financing it was seeking.

Company's efforts to refinance the Bank loans

28. I am aware that the Company has sought refinancing from various lenders from time to time since at least April/May 2024, including Farm Credit Canada, Bank of Montreal, and National Bank. In addition, I have provided the Company and its counsel with lists of alternative lenders that are active in the agricultural industry in Canada.

29. My understanding, based on information provided to the Bank by the Company, is that the Company has not been able to secure any refinancing facilities because the lenders are not comfortable with the Company's risk profile.

Company's request for CCAA relief

30. The Bank is the Company's major creditor. In fact, based on the Company's total liabilities as set out in the Walsh Affidavit, the Bank represents over 95% of the Company's total indebtedness in value. Despite this position, the Bank has not sought and is not seeking to place the Company into receivership or compel a break-up liquidation of the farm. Rather, the Bank has continuously and repeatedly expressed its willingness to discuss forbearance terms to allow the Company to pursue a refinance or going concern sale, and refrained from taking any enforcement actions in the interim.

31. Despite those offers, the Company has not engaged or consulted with the Bank in any meaningful way on its proposed CCAA plan. Now, the Company has presented the Bank with a proposal to seek refinancing – even though the Company has been unable to do so during almost 18 months of effort – or sell the farm through a process projected to cost over $400,000.00 in the first 13 weeks alone. As discussed below, these costs are disproportionate to the size of this business and the process that needs to be undertaken in a situation where the Bank is willing to continue forbearing and there is no evidence that any other creditors are pursuing collection remedies.

32. The Bank does not agree that the Company's proposal to continue seeking refinancing and, failing that, pursue a sale, requires a CCAA process. If a formal procedure is required, the Bank would, subject to being satisfied with the Borrower's plans, consent to a stay of proceedings under the BIA to allow the Company to avail of the notice of intention procedure, which is generally a less-costly process than a CCAA proceeding.

33. However, if a CCAA process is undertaken, the Bank's position is that it can be done with less professional costs by appointing a more experienced monitor and dispensing with the appointment of a chief restructuring officer:

    33.1. The Bank has confirmed that Janes & Noseworthy Limited is prepared to act as monitor if the Company is granted an initial order. A copy of JNL's consent to act is at page 26 of Exhibit A. For the avoidance of doubt, JNL is also willing to act as a proposal trustee under a notice of intention procedure, and has provided a consent to act in that capacity, a copy of which is at page 27 of Exhibit A.

    33.2. I understand that JNL is a highly qualified firm and that the individual licensed insolvency trustees at the firm have been appointed by this Court in many large commercial insolvencies. JNL has advised the Bank that they have all the required experience and expertise within their firm to be able to carry out this mandate, without the need for a chief restructuring officer.

33.3. With respect to the Company's proposed monitor, the firm appears to employ a single licensed insolvency trustee and so the Bank has concerns with the capacity of the proposed monitor to deal with this matter. This concern appears to have driven the nomination of an additional professional firm as chief restructuring officer, to provide support for the monitor. The Bank is concerned that this dual appointment will inevitably lead to duplication of work, and I note that the Company's evidence does not explain how the proposed monitor and the proposed chief restructuring officer will work together to avoid any duplication or inefficiencies.

33.4. JNL has provided the Bank with estimated projections of their fees, and the fees of their proposed counsel, McInnes Cooper, for the first 13-week period of a CCAA proceeding, of $80,000.00 to $110,000.00 for JNL and $60,000.00 to $100,000.00 for McInnes Cooper. These figures are $50,000.00 to $120,000.00 less than proposed by the Company for its proposed monitor and counsel and its proposed chief restructuring officer.

34. Further, if a CCAA process is undertaken, the Bank's position is that it should be the interim lender:

34.1. The Bank is the natural source of interim financing as the existing senior secured creditor and the holder of more than 95% of the Company's indebtedness.

34.2. The Bank has prepared an Interim Financing Term Sheet (the **Bank DIP Loan**) which is attached to its Interlocutory Application. The terms of the Bank DIP Loan are substantially the same as those of the Libra DIP Loan, including the provision of up to $150,000.00 in financing for the initial stay period, and up to $500,000.00 in financing overall.

34.3. In addition, the Bank DIP Loan contemplates interest at a fixed 10% rate, which is currently lower than the variable rate proposed in the Libra DIP Loan (currently 11.50%, being the Bank of Canada Interest Rate of 2.75% plus 8.75%). The commitment fee under the Bank DIP Loan is the same as the Libra DIP Loan (3% of $500,000.00). The payment terms for interest and the commitment fee are the same across the Bank DIP Loan and the Libra DIP Loan.

34.4. The Bank considers that it would be materially prejudiced if the Libra DIP Loan is approved and a priority charge is granted to secure it. Given the Company's insolvency, the amount of the priority charge would materially impact the Bank's likely recovery from this process. Further, the Bank should not be subject to priming against its wishes when it is willing to provide the same financing on substantially the same, and in some respects preferable, terms.

35. Accordingly, the Bank requests that the Court grant the relief sought in its Interlocutory Application. The Bank's counsel will make further submissions at the appropriate time.

SWORN before me at Edmonton, Alberta, this 9 day of September, 2025

Barrister, NL

ALLISON HENNING

This affidavit was witnessed through the use of audio-visual technology in accordance with the *Commissioners for Oaths Act*, RSNL 1990 c.C-25, as amended, and the *Commissioners for Oaths Regulations*, NLR 98/23, as amended.

THIS IS EXHIBIT A
TO THE AFFIDAVIT OF ALLISON HENNING
SWORN BEFORE ME ON THE 9th DAY OF SEPTEMBER, 2025

November 1, 2023

Ocean View Farms Limited
92 Farm Road
BAY BULLS, NL
A0A 1C0

Attention: Richard Walsh, Marjorie Walsh, and Darryl Walsh

We confirm that subject to acceptance by you, The Bank of Nova Scotia (the "Bank") will make available to **Ocean View Farms Limited** (the Borrower"), credit facilities on the terms and conditions set out in the attached Terms and Conditions Sheet and Schedule "A". If the arrangements set out in this letter, and in the attached Terms and Conditions Sheet and Schedule "A" (collectively the "Commitment Letter") are acceptable to you, please sign the enclosed copy of this letter in the space indicated below and return the letter to us by the close of business on **December 1, 2023** after which date this **offer will lapse**.

Yours truly,

Dallas Kelly
Agricultural Market Lead

Meghan MacPherson
Director and Group Lead

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

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

By signing this Commitment Letter you agree that all documents identified as Specific Security or General Security in the Commitment Letter that you have previously delivered will apply to the credit facilities as described in this Commitment Letter, you ratify and confirm those documents and, in the case of any guarantor, you consent to changes to previously existing credit facilities.

The arrangements set out above and in the attached Terms and Conditions Sheet and Schedule "A" (collectively the "Commitment Letter") are hereby acknowledged and accepted by:

Borrower: Ocean View Farms Limited
Name

By:
Title:

Date: Nov 8/23

By:
Title:

Date: Nov 8 23

By:
Title:

Date: Nov 8 2023

Guarantors:

Richard Walsh

Date: Nov 8/23

Marjorie Walsh

Date: Nov 8 23

Darryl Walsh
Darryl Walsh

Date: Nov 8 2023

TERMS AND CONDITIONS

CREDIT NUMBER: 01 AUTHORIZED AMOUNT: $600,000

TYPE

Overdraft

PURPOSE

General operating requirements

CURRENCY

Canadian dollars

AVAILMENT

The Borrower may avail the credit by way of direct advances evidenced by Overdraft Lending Agreement

INTEREST RATE

The Bank's Prime Lending Rate, plus 1.50% per annum, from time to time, with interest payable monthly

REPAYMENT

Advances are repayable on demand.

SPECIFIC SECURITY

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

Overdraft Lending Agreement

CREDIT NUMBER: 02 AUTHORIZED AMOUNT: $100,000

TYPE

Scotia Visa Business Card (SVBC) - Availment, interest rate and repayment as per Cardholder Agreement

PURPOSE

Business expenses

CURRENCY

Canadian dollars

SPECIFIC SECURITY

The following security, evidenced by documents in form satisfactory to the Bank and registered

or recorded as required by the Bank, is to be provided prior to any advances or availment being made under the Credit:

Scotia Visa Business Card Agreement

CREDIT NUMBER: 03 AUTHORIZED AMOUNT: $6,607,964

TYPE

Farm Mortgage Loan

PURPOSE

To pay out existing Farm Mortgage Loan of the proprietorship which originated to pay out CIBC and various equipment vendor debt. To consolidate existing carve-outs from the Revolving Term facility and to provide one-time financing for the income tax liabilities from the incorporation.

CURRENCY

Canadian dollars

AVAILMENT

The Borrower may avail the undrawn portion of the Credit by way of direct advances or CORRA Advances in Canadian dollars in multiples of $100,000 (subject to a minimum availment amount of $500,000). .

INTEREST RATE

The Bank's Prime Lending Rate, plus 1.50% per annum, from time to time, with interest payable monthly

The Term Canadian Overnight Repo Rate Average (CORRA) from time to time, plus 3.10% per annum **which includes the CORRA Adjustment** for period of 1 or 3 months with interest payable at the end of the Interest period.

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The Daily Compound Canadian Overnight Repo Rate Average (CORRA) from time to time, plus 3.10% per annum **which includes the CORRA Adjustment** with interest payable monthly.

CORRA Adjustment means in respect of a CORRA Advance, an adjustment per annum equal to (i) 0.295% (for a 1-month interest period); 0.321% (for a 3-month interest period), or (iii) such other rate as the Bank may notify the Borrower in writing from time to time.

The Borrower may request either Daily Compounded or Term CORRA, however once Daily Compounded or Term CORRRA is elected, the rate shall remain for the duration of the facility.

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RENEWAL FEE

Renewal, at the Bank's option, of this credit facility at maturity of the term is subject to a processing renewal fee payable by the Borrower.

REPAYMENT

Advance is interest only with a final payment of the balance of principal and interest then

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outstanding due October 31st, 2024. Repayable in monthly instalments of principal and interest applied first to accrued interest, which commenced in July 2022 and a final payment of the balance of principal and accrued interest then outstanding at maturity in August 2023. The term the loan is 1 year and the amortization is TBD.2

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PREPAYMENT

Prime Rate Advances or Daily Compounded CORRA Advances
Prepayment is permitted without penalty at any time in whole or in part.

Term CORRA Advances
No prepayments are permitted.

SPECIFIC CONDITION for the advance of $185,000 (Refinance R/T balance, CEBA, and CAPEX)

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

All Bank security to be duly executed, registered and in place prior to funding in a form and
substance acceptable to the Bank, utilizing a Bank approved solicitor.

POST-FUNDING CONDITION

An independent Full Narrative Appraisal Report addressed to the Bank completed by a A.A.C.I. / E.A. designated appraiser, satisfactory to the Bank, by January 31, 2024.

CREDIT NUMBER: 05 AUTHORIZED AMOUNT: $350,000

TYPE

Non-Revolving Loan

PURPOSE

To finance the construction of a multi-unit residential building.

CURRENCY

Canadian dollars

AVAILMENT

The Borrower may avail the Credit by way of direct advances.

INTEREST RATE

The Bank's Prime Lending Rate, plus 1.50% per annum, from time to time, with interest payable monthly

DRAWDOWN

The loan is to be fully drawn down by October 31, 2024..

REPAYMENT

Advance is repayable in monthly instalments of principal and interest applied first to accrued interest, with a final payment of the balance of principal and accrued interest then outstanding, 1 year after drawdown. Interest only payment during construction period. The term the loan is 1 year and the amortization is 25 years.

PREPAYMENT

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

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

CONDITIONS PRECEDENT:

All General Security to be duly executed and registered and in place prior to funding in a form and substance acceptable to the Bank.

Copy of signed lease agreements for completed units.

Builder's contact information.

Firm written construction contracts must be in place and copies provided to the Bank for at least 80% of the related real estate improvements before any advances are permitted. Copies of all amendments thereto shall be provided to the Bank within 14 days of such amendments

Confirmation of Borrower's initial equity injection, to be a minimum of $100,000, satisfactory to the Bank.

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Evidence that the building complies with all zoning requirements, by-laws, restrictions, fire codes and other legal and government requirements and all necessary building permits have been issued.

SPECIFIC CONDITIONS:

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

Advances will be made upon receipt of Borrowers Progress Certificates, specifying the dollar amount of services and/or materials supplied under the contract.

The unadvanced portion of the credit shall be at all times equal to or greater than the sum of (i) estimated costs to complete, (ii) trade payables and (iii) unfunded statutory holdbacks.

Advances will be made, and holdbacks released, through the Bank's solicitor upon receipt by the Bank of its solicitor's title opinion, ensuring continued ranking of the Bank's security interests.

All cost overruns and contract additions are to be funded by the Borrower as and when they occur.

The Bank is not obligated to make loan/mortgage advances if there is any construction lien registered against the property or if written notice of a construction lien is received by the Bank.

GENERAL SECURITY, TERMS, AND CONDITIONS APPLICABLE TO ALL CREDITS

GENERAL SECURITY

The following security, evidenced by documents in form satisfactory to the Bank and registered or recorded as required by the Bank, is to be provided prior to any advances or availment being made under the Credits. For greater certainty, the following security shall secure all of the Borrower(s) and/or Guarantor(s) (any one a "Pledger", as applicable) present and future debts and other obligations to the Bank of any kind whatsoever, whether described in this commitment letter or any other agreement between a Pledger and the Bank:

General Security Agreement over all present and future personal property with appropriate insurance coverage, loss if any, payable to the Bank.

Security under Section 427 of the Bank Act with appropriate insurance coverage, loss, if any, payable to the Bank

Collateral mortgage providing a first charge in the amount of $4,000,000 over farm property legally known as R 457 / F 1325 and V 58 / F 16 (54.42 ac) and 613ac of crown leased land located at or near 86 Farm Road, Bay Bulls, NL with replacement cost fire insurance coverage, loss, if any, payable to the Bank as mortgagee.

An assignment of the Dairy Farms of Newfoundland and Labrador Producer Licence, acknowledged by the Dairy Farms of Newfoundland and Labrador

Bankers' Acceptance Agreement

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Power of Attorney – Bankers' Acceptance

Guarantee(s) given by the following (with corporate seal(s) and resolution(s) as applicable) in the amount(s) shown:

NAME	AMOUNT
Richard Walsh	Unlimited*
Marjorie Walsh	Unlimited*
Darryl Walsh	Unlimited*

*Supported by Independent Legal Advice

Letter of Undertaking from the Borrower to sell shares held/to be held by Agropur Co-operative as required.

Unspecified Postponement from each of Richard Walsh, Marjorie Walsh and Darryl Walsh.

GENERAL CONDITIONS

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

Combined Operating Loan and SVBC advances are not to exceed at any time the lesser of the operating limit or the "Borrowing Base", defined as the aggregate of 75% of good quality Canadian accounts receivable (excluding holdbacks, accounts over 90 days, accounts due by employees, offsets and inter-company accounts) plus 75% of dairy inventory and 50% of other inventory less security interests or charges held by other parties and specific payables which have or may have priority over the Bank's security.

The ratio of Debt (including future taxes and Operating Leases) to Tangible Net Worth (TNW) is not to exceed 2.00:1.

> TNW is defined as the sum of share capital, earned and contributed surplus and postponed funds less (i) amounts due from officers / affiliates, (ii) investments in affiliates, and (iii) intangible assets as defined by the Bank. For the purposes of this calculation TNW is to include real estate at most recent appraised market value and dairy quota at current market value.

The ratio of EBITDA less dividends and *net reductions in shareholder loans* to interest expense plus the current portion of long term debt and capital leases tested on an annual basis, is to be maintained at all times at a minimum of 1:10:1. **to be no less than 1.00:1 for December 31,2023.**

After December 31, 2023, The ratio of EBITDA to interest expense plus the current portion of long term debt and capital leases, calculated on a rolling four quarter basis, is to be maintained at all times at 1.1:1 or better.

> EBITDA is defined as net income before extraordinary and other non-recurring items plus interest, income tax, depreciation and amortization expenses during the period.

Removed:EBITDA (cumulative) is to be maintained at a minimum of 90% of projections for 2023: Q2>$317,000; Q3>$461,000; Q4>$655,000 **(In Default June 30th, 2023 (Q2), EBITDA was $279,000.)**

Without the Bank's prior written consent:

> No additional secured debt permitted.
>
> No change in principal owners of management of the farming operation is permitted.
>
> No dividends, withdrawals, bonuses, advances to shareholders, management or affiliates are permitted which would place any Bank credit conditions in default.
>
> No mergers, acquisitions or change in the Borrower's line of business are permitted.
>
> Guarantees or other contingent liabilities are not to be entered into and assets are not to be further encumbered.
>
> The monthly milk cheque is to be direct deposited into an account at Scotiabank.

Should a significant change to the quota system occur, the Borrower agrees to accelerate repayment of the Credit(s) to the Bank, if specified by the Bank, in order to maintain adequate security and/or cash flow coverage, regardless of continued production levels.

The Borrower shall permit the Bank, or its agents, access, at all reasonable times, to all premises where the collateral covered by the Bank's security may be located and the Bank or its agents may inspect such collateral and all related documents and records.

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

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

Additional terms and conditions in Schedule A are to apply.

GENERAL BORROWER REPORTING CONDITIONS

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

Annual Review Engagement Financial Statements of the Borrower, prepared in accordance with the elected Generally Accepted Accounting Principle ("GAAP") applicable at the date of the financial statements, within 120 days of the Borrower's fiscal year end, duly signed.

Annual Borrowing Base Calculation, including a specific breakdown of inventory to include the number of units and value per unit, accounts receivable and accounts payable, at the Borrower's fiscal year end.

Annual Personal Income Tax Returns and Notice of Assessment of the Guarantors, upon request.

Monthly Accountant Prepared Financial Statements, within 45 days of the Borrower's period end.

Monthly report outlining any discrepancies between actual and forecasted financial performance.

Monthly Production Summary provided by Dairy Farmers of Newfoundland, within 30 days of period end.

Accountant prepared 2024 Forecast including Income Statement, Balance Sheet, an Cash Flow Forecast, to be provided by January 31st, 2024.

OTHER FEES

A Commitment Fee of $1,500 is payable by the Borrower upon acceptance of this Commitment Letter.

An Administration fee of $200 payable by the Borrower Monthly.

A Renewal Fee of $2,000 is payable by the Borrower annually.

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

(a) $300 per month (or such higher amount as may be determined by the Bank from time to time) for each month or part thereof during which the Borrower is late in providing the Bank with financial or other information required herein;

(b) $300 per month (or such higher amount as may be determined by the Bank from time to time) for each month or part thereof during which loan payments of principal, interest or other amounts are past due; and

(c) $1,500 per occurrence (or such higher amount as may be determined by the Bank from time to time) for which the Borrower is in default of any other term or condition contained in this Commitment Letter or in any other agreement to which the Borrower and the Bank are parties

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

SCHEDULE A
ADDITIONAL TERMS AND CONDITIONS APPLICABLE TO ALL CREDITS

Calculation and Payment of Interest

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

Interest on loans/advances made in U.S. dollars will be calculated on a daily basis and payable monthly on the 22nd day of each month, (unless otherwise stipulated by the Bank). Interest shall be payable not in advance on the basis of a 360 day year for the actual number of days elapsed both before and after demand of payment or default and/or judgment. The rate of interest based on a 360 day year is equivalent to a rate based on a calendar year of 365 days of 365/360 times the rate of interest that applies to the U.S. dollar loans/advances.

To the extent permitted by law, the Borrower waives the provisions of the *Judgment Interest Act* (Alberta). The Borrower confirms that it fully understands and is able to calculate the rate of interest applicable to each of the Credits based on the methodology for calculating per annum rates provided for in this Commitment Letter. The Borrower hereby irrevocably agrees not to plead or assert, whether by way of defence or otherwise, in any proceeding relating to this Commitment Letter or any other security document, that the interest payable under this Commitment Letter or any other security document and the calculation thereof has not been adequately disclosed to the Borrower as required pursuant to Section 4 of the *Interest Act* (Canada).

Interest Rate and Bankers' Acceptance Spread

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

Interest on overdue interest

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

Indemnity Provision

If the introduction, adoption or implementation of, or any change in, or in the interpretation of, or any change in its application to the Borrower of, any law, regulation, guideline or request issued by any central bank or other governmental authority (whether or not having the force of law), including, without limitation, any liquidity reserve or other reserve or special deposit requirement or any tax (other than tax on the Bank's general income) or any capital requirement, has, due to the Bank's compliance, the effect, directly or indirectly, of :

(a) increasing the cost to the Bank of performing its obligations hereunder or under any availment hereunder;

(b) reducing any amount received or receivable by the Bank or its effective return hereunder or in respect of any availment hereunder or on its capital; or

(c) causing the Bank to make any payment or to forego any return based on any amount received or receivable by the Bank hereunder or in respect of any availment hereunder determined by the Bank in its discretion,

then upon demand from time to time, the Borrower shall pay such amount as shall compensate the Bank for any such cost, reduction, payment or foregone return (collectively "**increased costs**") as such amounts are reasonably determined by the Bank and set forth in a certificate to the Borrower.

In the event of the Borrower becoming liable for such increased costs, the Borrower shall have the right to prepay in full, without penalty, the outstanding principal balance under the affected credit other than the face amount of any document or instrument issued or accepted by the Bank for the account of the Borrower, including, without limitation, a Letter of Credit, a Letter of Guarantee or a Bankers' Acceptance. Upon any such prepayment, the Borrower shall also pay the then accrued interest on the amount prepaid and the increased costs to the date of prepayment together with such amount as will compensate the Bank for the cost of any early termination of its funding arrangements in accordance with its normal practices, as such amounts are calculated in a certificate reasonably prepared by the Bank.

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

Calculation and Payment of Standby Fee
Standby fees shall be calculated daily and payable monthly on the basis of a calendar year for Canadian dollar credits and on the basis of a 360 day year for U.S. dollar credits from the date of acceptance by the Borrower of this Commitment Letter.

Environment
The Borrower agrees:

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

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

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

Notice of Drawdown/Payments
The Borrower shall give the Bank prior notice of a drawdown or payment of any loan/advance as follows:

- 2 bank business days when the amount is $5 million dollars or more but less than $50 million dollars.
- 3 bank business days when the amount is $50 million dollars or more.

Periodic Review

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

Evidence of Indebtedness

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

Acceleration

(a) All indebtedness and liability of the Borrower to the Bank payable on demand, is repayable by the Borrower to the Bank at any time on demand;

(b) All indebtedness and liability of the Borrower to the Bank not payable on demand, shall, at the option of the Bank, become immediately due and payable, the security held by the Bank shall immediately become enforceable, and the obligation of the Bank to make further advances or other accommodation available under the Credits shall terminate, if any one of the following Events of Default occurs:

(i) the Borrower or any Guarantor fails to make when due, whether on demand or at a fixed payment date, by acceleration or otherwise, any payment of interest, principal, fees, commissions or other amounts payable to the Bank;

(ii) there is a breach by the Borrower or any Guarantor of any other term or condition contained in this Commitment Letter or in any other agreement to which the Borrower and/or any Guarantor and the Bank are parties and in any such case, the default continues for 15 days after notice thereof from the Bank;

(iii) any default occurs under any security listed in this Commitment Letter under the headings "Specific Security" or "General Security" or under any other credit, loan or security agreement to which the Borrower and/or any Guarantor is a party;

(iv) any bankruptcy, re-organization, compromise, arrangement, insolvency or liquidation proceedings or other proceedings for the relief of debtors are instituted by or against the Borrower or any Guarantor and, if instituted against the Borrower or any Guarantor, are allowed against or consented to by the Borrower or any Guarantor or are not dismissed or stayed within 60 days after such institution;

(v) a receiver is appointed over any property of the Borrower or any Guarantor or any judgement or order or any process of any court becomes enforceable against the Borrower or any Guarantor or any property of the Borrower or any Guarantor or any creditor takes possession of any property of the Borrower or any Guarantor;

(vi) any course of action is undertaken by the Borrower or any Guarantor or with respect to the Borrower or any Guarantor which would result in the Borrower's or Guarantor's reorganization, amalgamation or merger with another corporation or the transfer of all or substantially all of the Borrower's or any Guarantor's assets;

(vii) any guarantee of indebtedness and liability under any of the Credits is withdrawn, determined to be invalid or otherwise rendered ineffective and in any such case, the default continues for 15 days after notice thereof from the Bank;

(viii) any adverse change occurs in the financial condition of the Borrower or any Guarantor and in any such case, the default continues for 15 days after notice thereof from the Bank;

(ix) any adverse change occurs in the environmental condition of:

(A) the Borrower or any Guarantor; or

(B) any property, equipment, or business activities of the Borrower or any Guarantor,

and in any such cases, the default continues for 5 days after notice thereof from the Bank.

Costs

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

Judgement Currency

The obligations of the Borrower or any Guarantor shall be payable in Canadian Dollars. Such obligations shall not be discharged or satisfied by any tender or recovery pursuant to any judgement expressed in or converted into any other currency except to the extent to which such tender or recovery shall result in the effective receipt by the Bank of the full amount of Canadian Dollars so payable. Accordingly, the obligation of the Borrower shall be enforceable as an alternate or additional cause of action for the purpose of recovery in Canadian Dollars of the amount (if any) by which such effective receipt shall fall short of the full amount of Canadian Dollars so payable and shall not be affected by any judgement being obtained for any other sum due hereunder.

Financing Statement

On acceptance of this Commitment Letter the Bank is hereby authorized to register financing statement(s) in connection with the security detailed in the aforementioned Terms and Conditions sheet(s). The Borrower and each Guarantor hereby acknowledges receipt of a copy of this Commitment Letter and waives any right it may have to receive a Financing Statement, Financing Change Statement or Verification Statement relating to it.

Counterparts and execution of documents

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

Cancellation Rights

In addition to any repayment or other cancellation rights that the Borrower might have pursuant to applicable law with respect to a particular Credit, if the Borrower is an eligible enterprise, the Borrower may cancel one or more Credits within three (3) Business Days of entering into this Commitment Letter. If the Borrower notifies the Bank of cancellation of the applicable Credit within that time period, the

Bank will acknowledge receipt of the cancellation notice and advise the Borrower of any reimbursement amounts to which the Borrower may be entitled. The Bank is not obliged to reimburse the Borrower or return amounts to the Borrower in relation to (a) any amounts related to the Borrower's use of any Credit prior to cancellation, and (b) any expense that the Bank has reasonably incurred in providing the Borrower with any Credit.

Definitions Related to Cancellation Rights

An "Eligible Enterprise" means a business with authorized credit of less than $1,000,000, fewer than 500 employees and annual revenues of less than $50,000,000.

Representation or Warranty
The Borrower and each Guarantor represents and warrants to the Bank that all financial and other information (including, without limitation, any financial forecasts) provided to the Bank in connection with the Credits provided pursuant to this Commitment Letter is true and accurate in all material respects and has been prepared in accordance with Canadian Generally Accepted Accounting Principles consistently applied, and acknowledges that the offer of credit contained in this Commitment Letter is made in reliance on the truth and accuracy of this information and the representation and warranties above.

Confidentiality
The Borrower and the Guarantors acknowledge that the terms of this Commitment Letter are confidential, and the Borrower and the Guarantors agree not to disclose the terms hereof or provide a copy hereof to any person without the prior written consent of the Bank, unless and to the extent required by applicable law.

Governing Law
This Commitment Letter shall be governed by the laws of Alberta. Each of the Borrower and the Guarantors and the Bank irrevocably and unconditionally agree that any suit, action or other legal proceeding (collectively, a "**Suit**") instituted by the Bank and arising out of this Commitment Letter or any security document shall be brought and adjudicated only in Alberta, and each of the Borrower and the Guarantors waive and agree not to assert by way of motion, as a defence or otherwise at any such Suit, any claim that the Borrower and the Guarantors are not subject to the jurisdiction of the above courts, that such Suit is brought in an inconvenient forum or that the venue of such Suit is improper.

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

Where following a Discontinuation Event, the Bank on 30 days prior written notice ("BA Cessation Notice"), terminates its obligation to make or maintain Bankers' Acceptances, any outstanding Bankers' Acceptances shall remain in effect until their stated maturity. As of the date specified in the BA Cessation Notice on which the Bank shall no longer make or maintain Bankers' Acceptances, (i) any loan request that requests the conversion of any loan to, or rollover of any loans as, a Bankers' Acceptance shall be ineffective, and (ii) if any loan request requests a Bankers' Acceptance such loan shall be made as a CORRA loan of the same tenor.

Definitions Related to Discontinuance of Benchmark Rate

"Authority" shall mean an administrative body that regulates and/or publishes the relevant Benchmark Rate,

including any applicable governmental or regulatory body that has the direct or indirect ability to determine whether or not a Benchmark Rate shall be generally used in the market and/or published.

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

"CORRA" means the Canadian Overnight Repo Rate Average administered and published by the Bank of Canada (or any successor administrator).

"Discontinuation Event" means (i) an announcement by or on behalf of an Authority that the relevant Benchmark Rate will no longer be used or published or is no longer (or as of a specified date, will no longer be) representative or has ceased publication, or (ii) the relevant Benchmark Rate is not published for five consecutive Business Days and such failure is not reasonably believed to be temporary in nature.

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

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

CORRA Definitions and Loan Mechanics

Definitions

"Adjusted Daily Compounded CORRA" means, the rate per annum equal to (a) Daily Compounded CORRA plus (b) the percentage amount stipulated in the Interest section of the Commitment Letter; provided that in no event will the Adjusted Daily Compounded CORRA be less than zero.

"Adjusted Term CORRA" means, the rate per annum equal to (a) Term CORRA plus (b) the percentage amount stipulated in the Interest section of the Commitment Letter; provided that in no event will the Adjusted Term CORRA be less than zero.

"Daily Compounded CORRA" means, for any particular day in a given Interest Period, CORRA with interest accruing on a compounded daily basis, with the methodology and conventions for this rate (which will include compounding in arrears with a 5 Business Day lookback unless otherwise specified in another agreement with the Bank) being established by the Bank in accordance with the methodology and conventions for this rate selected or recommended by the Bank of Canada or on its behalf for determining compounded CORRA for business loans, provided that if the Bank decides that such convention is not administratively feasible for the Bank, then the Bank will establish another convention in its reasonable discretion.

"Daily Compounded CORRA Advance" means an Advance comprised of Daily Compounded CORRA Loans.

"Daily Compounded CORRA Loan" means a Loan that bears interest at a rate based on Adjusted Daily Compounded CORRA.

"Interest Election Request" means an irrevocable written request by the Borrower to the Bank specifying (i) the Advance to which the request applies, (ii) the effective date of the election (which must be the last day of the then current Interest Period in respect of Rollover of an existing Term CORRA Advance, and a Business Day), (iii) the type of the Advance post election (Prime Rate, Term CORRA or Daily Compounded CORRA), and (iv) the Interest Period to be applicable (1 month or 3 months) in respect to a Term CORRA Advance. If the Interest Election Request does not contain the information specified above to the satisfaction of the Bank, the Advances to which it relates will be converted to Prime Rate Advances.

"Prime Rate" means, on any day, the greater of: (i) the annual rate of interest established by the Bank as its reference rate for that day for commercial loans made by it in Canada in Canadian dollars/

"Prime Rate Advance" means an advance of a Credit in Canadian dollars bearing interest based on the Prime Rate, plus the applicable margin per annum, if any, identified as such in the Commitment Letter.

"Rollover" means, the continuation of all or a portion of a Term CORRA Advance for an additional Interest Period.

"Rollover Date" means the date of commencement of a new Interest Period applicable to a Term CORRA Loan Advance.

"Term CORRA Administrator" means Candeal Benchmark Administration Services Inc., TSX Inc., or any successor administrator.

"Term CORRA" means, for the period of one (1) or three (3) months as selected by the Borrower in a loan request or Interest Election Request, or the Rollover Date, the forward-looking term rate based on CORRA, or any successor thereto selected by the Bank, and that is published by the Term CORRA Administrator and is displayed on a screen or other information service, as identified or selected by the Bank that is 2 Business Days prior to the first day of the applicable Interest Period determined by the Bank in its reasonable discretion in a manner substantially consistent with market practice.

"Term CORRA Advance" means an Advance comprised of Term CORRA Loans.

"Term CORRA Loan" means a Loan that bears interest at a rate based on Adjusted Term CORRA.

CORRA Drawdown

A Term Loan must be fully drawn down in a single advance as specified in the Drawdown section of the Commitment Letter. Any unused portion of a Term Loan by such date shall be cancelled. Once repaid, Advances under a Term Loan may not be reborrowed.

To obtain an Advance under a Term Loan or Revolving Loan, the Borrower must provide the Bank with an irrevocable written request, (a) for a Daily Compounded or Term CORRA Advance, at least 3 Business Days before the date of the Advance and (b) for a Prime Rate Advance, by 10:00am on the date of the Advance.

Each request for an Advance shall specify (a) whether it relates to a Term Loan or Revolving Loan, (b) the amount and currency, (c) the date of the Advance (which shall be a Business Day), (d) whether the Advance shall be a Term CORRA Advance, a Daily Compounded CORRA Advance or a Prime Rate Advance, (e) if the Advance shall be a Term CORRA Advance, the Interest Period, and (f) that as at the date of the Advance, the conditions precedent all Advances have been satisfied. If the request for Advance does not contain the information specified herein, the Bank shall be under no obligation to provide the Advance.

The Borrower may Rollover a Term CORRA Advance by submitting an Interest Election Request.

CORRA Interest Elections

The Borrower may (i) elect to convert a Prime Rate Advance to (a) a Term CORRA Advance, or (b) a Daily Compounded CORRA Advance, and (ii) elect to change the Interest Period applicable to Term CORRA Advances, by submitting an Interest Election Request to the Bank. If an Interest Election Request does not contain the information prescribed information, the Bank shall be under no obligation to give effect to such Interest Election Request.

If the Borrower does not submit an Interest Election Request for a Term CORRA Advance 5 Business Days prior to the end of the then current Interest Period, then unless the Advance is repaid at the end of such

Interest Period, it shall be converted to a Prime Rate Advance.

Upon the occurrence and continuation of an Event of Default, Advances cannot be converted or continued as Term CORRA Advances or Daily Compounding CORRA Advances unless repaid, in which case such Term CORRA Advances shall be converted into Prime Rate Advances at the end of the then current Interest Period and Daily Compounded CORRA Advances may be converted at the discretion of the Bank into Prime Rate Advances upon the occurrence of the Event of Default

Interest

Prime Rate Advances shall bear interest at the Prime Rate plus the applicable margin per annum identified as such in the Commitment Letter.

Term CORRA Advances shall bear interest at Adjusted Term CORRA rate for the specific Interest Period plus the applicable margin per annum identified as such in the Commitment Letter.

Daily Compounded CORRA Advances shall bear interest at Adjusted Daily Compounded CORRA rate plus the applicable margin per annum identified as such in the Commitment Letter. Interest shall be compounded daily. This means that interest accrues daily and is calculated by charging interest on the principal borrowed plus the interest that has accrued daily. The interest rate described in your periodic statement does not reflect such compounding of interest. To arrive at the interest payable on your loan, the interest rate reflected in your periodic statement has to be compounded. A factor is used for calculating the compound interest that is equivalent to the annual interest rate compounded semi-annually, not in advance.

Interest is to be paid on the applicable Interest Payment Date save (a) interest due as a result of the occurrence and continuance of an Event of Default is payable on demand, (b) in the event of any repayment or prepayment of any Loan, accrued interest on the amount repaid or prepaid is due on the date of such repayment or prepayment, (c) when converting a Term CORRA Loan or a Daily Compounded CORRA Loan, accrued interest is due on the conversion date.

Interest is calculated based on a 365-day year and is payable for the actual number of days elapsed, including the first day but excluding the last day.

Inability to Determine Rates

If before the start of an Interest Period for a Term CORRA Advance or prior to the Advance of a Daily Compounded CORRA Advance (a) the Bank is unable to determine Adjusted Term CORRA or Adjusted Daily Compounded CORRA for any reason other than a Discontinuation Event, or (b) the Bank reasonably believes that Term CORRA or Daily Compounded CORRA does not adequately reflect its costs, the Bank shall promptly provide notice to the Borrower.

Upon providing a notice of a Discontinuation Event, the obligation of the Bank to make, and the right of the Borrower to continue, Term CORRA Advances or Daily Compounded CORRA Advances shall be suspended.

Upon receiving a notice of a Discontinuation Event, the Borrower may (i) cancel any pending request for Term CORRA Advances (for the applicable Interest Period) or Daily Compounded CORRA Advances or (ii) convert Term CORRA Advances to Daily Compounded CORRA Advances. If the Borrower does not elect either (i) or (ii), the affected Term CORRA Advances shall automatically be converted to Prime Rate Advances at the end of the applicable Interest Period and the affected Daily Compounded CORRA Advances shall be converted to Prime Rate Advances as of the effective date of the Discontinuation Event.

Scotiabank

June 18, 2024

Ocean View Farms Limited

Attention: Richard Walsh, Marjorie Walsh, and Darryl Walsh

Dear Sir:

The Bank of Nova Scotia (the "**Bank**") hereby refers to the commitment letter from the Bank to **Ocean View Farms Limited** (the "**Borrower**") dated **November 1, 2023** and accepted by the Borrower on **November 8, 2023** (the "**Commitment Letter**") under which the Bank agreed to make credit available to the Borrower.

All capitalized terms not otherwise defined herein, shall have the meanings ascribed to them in the Commitment Letter and Second Default Letter (collectively the "**Agreements**").

Events of default have occurred and persist under the provisions of the Agreements as follows:

1. All reporting shall be submitted within the time limits as specified in the Commitment Letter.

   The Borrower is in default of this condition in that the December 31, 2023 Annual Financial Statements, as required, have not been provided to the Bank, prior to April 30, 2024.

2. The interest payments on Loan # 340330000496-24 and 340330000496-25 are required to be paid to the Bank Monthly.

   The interest payment for the period ending March 21st, 2024 and April 8th, 2024 was not provided on time. The Bank notes that such payment was provided on April 15th, 2024 and interest payments were normalized.

3. The Borrower shall provide an appraisal by January 31, 2024.

   Based on the latest information provided by the Borrower this reporting condition has not been met.

(collectively, the "**Defaults**).

The Borrower is in default under the Agreements. In light of the Defaults, and the financial information provided by the Borrower, the Bank continues to be concerned with the Borrower's liquidity situation and current and future financial performance.

Nevertheless, the Bank will continue providing credit on a day-to-day basis until June 30, 2024 unless otherwise extended in writing by the Bank, and refrain from enforcing its remedies and rights against the Borrower, subject to the Borrower agreeing to the following conditions and thereafter, meeting these conditions by the dates set out below or on an ongoing basis, as required:

1. There are no other defaults that the Borrower is aware of beyond the Defaults identified in this letter and there shall be no further deterioration in the financial performance of the Borrower.

2. All reporting shall be submitted within the time limits as specified in the Agreements and as amended in this default letter.

3. The required December 31, 2023 Annual Financial Statements shall be provided to the Bank prior to **June 30, 2024**.

4. The Borrower shall arrange a for an equity (or subordinated debt) cash injection or alternative financing arrangement and provide the Bank with indication of interest in same, satisfactory to the Bank, by no later than **June 24, 2024.**

5. The Borrower shall provide a certificate of independent legal advice with respect to the unlimited personal guarantee provided by Marjorie Walsh, by no later than **June 24, 2024**.

6. The Borrower shall only be permitted to draw on its credits with the Bank by way of Prime based loans until otherwise advised by the Bank in writing. All other non-prime based loans which are still outstanding as of the date hereof shall be immediately converted to prime based loans.

7. Should further defaults occur, the Prime based pricing options, on all facilities, will increase by 2.00% per annum in alignment with Schedule A under the Commitment Letter.

8. The Bank has engaged legal counsel to review the Borrower file (the "File Review"), at the expense of the Borrower. Per the Agreements, all legal and professional fees and out-of-pocket costs incurred by the Bank are at the cost of the Borrower.

9. The Bank has the right at any time and from time to time to engage a third-party financial advisor at the expense of the Borrower to review and assess the financial and operational aspects of the business (the "Business Review"). Per the Agreements, all financial advisor fees and out-of-pocket costs incurred by the Bank are at the cost of the Borrower.

10. A Default / Continuance fee of **$2,700** shall be fully earned upon the execution of this letter and the Bank is authorized to collect it by debiting the Operating Line of Credit or any deposit account held by the Borrower with the Bank.

11. The Bank is hereby authorized to debit the Borrower's Operating Line of Credit, or any deposit account held by the Borrower with the Bank to pay the Bank's legal and financial advisor fees related to the Agreements, this letter and the File Review and any further legal and financial advisor fees incurred by the Bank as a result of the matters described within the Agreements or this letter.

The Bank agreeing to continue providing credits to the Borrower is not to be taken as an indication that the Bank has waived or acquiesced to the Defaults, or any other defaults which may now or hereafter exist nor does it constitute a waiver of the Bank's rights and remedies under the terms and conditions of the Commitment Letter or the security provided by the Borrower, subject to any written waiver of specific defaults issued by the Bank if the requirements set out above are met by the Borrower. All terms and conditions set out in the Agreements, as modified by this Third Default Letter, continue to be applicable and the Bank expressly reserves its rights with respect to all Defaults including, without limitation, the Bank's rights of immediate acceleration and demand as set out in the Commitment Letter.

We require the Borrower to acknowledge and agree to the foregoing by signing and returning a copy of this letter to us by June 21, 2024

Yours very truly,

Paul Weightman

THE BANK OF NOVA SCOTIA

By: Paul Weightman By: _____

Each of the undersigned acknowledges and agrees to the foregoing: this ____ day of June , 2024.

Borrower

Ocean View Farms Limited

By: Ricky Walsh
Title:

Date: June 24, 2024

By: Marge Walsh
Title:

Date: June 24, 2024

By: Darryl Walsh
Title:

Date: June 24, 2024

Guarantors

Richard Walsh

Richard Walsh

Date: June 24, 2024

Marjorie Walsh

Marjorie Walsh

Date: June 24, 2024

Darryl Walsh

Darryl Walsh

Date: June 24, 2024

Scotiabank

October 4, 2024

Ocean View Farms Limited

Attention: Richard Walsh, Marjorie Walsh, and Darryl Walsh

Dear Sir:

The Bank of Nova Scotia (the "**Bank**") hereby refers to the amended and restated commitment letter from the Bank to **Ocean View Farms Limited** (the "**Borrower**") dated November 1, 2023, (the "**Commitment Letter**") under which the Bank agreed to make credit available to the Borrower. We also refer to our initial default and continuance letter dated June 7, 2024, (the "**First Default Letter**").

All capitalized terms not otherwise defined herein, shall have the meanings ascribed to them in the Commitment Letter, First Default Letter, and this second default letter (the "**Second Default Letter**" and collectively, the "**Agreements**"). Unless otherwise specified, all amounts referred to herein are in Canadian dollars.

Events of default have occurred and persist under the provisions of the Agreements as follows:

1. Pursuant to the terms of the Agreements, the Bank provided the Borrower until **June 30, 2024**, to provide the following:

    a. The Annual Notice to Reader Financial Statements and Annual Borrowing Base Calculation for the period ended **December 31, 2023**, both of which have not been provided as of the date of this Second Default Letter.

2. Pursuant to the terms of the Agreements, the Bank provided the Borrower until **June 24, 2024**, to arrange for the following:

    a. An equity (or subordinated debt) cash injection or alternative financing arrangement, and to provide the Bank with indication of interest in same, satisfactory to the Bank, both of which have not been provided as of the date of this Second Default Letter; and

    b. The Borrower shall provide a certificate of independent legal advice with respect to the unlimited personal guarantee provided by Marjorie Walsh, which have not been provided as of the date of this Second Default Letter.

3. The interest payment on Loan #340330000496-25 are required to be paid to the Bank Monthly.

    The interest payment for the period ending September 22nd, 2024 was not provided due to insufficient funds. The payment was collected by the Bank late, on October 1st, 2024.

The Borrower continues to be in default under the Agreements. In light of the Defaults, the Bank continues to be very concerned with the Borrower's current and future financial performance. In particular, the Bank is very concerned about the Borrower's ongoing liquidity challenges and its inability to provide financial information and obtain alternative financing. Nevertheless, the Bank is currently prepared to continue providing credit on a day-to-day discretionary basis, will refrain from enforcing its rights and remedies

against the Borrower on a day-to-day discretionary basis, and will provide the Borrower with additional time to provide the Required Reporting and to repay the Bank in full, on a day-to-day discretionary basis. This day-to-day accommodation may be terminated by the Bank without notice and is strictly subject to there being no further deterioration in the financial performance of the Borrower, as determined by the Bank in its absolute and sole discretion, subject to strict compliance by the Borrower with the terms of the Agreements which remain applicable and in full force and effect, and subject to the Borrower agreeing to the following conditions and thereafter, meeting these conditions by the dates set out below or on an ongoing basis as required:

1. There are no other defaults or events of default that the Borrower is aware of other than the Defaults identified in this letter (the "Second Default Letter") and there shall occur no further defaults or events of default or further deterioration in the financial performance, condition or liquidity position of the Borrower.

2. The Borrower shall provide the Annual Compilation Engagement Financial Statements and Annual Borrowing Base Calculation for the period ended **December 31, 2023**, shall be provided by no later than **October 18, 2024**.

3. The Borrower shall provide a 13-week cash flow projection by **October 18, 2024**, showing weekly cash receipts and weekly cash payments expected to occur over the 13-week period and projected Operating Credit Line position at the end of each week. The 13-week cash flow projection shall be updated and submitted to the Bank on a weekly basis not later than **Wednesday** of the following week.

4. The Borrower shall provide a business plan by **October 31, 2024** including key deliverables (with dates to achieve), and addressing its ongoing liquidity challenges and its inability to provide financial information and obtain alternative financing.

5. All reporting shall be provided within the time limits as specified in the Agreements, as amended by this letter.

6. The Bank has engaged legal counsel to review the Borrower file (the "**File Review**"), at the expense of the Borrower. Per the Agreements, all legal and professional fees and out-of-pocket costs incurred by the Bank are at the cost of the Borrower.

7. The Bank has engaged a third-party financial advisor at the expense of the Borrower to review and assess the financial and operational aspects of the business (the "**Business Review**"). Per the Agreements, all financial advisor fees and out-of-pocket costs incurred by the Bank are at the cost of the Borrower.

8. As documented in the First Default Letter, the Bank continues to be hereby authorized to debit the Borrower's Operating Line of Credit, or any deposit account held by the Borrower with the Bank to pay the Bank's legal and financial advisor fees related to the Agreements, this Second Default Letter, the File Review, the Business Review and any further legal and financial advisor fees incurred by the Bank as a result of the matters described within the Agreements or this letter. **Upon issuance of this Second Default Letter, the Bank will proceed to debit the Borrower's account and remit payment in relation to the Bank's outstanding legal and advisory related invoices.**

9. As documented in the Agreements, the applicable pricing rate on the Overdraft Credit (Credit #01) shall increase from Prime + 1.50% to **Prime + 3.50%** per annum, in alignment with Schedule A under the Commitment Letter.

10. As documented in the Agreements, the applicable pricing rate on the Mortgage Loan (Credit #02) and the Revolving Term Loan (now Non-Revolving) (Credit #03) shall increase from Prime + 0.90% to **Prime + 2.90%** per annum, in alignment with Schedule A under the Commitment Letter.

11. Per the First Default Letter, the Borrower shall only be permitted to draw on its credits with the Bank by way of Prime based loans until otherwise advised by the Bank in writing.

12. The Bank will immediately reduce the Borrowers Scotia Visa Business Card Authorized Credit Amount from $100,000 to **$25,000**.

13. The Borrower will pay the Bank a Default / Continuance fee of **$5,000** which the Bank is authorized to collect by debiting the Operating Credit Line or any deposit account held by the Borrower with the Bank.

The Bank's agreement to continue providing credits to the Borrower or a day-to-day discretionary basis is not to be taken as an indication that the Bank has waived or acquiesced to the Defaults, or any other defaults or events of default which may now or hereafter exist nor does it constitute a waiver of the Bank's rights and remedies under the terms and conditions of the Agreements or the security provided by the Borrower. All terms and conditions set out in the Agreements, as modified by this Second Default Letter, continue to be applicable and the Bank expressly reserves its rights with respect to all Defaults and events of default including, without limitation, the Bank's rights of immediate acceleration and demand as set out in the Commitment Letter.

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For greater certainty, **in the event that the indebtedness of the Borrower to the Bank exceeds the authorized Operating Credit Line, the Bank shall not be obligated to permit any payments and/or cheques to be processed from, or to clear, the operating account of the Borrower with the Bank.**

We require the Borrower and all Guarantors to acknowledge and agree to the foregoing by signing and returning a copy of this letter to us by **October 10, 2024**. Should we fail to receive a signed copy of this letter as required, we reserve all our rights, powers, privileges and remedies under the Agreements, this Second Default Letter, and related documents, applicable law and otherwise, to take any action we consider appropriate.

THE BANK OF NOVA SCOTIA

By: Paul Weightman By:_____

Each of the undersigned acknowledges and agrees to the foregoing: this ____ day of September, 2024.

Borrower

Ocean View Farms Limited

By: Marjorie Walsh
Title:

Date: Oct 15-24

By: Richard Walsh
Title:

Date: Oct 15/24

By:
Title:

Date: October 15/24

Guarantors

Richard Walsh

Richard Walsh

Date: Oct 15/24

Marjorie Walsh

Marjorie Walsh

Date: Oct 15-24

Darryl Walsh

Date: Oct 15 24

E-MAILED 07 Mar 25

O'KEEFE & SULLIVAN

✓**BY EMAIL AND REGISTERED MAIL**

Allison Henning
Special Accounts Management
Scotiabank, Global Risk Management
2100 Stantec Tower
10220 103 Ave NW
Edmonton, AB
T5J 0K4
Email: allison.henning@scotiabank.com

Re: Ocean View Farms Limited

Please be advised that we represent your debtor Ocean View Farms Limited and Richard Walsh.

This is a courtesy letter to advise the Bank that our client is currently preparing to file for creditor protection under s.11 of the *Companies Creditors Arrangement Act,* RSC, 1985 (the "**CCAA**"). We expect the application will be filed within the next seven (7) days and will provide you with a copy of the same once it is filed.

If you have any questions in the meantime, please let us know.

DARREN D. O'KEEFE
dokeefe@okeefesullivan.com

CONSENT TO ACT AS MONITOR

Janes & Noseworthy Limited hereby consents to act as court-appointed monitor in the Companies Creditors Arrangement Act proceedings of Ocean View Farms Ltd.

DATED at St. John's, Newfoundland and Labrador, this 7th day of September 2025.

JANES & NOSEWORTHY LIMITED

Per: _____

David Buckingham, CPA, CA, CIRP, LIT
Vice President

Sworn before the undersigned
On the 7th day of September 2025,
At St. John's, Newfoundland and Labrador:

_____

Barrister, Solicitor, Notary or
Commissioner for Oaths

RICHARD S. CULLEN
A Commissioner for Oaths
for the Province of Newfoundland and Labrador
My commission expires on December 31, 2025

CONSENT TO ACT AS DIVISION I PROPOSAL TRUSTEE

Janes & Noseworthy Limited hereby consents to act as court-appointed proposal trustee, under the *Bankruptcy and Insolvency Act*, in the Division I proceedings of Ocean View Farms Ltd.

DATED at St. John's, Newfoundland and Labrador, this 7th day of September 2025.

JANES & NOSEWORTHY LIMITED

Per: _____

David Buckingham, CPA, CA, CIRP, LIT
Vice President

Sworn before the undersigned
On the 7th day of September 2025,
At St. John's, Newfoundland and Labrador:

_____

Barrister, Solicitor, Notary or
Commissioner for Oaths

RICHARD S. CULLEN
A Commissioner for Oaths
for the Province of Newfoundland and Labrador.
My commission expires on December 31, 2025