

United States  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 8-K**

**Current Report**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

**June 14, 2021**

Date of Report (date of earliest event reported)

**Limoneira Company**

(Exact Name of Registrant as Specified in its Charter)

**Delaware**

(State or Other Jurisdiction of Incorporation)

**001-34755**

(Commission File Number)

**77-0260692**

(IRS Employer Identification Number)

**1141 Cummings Road**

**Santa Paula, CA 93060**

(Address of Principal Executive Offices) (Zip Code)

**(805) 525-5541**

(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)  
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)  
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))  
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01 per share	LMNR	The NASDAQ Stock Market LLC (NASDAQ Global Select Market)

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

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

## **Section 1            Registrant’s Business and Operations**

### **Item 1.01            Entry into a Material Definitive Agreement.**

On June 14, 2021, Limoneira Company (the “Company”) entered into a Master Loan Agreement (the “MLA”) with Farm Credit West, PCA (the “Lender”) dated June 1, 2021, together with a revolving credit facility supplement (the “Revolving Credit Supplement”), a non-revolving credit facility supplement (the “Non-Revolving Credit Supplement,” and together with the Revolving Credit Supplement, the “Supplements”) and an agreement to convert to fixed interest rate (the “Fixed Interest Rate Agreement”). The MLA governs the terms of the Supplements. The MLA amends and restates the Master Loan Agreement between the Company and the Lender, dated June 19, 2017, as previously reported on June 21, 2017.

The Supplements provide aggregate borrowing capacity of \$115,000,000 comprised of \$75,000,000 under the Revolving Credit Supplement and \$40,000,000 under the Non-Revolving Credit Supplement. For amounts outstanding under both Supplements interest will begin to be charged on the date the Lender disburses principal and will continue until the outstanding indebtedness under the Supplements is paid in full with interest.

The initial interest rate in effect under the Revolving Credit Supplement is 1.69% per annum, which rate will be automatically adjusted commencing July 1, 2021 and on the first day of each month thereafter. The interest rate for any amount outstanding under the Revolving Credit Supplement will be based on the one-month LIBOR rate plus or minus an applicable margin. The applicable margin will range from 1.75% to 2.35% depending on the ratio of current assets, plus the remaining available commitment divided by current liabilities. On July 1, 2022, and on each one-year anniversary thereafter, the Company has the option to convert the interest rate in use under the Revolving Credit Supplement from the preceding LIBOR-based calculation to a variable interest rate. Any amounts outstanding under the Revolving Credit Supplement is due and payable in full on July 1, 2026. The Company may prepay any amounts outstanding under the Revolving Credit Supplement without penalty.

The initial interest rate in effect under the Non-Revolving Credit Supplement is a fixed interest rate of 4.77% per year and such rate shall continue for a period of one year and one month. Pursuant to the Fixed Interest Rate Agreement, the Non-Revolving Credit Supplement will convert to a fixed interest rate of 3.57% per year until July 1, 2025 (the “Fixed Rate Term”). Thereafter, the interest rate will convert to a variable interest rate established by the Lender corresponding to the corresponding interest rate group. Any amounts outstanding under the Non-Revolving Credit Supplement is due and payable in full on July 1, 2026. The Company may not prepay any amounts under the outstanding Non-Revolving Credit Supplement during the Fixed Rate Term. Thereafter, the Company may prepay any amounts outstanding under the Non-Revolving Credit Supplement, provided that a fee equal to 0.50% of the amount prepaid and any other cost or loss suffered by the Lender must be paid with any prepayment.

All indebtedness under the MLA, including any indebtedness under the Supplements, is secured by a first lien on Company-owned stock or participation certificates, Company funds maintained with Lender, Lender’s unallocated surplus, and certain of the Company’s agricultural properties in Tulare and Ventura counties in California and certain of the Company’s building fixtures and improvements and investments in mutual water companies associated with the pledged agricultural properties. The MLA includes customary default provisions that provide should an event of default occur, the Lender, at its option, may declare all or any portion of the indebtedness under the MLA to be immediately due and payable without demand, notice of non-payment, protest or prior recourse to collateral, and terminate or suspend the Company’s right to draw or request funds on any loan or line of credit.

The MLA subjects the Company to affirmative and restrictive covenants including, among other customary covenants, financial reporting requirements, requirements to maintain and repair any collateral, restrictions on the sale of assets, restrictions on the use of proceeds, prohibitions on the incurrence of additional debt and restrictions on the purchase or sale of major assets of the Company’s business. The Company is also subject to a covenant that it will maintain a debt service coverage ratio greater than or equal to 1.15:1.00 measured with the financial statements set forth in the Company’s October 31, 2021 Annual Report on Form 10-K filed with the Securities and Exchange Commission (the “SEC”), and greater than or equal to 1.25:1 when measured with the Company’s October 31, 2022 Annual Report on Form 10-K filed with the SEC, and annually thereafter.

The foregoing summary of the MLA, and the related Supplements, is qualified in its entirety by reference to the text of the MLA, the Revolving Credit Supplement, the Non-Revolving Credit Supplement and the Fixed Rate Agreement, copies of which are filed hereto as Exhibits 10.1, 10.2, 10.3 and 10.4, respectively, and incorporated herein by reference.

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**Section 2**      **Financial Information**

**Item 2.03**      **Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

The information set forth above under Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference.

**Section 9**      **Financial Statements and Exhibits**

**Item 9.01**      **Financial Statements and Exhibits.**

Exhibit Number	Description
<a href="#"><u>10.1</u></a>	<a href="#"><u>Master Loan Agreement, dated June 1, 2021, between Limoneira Company and Farm Credit West, PCA.</u></a>
<a href="#"><u>10.2</u></a>	<a href="#"><u>Promissory Note and Revolving Credit Facility Supplement to Master Loan Agreement, dated June 1, 2021, between Limoneira Company and Farm Credit West, PCA.</u></a>
<a href="#"><u>10.3</u></a>	<a href="#"><u>Promissory Note and Non-Revolver Credit Facility Supplement to Master Loan Agreement, dated June 1, 2021, between Limoneira Company and Farm Credit West, PCA.</u></a>
<a href="#"><u>10.4</u></a>	<a href="#"><u>Agreement to Convert to Fixed Interest Rate, dated June 8, 2021, between Limoneira Company and Farm Credit West, PCA.</u></a>

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: June 17, 2021

LIMONEIRA COMPANY

By: /s/ Mark Palamountain

Mark Palamountain

Chief Financial Officer, Treasurer and Corporate Secretary

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Customer Number:	0005229057

## MASTER LOAN AGREEMENT

This Master Loan Agreement is established as of **June 1, 2021** between **Farm Credit West, PCA** a corporation organized and existing under the laws of the United States of America, with its office at **2031 Knoll Drive Ventura, CA 93003-7301** (“**Lender**”) and **Limoneira Company, a Delaware Corporation** (“**Borrower**”). This Agreement amends and restates a Master Loan Agreement between the Parties, dated **June 19, 2017**, which is replaced hereby. This Agreement shall remain in effect until all Indebtedness is paid in full and the Agreement is terminated in writing by Lender.

**1. MASTER LOAN AGREEMENT.** On this date, and hereafter, Lender may make Loans to Borrower. Borrower and Lender (collectively, the “**Parties**”) enter into this Master Loan Agreement which, together with the applicable Supplement(s) and other Loan Documents, shall govern each separate Loan and all Indebtedness between the Parties. Unless stated to the contrary elsewhere, the provisions of all Loan Documents are incorporated by reference herein. For value received, Borrower promises to pay to order of Lender all Indebtedness governed by this Agreement.

**1.1 SUPPLEMENTS.** Loans made on and after the date of this Master Loan Agreement will be evidenced by a “Promissory Note and Supplement to Master Loan Agreement” (“**Supplement**”). Each Supplement shall set forth the terms and conditions applicable to each Loan. All Supplements and attachments thereto, including all amendments, renewals, and restatements thereof, are incorporated by reference herein unless the contrary is stated in any Loan Document. In any conflict of terms between this Master Loan Agreement and any Supplement, the Supplement shall control, unless the contrary is stated in the Supplement. Any amendment to this Master Loan Agreement shall control all Supplements, unless the contrary is stated in the amendment.

**1.2 FUTURE CREDIT ACCOMMODATIONS.** Borrower may apply for future loans, renewals of unpaid balances, refinancings, reschedulings, or other credit accommodations. Each loan application Borrower submits will be evaluated for eligibility and creditworthiness at the time of its submission. The proceeds of each Loan shall be used primarily for business and agricultural purposes and not for personal, family or household purposes as further described in each loan application of Borrower or as otherwise approved by Lender. Nothing in this Agreement or any other agreement between Borrower and Lender shall be construed to obligate Lender to restructure or renew any unpaid balance, any part thereof, or to make any additional or future loans or financial accommodations to Borrower.

**2. DEFINED TERMS.** “**Indebtedness**” means all Loans, advances, obligations, and duties of any kind owing by Borrower to Lender under this Agreement whether now existing or hereafter arising, absolute or contingent, due or to become due, and whether or not evidenced by any writing, this Agreement or any other Loan Document, and including all interest, charges, fees, attorney’s fees, expenses, and any other sum(s) chargeable to Borrower under this or any other related agreement. “**Loan**” or “**Account**” means each loan, credit facility or other obligation evidenced by any Supplement. “**Agreement**” means this Master Loan Agreement, including all Supplements, attachments and other agreements incorporated by reference and all amendments, modifications, and restatements thereof. “**Loan Document**” means this Agreement, and any Supplement, guaranty, Security Instrument, and any other documents or agreements executed in connection with this Agreement, any Loan or the Indebtedness, and all amendments, modifications, renewals and restatements thereof.

**2.1 OTHER LOANS WITH LENDER.** Unless stated to the contrary in writing by Lender, in this or any other document, this Master Loan Agreement shall not govern other notes, loan agreements, loans, and obligations by Borrower to Lender not contained in Supplements hereto. Such other loans shall continue to be governed by the applicable loan documents. This Agreement shall not waive any right(s) in any note, guaranty, security instrument or indebtedness between the Parties unless the same has been specifically waived in writing by Lender.

**3. SECURITY.** All Indebtedness is secured by a first lien on Borrower-owned stock or participation certificates required by Lender’s bylaws, any funds of Borrower maintained with Lender, Lender’s allocated surplus, and the real property described in those certain deeds of trust between Borrower and Lender dated June 19, 2017 recorded in Tulare and Ventura Counties, as may be amended from time to time (“**Deed of Trust**”) (collectively “**Collateral**”), which secure this Loan under any Loan Document or applicable laws, rules, ordinances, permits and regulations of all local, regional, county, state and federal governmental authorities (“**Applicable Laws**”). Collateral may secure more than one Loan when so indicated. All liens and interests in Collateral will be evidenced by the appropriate Security Instrument granting such interest. “**Security Instrument**” means any deed of trust, mortgage, security agreement, assignment or other document granting Lender a security interest in, any real or personal property as security for this Agreement, any Loan or the Indebtedness.

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**4. DEFAULT.** A default on any Supplement or the Indebtedness is a default on this Master Loan Agreement. A default on this Master Loan Agreement or any Supplement shall, at Lender's option, also be a default on all Supplements and all the Indebtedness. Borrower is in default on this Master Loan Agreement, including any Supplement, under any one or more of the following (individually and collectively called an "**Event of Default**"): (a) Borrower fails to pay when due any Indebtedness; (b) Borrower is declared to be in default on this Agreement, any other Loan Document, or on any other loan or obligation of Borrower to Lender or in which Lender has an interest; (c) Borrower breaches any term, or representation in this Agreement or in any other Loan Document for this or any other loan by Lender ; (d) Borrower's representation(s) to Lender in connection with any loan are materially false or misleading; (e) Lender determines that Borrower is unable to repay as agreed the sums owed Lender under this Agreement, or Lender in good faith otherwise deems itself insecure; (f) Lender's reasonable determination that a material adverse change has occurred in the financial condition of Borrower or in the value of the Collateral; (g) Borrower's, dissolution, or termination of existence; (h) Borrower's insolvency, business failure, application for or consent to appointment of a receiver/custodian or trustee for itself or any of its assets, or an assignment to an agent authorized to liquidate any substantial amount of assets, or an assignment for the benefit of creditors by, or commencement of any proceeding under any bankruptcy or insolvency law by or against Borrower; (i) Any judgment, writ, levy, lien, attachment, notice of tax lien, tax lien, or similar process is entered against Borrower, or any of Borrower's properties and is not vacated, bonded, or stayed to the satisfaction of Lender; or (j) Borrower sells, leases, encumbers, transfers, or enters into any agreement for the sale, lease, encumbrance, transfer or nonuse of any water or water rights, or "Water Asset", as such may be defined in any deed of trust, security agreement or other agreement relating to the pledge of water or water rights .

**5. REMEDIES.** If an Event of Default occurs, Lender shall have all rights, and remedies under this Agreement, any other Loan Document, or provided by law or equity under Applicable Laws, including but not limited to: the right to declare, at Lender's option, all or any portion of the Indebtedness immediately due and payable without prior recourse to the Collateral; Lender's right to immediately terminate Borrower's right to draw additional funds, and/or suspend or reduce Borrower's credit or credit limit; and retire Borrower's stock or participation certificates issued by Lender at book value and apply the proceeds plus any related accrued dividends and any patronage payments to which Borrower is entitled, to all or any part of the Indebtedness, all without notice to Borrower; and the right to foreclose on, or enforce any security interest in, any Collateral (all above collectively, "**Remedies**"). All Lender's Remedies: (a) may be exercised at any time by Lender, after an Event of Default; (b) are cumulative and not exclusive; and (c) shall be in addition to any other rights or remedies provided by law or equity. Lender may enforce any security interest or lien in such manner and order, as to all or any part of the Collateral as Lender, in its sole judgment, deems appropriate. Borrower, to the extent possible, waives all rights, obligations, or defenses now or hereafter established by law relating to the Remedies.

**5.1 ACCELERATION.** If an Event of Default occurs, Lender may, at its option, declare all or any portion of the Indebtedness to be immediately due and payable without demand, notice of non-payment, protest or prior recourse to Collateral, and terminate or suspend Borrower's right to draw or request funds on any Loan or line of credit.

**5.2 WAIVER.** Lender's failure to require strict compliance with any provision of this Agreement or any other agreement between Lender and Borrower shall not affect Lender's right to require strict compliance with such provision. Lender's waiver of an Event of Default shall not affect any other Event of Default or any of Lender's remedies with respect thereto. Lender's waiver or suspension of any rights under this or any other agreement, or Lender's grant of any consent to Borrower, shall be effective only if such waiver or consent is in writing and only to the extent set forth in such writing.

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**6. BORROWER'S COVENANTS AND REPRESENTATIONS.** In addition to representations in other Loan Documents, Borrower makes the following representations to Lender which remain in effect until all Indebtedness is repaid in full:

- 6.1 INFORMATION.** All information, including, financial statements and profit and loss information furnished by Borrower to Lender are accurate and complete; there has not been any material adverse change in the financial condition of Borrower since the date of the last financial statement provided; Borrower has no material liabilities, fixed or contingent, which are not fully shown in said financial statements as of the date thereof.
- 6.2 SOLVENCY.** Borrower has sufficient capital to carry on the business and is able to pay debts as they mature, and Borrower is paying such debts. Borrower owns good and marketable title to all property reflected in the financial information provided to Lender, the fair market value of which exceeds the dollar amount required to pay Borrower's debts.
- 6.3 COMPLIANCE WITH LOAN TERMS.** Borrower is in compliance with, all terms of all Borrower's other loans and obligations to all other creditors if any, and all other loans and obligations to Lender.
- 6.4 LEGAL ENTITY WARRANTY AND CERTIFICATION.** If Borrower is a legal entity, Borrower (and any person signing this Agreement in a representative capacity on behalf of Borrower) represents that Borrower is duly constituted under and conducting its business operations in compliance with all Applicable Laws and in good standing; that Borrower has the authority, and appropriate authorization to enter into this Agreement, all Security Instruments and any other Loan Document in connection with any Loan; that when executed this Agreement, all Security Instruments and any other Loan Document shall be valid and legally binding on Borrower. If the Borrower is a trust, each trustee executing this Agreement on behalf of the trust also represents, that this Agreement, all Security Instruments and other Loan Documents are being executed by all the currently acting trustees of the trust and that the trust has not been revoked, modified, or amended in any manner which would cause any of the foregoing to be incorrect.
- 6.5 INDEMNITY.** Borrower releases, indemnifies and agrees to hold Lender harmless from any losses, claims, liabilities damages and related expenses, including reasonable attorneys' fees and costs, incurred by or asserted against Lender that arise from: (1) the release, threatened release, discharge, manufacture, use, storage, transportation or presence of any hazardous substance in connection with the business of Borrower or on any real property owned or occupied by Borrower, whether or not pledged as security for this Agreement or (2) the execution of this Agreement and any other Loan Documents or the transactions contemplated thereunder or (3) the Indebtedness or use of proceeds therefrom or (4) the unauthorized disbursement of funds or misappropriation of proceeds under this Agreement by any employee, agent, independent contractor, affiliate or guarantor of Borrower. This indemnity covers Lender and its affiliates and their officers, directors, agents, and attorneys of Lender, and extends to attorneys' fees and other costs and expenses incurred by Lender and its affiliates in connection with the foregoing. The term "hazardous substance" shall mean any material or substance which is now or hereafter considered "hazardous" or "toxic" under any Applicable Laws. This indemnity shall be construed as being in addition to any similar provision in any Security Instrument. **NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS, THIS INDEMNITY SHALL SURVIVE REPAYMENT OF THE INDEBTEDNESS.**
- 6.6 TAXES.** Borrower has filed all tax returns required to be filed and has paid all taxes, assessments, and governmental charges and levies thereon, including interest and penalties.
- 6.7 NO DEFAULT.** Borrower has not received any notification of default under any of its agreements with third parties that might impair the operations or financial condition of Borrower.

**7. SPECIAL LOAN CONDITIONS, COVENANTS AND REQUIREMENTS.** In addition to any requirements described in other Loan Documents, Borrower covenants and agrees with Lender as follows:

**7.1 FINANCIAL PERFORMANCE.**

**7.1.1** No other financial performance covenants are imposed at this time unless provided elsewhere herein or in other Loan Documents.

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**7.1.2 MINIMUM DEBT SERVICE COVERAGE RATIO.** Borrower shall maintain at all times a debt service coverage ratio, as determined in Lender's sole discretion, greater than or equal to 1.15:1 when measured with the October 31, 2021 SEC Form 10-K financial statements, and greater than or equal to 1.25:1 when measured with the October 31, 2022 SEC Form 10-K financial statements for Limoneira Company, and annually thereafter during the term on consolidated basis. Debt Service Coverage Ratio means at any date of determination (i) EBITDA divided by (ii) the sum of (A) the current portion of long-term liabilities paid or scheduled to be paid during the twelve months ending of such date plus (B) interest expense for the preceding twelve months. EBITDA means the sum of (a) net income after taxes and before extraordinary items in accordance with generally accepted accounting principles ("GAAP"), plus (b) interest expense deducted in determining such net income, plus (c) amortization and depreciation expense deducted in determining such net income, plus (d) income tax expense deducted in determining such net income.

**7.2 INSURANCE.** Borrower shall provide, maintain and deliver to Lender, fire and extended coverage, flood and any and all other types of insurance in terms and amounts as may be required by law or Lender from time to time, with loss payable endorsements solely in favor of Lender or, for real property secured loans, naming Lender as mortgagee.

**7.3 FINANCIAL INFORMATION.** At Lender's request, Borrower shall provide to Lender financial information in a form acceptable to Lender, including, when so required, a current balance sheet and income statement. In the case of multiple Borrowers, financial information must be provided for each Borrower as requested by Lender.

Financial Information shall be provided as described below:

**7.3.1** Financial information shall be provided at such times during the term of this Agreement as Lender may request.

**7.3.2 REPORTING – ANNUAL FINANCIALS.** As soon as possible, but no later than 90 days after October 31 fiscal year-end, Borrower is to provide their SEC Form 10-K financial statements, unless such statements are made readily accessible to Lender for download from Borrower's website or other publicly available sources.

**7.3.3 REPORTING - BUDGET.** As soon as possible, but no later than 90 days after October 31 fiscal year-end, Borrower is to provide an annual budget and cash flow projection or operating plan.

**7.3.4 REPORTING - QUARTERLY FINANCIALS.** As soon as possible, but no later than 60 days after January 31, April 30 and July 31 fiscal quarter-ends, Borrower is to provide their SEC Form 10-Q financial statements, unless such statements are made readily accessible to Lender for download from Borrower's website or other publicly available source.

**7.4 ENVIRONMENTAL.** Borrower shall comply with the following additional requirements:

**7.4.1** No other environmental requirements are imposed at this time unless provided elsewhere herein or in other Loan Documents.

**7.5 NEGATIVE COVENANTS.** Borrower will not take any of the following actions without the prior written approval of Lender during the term of this Agreement and until all Loans are paid in full:

**7.5.1** Mortgage, pledge, lease for a period exceeding five years or otherwise make or allow the filing of a lien on any Collateral.

**7.5.2** Become a guarantor or surety on or otherwise become liable for, the debts or obligations of any third party person, or any entity.



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7.5.3 Obtain credit or loans other than trade credit customary in Borrower's business.

7.5.4 Dispose of all or a substantial portion of Borrower's business assets by sale, transfer, lease, gift, abandonment or otherwise, except for sales of inventory in the ordinary course of business.

7.5.5 Sell Borrower's business, abandon or cease or materially change its business operations, or merge or consolidate with any third party or entity.

7.6 **CONDITIONS PRECEDENT.** Lender's obligation to make the initial Loan and any other Loans thereafter, if any, is subject to the satisfaction, in Lender's sole discretion, of the following conditions precedent:

7.6.1 Lender shall have received evidence that all Loan Documents have been duly authorized and executed;

7.6.2 Lender shall have received evidence, including without limitation, any title insurance and/ or endorsements, estoppel certificates or subordination agreements, that may be required by Lender, that the liens granted to Lender under the Security Instruments are enforceable and with the lien priority required by Lender;

7.6.3 All representations and warranties of any party to the Loan Documents, other than Lender, are true and correct; and

7.6.4 Lender has received all other documents, certificates, approvals, information, and fees requested by Lender.

8. **INTENTIONALLY OMITTED.**

9. **INSPECTION AND ACCESS.** While this Agreement is in effect, Borrower will: (a) at Lender's request, furnish information to Lender relating to Borrower's business and financial affairs, (b) permit Lender to examine Borrower's books and records; and (c) allow Lender to inspect and appraise Lender's Collateral at reasonable times and places.

10. **REQUIRED ACTIONS.** While this Agreement is in effect, Borrower will: (a) maintain all other Loans with Lender in a current status; (b) comply with all terms of all other documents executed in connection with this Agreement; and (c) execute, deliver, file and or record such documents, or take such other actions, as may be reasonably required by Lender or to assure the enforceability of the Indebtedness, Note or any Security Instrument, Loan Document or to otherwise protect or enforce the rights of Lender thereunder.

11. **MISCELLANEOUS COSTS.** Lender may, but is not required to pay: (a) the reasonable cost of any services requested by Borrower and rendered by Lender such as credit life insurance or crop or property insurance; (b) any amounts required to satisfy taxes, assessments or liens on the Collateral, to maintain insurance, or to perform any other obligation under this Agreement or other Loan Documents; (c) all costs and expenses, including attorneys' fees, incurred in connection with the preparation or administration of any Loan; (d) any bill of sale, sight or expense drafts drawn by Borrower and presented to Lender for payment of purchases or expenses authorized by Lender; and (e) charges by suppliers of goods or services included in any budget for which Borrower borrows funds hereunder. Lender may, at its option, add such amounts to any portion of the Loan, and charge interest on such amounts at the interest rate applicable to the Loan.

12. **TRANSFER BY LENDER.** Lender may sell, transfer or assign this Agreement or any portion thereof, and deliver to the transferee(s) ("**Holder**") all or any portion of the Collateral, and the Holder shall thereupon become vested with all rights herein given to Lender with respect thereto and at such time "Lender" hereunder shall include the "Holder"; and Lender shall thereafter be fully discharged from any liability to Borrower, but Lender shall retain all rights hereby with respect to any Collateral not so transferred, sold or assigned.

13. **FEES AND CHARGES OF ATTORNEYS AND OTHERS.** If Lender utilizes the services of attorneys, accountants, appraisers, consultants, or other professional or outside assistance, including the services of in-house counsel any professional who is an employee of Lender, the reasonable amount of fees, costs and expenses ("**Expenses**") incurred by Lender to utilize such persons in connection with any of the following or as indicated elsewhere in this Agreement shall be payable by Borrower on demand and Lender may, at its option, add the amount of such Expenses to any portion of the Indebtedness, plus an appropriate amount of stock or participation certificates as required by federal law or regulation or Lender's bylaws, and charge interest on such amount at the interest rate applicable to such portion of the Indebtedness:

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- (a) The preparation, modification or enforcement of this Agreement and any other agreement or Loan Document related to the Indebtedness or to the Collateral;
- (b) Advising Lender concerning its rights and obligations under this Agreement and any other agreement or Loan Document related to the Indebtedness, or to the Collateral, including advising Lender with regard any applicable, provisions of the Farm Credit Act of 1971, as amended, Farm Credit Administration regulations, any policy or program of Lender, or any other Applicable Laws;
- (c) Any litigation, dispute, proceeding, or action (whether terminated or dismissed prior to judgment, reduced to judgment or otherwise finally resolved), and whether instituted by Lender, Borrower or any other person, relating to this Agreement, the Indebtedness or any Loan, any other Loan Document, the Collateral or Borrower's affairs;
- (d) Lender's interest in any bankruptcy, insolvency, or reorganization case or proceeding instituted by or against Borrower, including any steps to (i) modify or terminate the automatic stay, (ii) prohibit or condition Borrower's use of cash Collateral, (iii) object to any disclosure statement or plan, (iv) propose or confirm a plan, and (v) prosecute or defend adversary proceedings or contested matters, and take or defend examinations or discovery, whether related to any adversary proceeding or contested matter, whether terminated or dismissed prior to judgment, reduced to judgment or otherwise finally resolved;
- (e) The inspection, verification, protection, collection, processing, or disposition of the Collateral; and
- (f) Any of the type of Expenses incurred by Lender in connection with any guaranty of the Indebtedness.

The Expenses shall be in addition to those in any Security Instrument, other Loan Document or any other written agreement between Lender and Borrower.

**14. TRANSACTION SUMMARY.** All disbursements and repayments shall be posted on Lender's accounting records. In its sole discretion, Lender may apply any payment received from or on behalf of Borrower and any proceeds of Collateral first to fees, and any other costs incurred by Lender and payable by Borrower under Section 13 of hereunder, then to interest, principal, or any part of the Indebtedness. Any payment received by Lender after Lender has closed its books for the day will be applied on the next business day. Periodically, Lender shall send Borrower a transaction summary, statement or a similar loan accounting. If Borrower fails to object to this accounting in writing within 30 days of its mailing by Lender, Borrower shall have waived any right to object to the accounting's accuracy and the accounting may be admitted into evidence by Lender to establish the balance due Lender in any legal proceeding between the parties.

**15. NOTICES.** Borrower shall promptly give written notice to Lender of: (a) any enforcement action brought against Borrower by any governmental regulatory body or law enforcement authority or any dispute between Borrower and any such authority or body; (b) any material pending or threatened litigation or court proceeding against Borrower; (c) any material adverse change in Borrower's business or financial condition; (d) the occurrence of any Event of Default, or any event that with a lapse of time or the giving of notice or both would become an Event of Default under any obligation of Borrower to Lender or in which Lender has an interest; (e) any default on loans or credit arrangements with any other creditors; (f) any location change or new location of Borrower's office or site of operation; (g) any change to an out of state location for any Collateral; and (h) any restriction, suspension, or other change in any permit(s), license(s) or authority(ies) required to conduct Borrower's business.

**15.1** Any notice under this Agreement or any other Loan Documents shall be in writing and delivered to the address below if to Borrower and to the address specified in the first paragraph of this Agreement if to Lender. Any notice shall be deemed effective upon on the earlier of: (a) actual receipt of the intended recipient, or (b) upon delivery, if delivered in person or by any nationally recognized courier service that provides proof of delivery, or (c) four business days after deposit in the U.S. mail, postage prepaid, whether by first class mail or by certified mail. Either party may change its address for purposes of receiving notice upon delivery to the other party of a change of address in accordance with the terms hereof. Borrower agrees to keep Lender informed of Borrower's current address for notice purposes.

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**16. LOAN CHARGES.** To the extent the interest or other loan charges collected or to be collected in connection with this Agreement exceed the permitted limits under applicable usury laws, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected which exceeded permitted limits will be refunded to Borrower, without interest thereon. Lender may choose to make this refund by reducing the principal Borrower owes under this Agreement or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment.

**17. BORROWER'S AUTHORITY AND ADDITIONAL REPRESENTATIONS.** By signing this Agreement, Borrower represents that the terms of this Agreement, any other Loan Document and Security Instrument do not conflict with the terms of any other contract(s) of Borrower; that Borrower's representations in this Agreement are true and accurate; that there is no judgment or pending lawsuit, tax claim, investigation or other dispute against or threatened against Borrower or the Collateral that might impair Borrower's financial condition or ability to continue business or the Collateral; and that Borrower is qualified and/or licensed to do business in all states requiring Borrower to be so qualified or licensed and is in compliance with all Applicable Laws.

**18. INTENTIONALLY OMITTED.**

**19. INTENTIONALLY OMITTED.**

**19.1 BORROWER FURTHER AGREES.** Borrower agrees that Lender may, in its sole discretion, at any time, without notice, release all or any part of the Collateral securing the Indebtedness grant extensions, change terms of payment, deferments, renewals or reamortizations of any part of the Indebtedness, and release from personal liability any one or more of the parties who are or may become liable for the Indebtedness; all without affecting the personal liability of any other party. Borrower also severally waives any other defense or right of offset against the Holder hereof. No Borrower shall have any right of subrogation, contribution, reimbursement, indemnity, set off, or other recourse and waives the benefit of, or any right to participate in, any Collateral until such time as all of the obligations owed by Borrower under this Agreement shall have been satisfied in full. Each Borrower, to the extent it may lawfully do so, waives any defense under California anti-deficiency statutes, or comparable provisions of the laws of any other state to the recovery of a deficiency after a foreclosure sale of such property.

**19.2 BORROWER ADDITIONAL REPRESENTATIONS.** Borrower represents to Lender that it has established adequate means of obtaining from each other Borrower, on a continuing basis, information pertaining to the businesses, operations and conditions (financial or otherwise) of each other Borrower and its properties, and each Borrower now is and will be familiar with the businesses, operations and conditions (financial or otherwise) of each other Borrower and its properties. Each Borrower waives and relinquishes any duty on the part of Lender (if such duty exists) to disclose to any Borrower any matter, or fact related to the businesses, operations, or conditions (financial or otherwise) of any other Borrower or its properties. Without limiting the generality of the foregoing, each Borrower waives any defenses or rights arising under or of the kind described in California Civil Code sections 2795, 2808, 2809, 2810, 2815, 2819 through 2825 (inclusive), 2832, 2839, and 2845 through 2850 (inclusive) and similar laws in other jurisdictions.

**20. NO ORAL AGREEMENTS.** The representatives of Lender are not authorized to make any oral agreements or assurances. Do not sign this Agreement if you believe that there are any agreements or understandings between you and Lender that are not set forth in writing in this Agreement or the other Loan Documents.

**21. SUCCESSORS AND ASSIGNS.** This Agreement, any Supplement and all other Loan Documents are binding on Borrower's and Lender's successors and assignees. Borrower shall not assign this Agreement any Loan or Loan Document without Lender's prior written consent. Lender may sell participations in or assign this Agreement, and may exchange financial information about Borrower with actual or potential participants or assignees. If a participation is sold or the Agreement is assigned, the purchaser will have the right of set-off against Borrower.

**22. SEVERABILITY; COUNTERPARTS.** If one or more of the provisions of this Agreement, any Security Instrument or any other Loan Documents are held to be invalid, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected. To the extent any waiver of a right by Borrower hereunder may be contrary to applicable law, such waiver shall be deemed made to the extent allowed by such law. This Agreement may be signed in one or more counterparts which shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

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**23. CAPTIONS.** Captions herein are only as a matter of convenience and for reference, and in no way define, limit or describe the scope or intent of any term. The word “including” herein means “including but not limited to”.

**24. APPLICABLE LAW.** This Agreement and any other Loan Document shall be governed by federal law to the extent applicable and except to the extent specified in any Security Instrument, be governed by and construed under the laws of the state specified in the address of Lender on page 1 without regard to its conflict of laws principles. .

**25. ENTIRE AGREEMENT; AMENDMENTS MUST BE IN WRITING.** This Agreement and all other Loan Documents constitute the entire agreement between the Parties on the subject matter hereof; superseding all prior communications, oral or written, concerning the Indebtedness or any Loan. This Agreement does not supersede any Loan Document(s) pertaining to other outstanding loan(s) of Borrower with Lender except as specified herein. This Agreement may be amended or modified only by a written instrument executed by Lender and Borrower.

**26. REPORTING HEDGING ACTIVITY.** If Borrower is involved in any hedging activities through the use of futures or options, using Loan proceeds, notice of this activity must be provided to Lender. At Lender's discretion, a separate tranche or separate loan may be established for the purpose of funding margin calls related to the hedging activity. Lender may require Borrower to provide a risk management or marketing plan in support of this activity. Lender may require Borrower to execute a Security Agreement, Investment Property Control Agreement or similar form of assignment or control agreement, as approved by Lender, to be acknowledged by all brokers involved in Borrower's marketing and hedging program. Any hedging activity, or use of futures or options markets, not consistent with acceptable hedging practices, as determined by Lender in Lender's sole discretion, shall be considered a material breach of the Note and shall constitute an event of default.

**27. WATER RIGHTS.** Any grantor of a security interest in water rights to Lender, including but not limited to a security interest under a deed of trust, security agreement or similar instrument, shall not take any of the following actions with respect to those water rights without the prior written consent of Lender: sell, lease, pledge, transfer or otherwise encumber in any manner, whether to another lender, irrigation district, or user, except that Borrower may occasionally sell or lease water associated with the property described in the Deed of Trust (“Property”) to neighboring property owners without the prior written consent of Lender provided that the remaining water is sufficient to satisfy all water requirements for the Property, including proper cultivation for all trees and other permanent plantings thereon.

**28. DISCLOSURE AND INQUIRIES.** By signing this Agreement, Borrower agrees that Lender may disclose financial information to other Farm Credit System institutions. Borrower further authorizes Lender from time to time, to make such inquiries and gather such information as Lender deems necessary and reasonable to administer the Indebtedness. Lender is also authorized from time to time to make credit inquiries, verify credit, verify employment, and obtain credit agency reports regarding Borrower and Borrower’s business.

**29. ADVICE OF COUNSEL.** Borrower understands this Agreement and has consulted with or had the opportunity to consult with an attorney or other appropriate professional as to the terms hereof.

**30. WAIVER OF RIGHT TO TRIAL BY JURY.** EACH PARTY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY OF ANY CLAIM, DISPUTE ACTION, SUIT OR PROCEEDING, COLLECTIVELY “ACTIONS”, DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE). EACH PARTY AGREES THAT ANY ACTIONS SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY. BORROWER ACKNOWLEDGES THIS WAIVER IS A MATERIAL INDUCEMENT FOR LENDER ENTERING INTO THE LOAN DOCUMENTS.

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**30.1 JUDICIAL REFERENCE.** IF THE JURY TRIAL WAIVER IS DEEMED UNENFORCEABLE THEN EACH PARTY AGREES ALL ACTIONS SHALL BE RESOLVED BY JUDICIAL REFERENCE. THE PARTIES AGREE TO THE APPOINTMENT OF A SINGLE REFEREE, AND SHALL USE THEIR BEST EFFORTS TO AGREE ON THE SELECTION OF A REFEREE. IF THE PARTIES ARE UNABLE TO AGREE, A REFEREE SHALL BE APPOINTED BY THE COURT TO HEAR ANY DISPUTES HEREUNDER IN LIEU OF ANY SUCH JURY TRIAL. EACH PARTY ACKNOWLEDGES AND AGREES THAT THE APPOINTED REFEREE SHALL HAVE THE POWER TO DECIDE ALL ISSUES IN THE APPLICABLE ACTION OR PROCEEDING, WHETHER OF FACT OR LAW, AND SHALL REPORT A STATEMENT OF DECISION THEREON. NOTWITHSTANDING THE FOREGOING, ANY MATTERS WHICH WOULD NOT OTHERWISE BE THE SUBJECT OF A JURY TRIAL, SUCH AS A PROVISIONAL REMEDY DEFINED IN CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 1281.8, AS AMENDED, WILL BE UNAFFECTED BY THIS WAIVER AND THE AGREEMENTS HEREIN.

**ADDRESSES WHERE NOTICE TO BORROWER ARE TO BE SENT:**

Limoneira Company, 1141 Cummings Road, Santa Paula, CA 93060

This Agreement has been duly executed on the day and year first written above.

Signers:

**Limoneira Company, a Delaware Corporation**

By: \_\_\_\_\_  
Harold S. Edwards, as President

By: \_\_\_\_\_  
Mark Palamountain, as Secretary

Filing Ref.: Limoneira Company

Loan/Supplement Number: 8363846-101

Customer Number: 0005229057

**PROMISSORY NOTE AND SUPPLEMENT  
TO MASTER LOAN AGREEMENT**

This Revolving Credit Facility Supplement (alternately, “**Note**” or “**Supplement**”) to a Master Loan Agreement dated **June 1, 2021** (“**MLA**”) is established as of **June 1, 2021** between the undersigned Borrower and Lender identified herein. This Supplement is executed, delivered and accepted not in payment of but for the purpose of amending, restating and replacing the following described notes(s), and renewing any unpaid balance(s) evidenced thereby: Loan/Supplement number 8363846-101, dated **June 29, 2018**. This Supplement also evidences an additional loan advance(s) to the extent the Commitment under this Supplement exceeds the renewed unpaid balance(s) referred to above.

**1. PROMISE TO PAY.** For value received, **Limoneira Company, a Delaware Corporation** (“**Borrower**”) promises to pay to the order of **Farm Credit West, PCA** (“**Lender**”), a corporation organized under the laws of the United States of America, with its office at **2031 Knoll Drive, Ventura, CA 93003-7301** or at such other place as may be designated in writing by Lender, the principal sum of **\$75,000,000.00** (Seventy-Five Million Dollars and Zero Cents) (“**Commitment**”), or so much of that sum as may be advanced or readvanced by Lender from time to time, together with interest on the unpaid principal balance as specified in Section 3 below. All defined terms used in this Supplement shall have the same meaning as set forth in the MLA. All Indebtedness shall be payable by Borrower only in lawful money of the United States of America.

**1.1 REVOLVING CREDIT FACILITY.** On the terms and conditions in the MLA and this Supplement, Lender agrees to make available to Borrower during the Draw Period a revolving line of credit in a principal amount not to exceed, at any one time outstanding, the Commitment or the borrowing base or other guidelines where applicable, whichever is less. Within the limits of the Commitment, as amounts drawn under the revolving line of credit are repaid, they may be reborrowed from time to time during the Draw Period.

**1.2 DRAW PERIOD.** Subject to the provisions of this Agreement, from the date of this Supplement up to and including the Maturity Date (“**Draw Period**”), Borrower may draw Loan funds hereunder; and Lender shall make advances of Loan funds to Borrower upon Borrower’s request.

**1.3 ONGOING REQUIREMENTS AND REPRESENTATIONS.** At the time of any draw request or draw by Borrower or advance of Loan funds by Lender, Borrower shall not be in default hereunder. Any request for or acceptance of a draw by Borrower constitutes an ongoing representation by Borrower that Borrower continues to comply with the conditions and terms in this Agreement, the Security Instruments or any Loan Document in connection herewith, and that title to the Property defined in the Security Instruments has not been “transferred”, as defined therein, without Lender’s written consent. If a default occurs, one of Lender’s remedies includes Lender’s right to immediately terminate Borrower’s right to make draws hereunder, with or without notice to Borrower.

**1.4 PROCEDURE FOR DRAWING FUNDS.** All draws requested hereunder shall comply with applicable procedures established by Lender from time to time. Lender’s records shall be conclusive evidence of draw requests. Each advance of Loan funds hereunder may be made upon a verbal, written, or telecopied request from Borrower to Lender. Lender may rely on any verbal request for a draw as fully as if such request were in writing. Upon fulfillment of the applicable conditions for making a draw, Lender shall disburse the amount of the requested draw to Borrower in such manner as Lender and Borrower may from time to time agree.

**2. PAYMENTS.**

**Sixty (60) Monthly** interest only payments in the amount billed, beginning on **July 1, 2021**. **One (1)** installment of interest in the amount billed and principal to be paid on **July 1, 2026**.

Payments, other than those required in this Section or elsewhere herein, may be made at any time and in any amount during the term of this Note, unless limited or prohibited herein or unless otherwise required by Lender in writing. This Loan is due and payable in full on **July 1, 2026** ("**Maturity Date**"), at which time Borrower shall pay the unpaid principal balance and all accrued interest in full.

At Lender's option, a change in the interest rate or an advance may either increase or decrease one or more of the following: the amount of each installment due, the amount of the final installment (resulting in a final installment due at the Maturity Date which may be greater than any previous installments) or the total number of installments due.

### 3. INTEREST.

**3.1 INITIAL RATE.** Interest will be charged on the entire unpaid principal balance of this Note, including payments not made when due and any other sums owing hereunder. Interest charged hereunder, including any acceleration interest rate, all late charges, default interest and all other amounts charged hereunder, shall not be limited by the laws of any state, including any state laws relating to a legal rate or other interest rate, but shall be governed solely by applicable federal laws.

Interest will be calculated on the basis of a 365-day year and the actual number of days in each month. Interest charges will begin on the date Lender disburses principal and continue until the Indebtedness is paid in full with interest. The initial interest in effect on this date is **1.69%** per annum. The interest rate that Borrower will pay will change in accordance with Sections 3.2 through 3.6 below.

**3.2 CHANGE DATES.** The interest rate will automatically be adjusted on **July 1, 2021**, and on the first day of the month, each month thereafter (each a "**Change Date**"), until such time as Borrower may request a conversion to the Variable Interest Rate pursuant to the Annual Option to Convert Interest Rate Product in Section 3.6.1 below, at which time the Variable Rate provisions in Section 3.6 shall apply. On each Change Date Lender will calculate the new interest rate by adding or subtracting the Applicable Margin to LIBOR Rate..

**3.3 INDEX.** Beginning on the first Change Date, the interest rate charged hereunder shall be based on the one month LIBOR Rate plus the Applicable Margin as specified under the Performance Pricing provisions set forth in Section 3.4 below. Libor Rate means the rate per annum obtained by dividing (rounded upwards to the next nearest 1/20th of 1%) (a) (i) the rate per annum equal to the rate determined by the Lender to be the offered one month London Interbank Offered Rate as published in The Wall Street Journal, or such other information service available to the Lender, determined as of approximately 11:00 a.m. (London, England time) three business days immediately preceding the Change Date, or (ii) in the event the rates referenced in the preceding clause (i) are not available, the rate per annum (rounded upwards to the nearest 1/20 of 1%) equal to the offered quotation rate to major banks in the London interbank market by the Lender for deposits (for delivery on the first day of the relevant Change Date) in Dollars of amounts in same day funds comparable to the principal amount of the Loan of the Lender, in its capacity as a Lender, for which the LIBOR Rate is then being determined with a one month maturity provided that: (i) to the extent a comparable or successor rate is approved by Lender in connection herewith, the approved rate shall be applied in a manner consistent with market practice; provided, further that to the extent such market practice is not administratively feasible for Lender, such approved rate shall be applied in a manner as otherwise reasonably determined by Lender and (ii) if the LIBOR Rate shall be less than zero, such rate shall be deemed zero for purposes of this Note.

**3.4 CALCULATION OF CHANGES.** "Applicable Margin" means the following percentages per annum, based upon Borrower's Modified Current Ratio or Current Ratio, as set forth in the most recent Combined Covenant Compliance Certificate received by the Lender pursuant to Section 12.1 below.

Change to the Applicable Margin shall be effective February 1, April 1, July 1, and October 1 of each year.

Current Ratio	APPLICABLE LIBOR Margin	Unused Commitment Fee Rate
Modified Current Ratio $\leq$ 1.00:1	LIBOR + 2.35%	0.25%
Modified Current Ratio $\geq$ 1.00:1	LIBOR + 2.10%	0.20%
Modified Current Ratio $\geq$ 1.10:1	LIBOR + 1.85%	0.15%
Current Ratio $\geq$ 1.25:1	LIBOR + 1.75%	0.15%

Modified Current Ratio means Modified Current Assets divided by Current Liabilities. Modified Current Assets are defined as Current Assets plus the remaining available commitment on the Loan.

**3.5 ANNUAL REPRICING.** On July 1, 2022 and on each one-year anniversary date thereafter (each an “**Annual Optional Conversion Date**”), Borrower shall have the option, by providing Lender with 15 days’ prior written notice, to convert the interest rate from the Libor Rate to the Variable Interest Rate, or from the Variable Interest Rate to the Libor Rate, as applicable. Only one interest rate product may be in effect for all outstanding Commitment in any given one-year period.

**3.6 VARIABLE INTEREST RATE.** In the event Borrower converts to a Variable Interest Rate on any Annual Optional Conversion Date, such rate shall be subject to the following terms:

The Variable Rate shall change in accordance with Sections 3.6.1 below and interest shall accrue at the Variable Interest Rate as established by Lender for the interest rate group to which this Note is assigned.

**3.6.1 CHANGE IN INTEREST RATE AND INTEREST RATE GROUP.** The Variable Interest Rate applicable to this Note may be adjusted automatically as of the first day of any month to the rate then made applicable to the Note’s assigned interest rate group under the provisions of Lender’s Variable Interest Rate plan in effect at that time.

In adjusting the rate, Lender considers certain standard factors set forth in the plan, including but not limited to, changes in its costs of funds, operating expenses, earnings requirements to meet certain capital objectives, credit risk factors, and the competitive environment, which factors may change during the term of the Loan.

Borrower understands and agrees that (a) the interest rate group to which this Note is assigned may be changed at any time to any other interest rate group based on Lender’s evaluation of the change in Borrower’s credit quality, quality of collateral, costs of servicing the loan, and other factors which are set forth in Lender’s interest rate plan in effect at that time; and (b) the interest rate group may be automatically adjusted to the highest interest rate group if a default shall occur under this Note or under any other note or agreement between Borrower and Lender.

**3.7 NOTICE.** If Lender changes Borrower’s Interest Rate, Lender will give Borrower notice of such rate change to the extent required by then applicable law. Any notices under this Supplement shall be given in accordance with the notice section of the MLA.

**4. INTEREST FOR OVERDUE PAYMENTS.** Any interest or other sum owed hereunder which is not paid when due shall be added to the outstanding principal balance of the Loan and such combined amount shall thereafter bear interest at the same rate as the principal portion of the Loan.

**5. DEFAULT AND REMEDIES.** Borrower is in default on this Supplement if Borrower is in default under the MLA. If a default occurs, Lender shall have all the Remedies in the MLA.



6. **SECURITY.** The security given by Borrower to Lender includes, without limitation, the following:

- 6.1 By signing below, the undersigned individually and collectively represent that there have been NO CHANGES in the ownership, condition, or location of any collateral previously pledged to Lender, which is also pledged as Collateral for this Note.
- 6.2 This Note is secured by a real estate Deed of Trust recorded on 06/22/2017, Instrument # 20170622-00081038-0, as supplemented or amended from time to time, in the official records of Ventura County, State of California.
- 6.3 This Note is secured by a real estate Deed of Trust recorded on 06/22/2017, Instrument # 2017-0035918, as supplemented or amended from time to time, in the official records of Tulare County, State of California.
- 6.4 This Note shall be secured by a security interest in personal property granted by the Security Instruments and all additions, replacements or amendments thereto as such may be made from time to time.

7. **PREPAYMENT; REAMORTIZATION; REFINANCE; INTEREST RATE CONVERSION.** A payment, in any amount, made in advance of the scheduled payment date is a “prepayment.” If Borrower, in making a prepayment, intends the prepayment to be applied to reduce the principal balance of the Note, Borrower must so inform Lender in writing accompanying the prepayment; however, Lender may apply all prepayments in such manner as Lender, in its sole discretion, may determine unless otherwise agreed to in writing. Borrower may make a full or partial prepayment on any business day without paying a prepayment fee.

Upon the making of a partial prepayment, Borrower may request to have the amount of future installments reamortized over the remaining term of the Loan, but only if Borrower so notifies Lender at the time Borrower makes the partial prepayment and only if, upon Lender’s approval of the request which approval shall be in Lender’s sole discretion, Borrower pays to Lender any fees and costs that Lender may charge for such reamortization.

Lender may from time to time offer other loan or interest rate products for which Borrower qualifies. Borrower acknowledges that it may not refinance or convert this Note to another loan or interest rate product with Lender unless Borrower qualifies for such loan or product as determined by Lender in its sole discretion and pays to Lender any fees and costs that Lender may charge for such refinance or conversion.

8. **LEGAL ENTITY STATUS.** If Borrower is a legal entity, by signing below, the undersigned representatives of such entity represent that there have been NO CHANGES in: the entity’s owners, directors, officers, partners, managers, trustees or beneficiaries; or in the entity’s lawful powers to borrow or encumber entity assets to secure its debts; or in the authority of any person signing below to act for and bind the entity; or in the entity’s Articles, Bylaws, or other applicable legal documents creating or sustaining the entity since the later of delivery to Lender of the last statement proving entity status and authorization or such entity organizational documents and consents as requested by Lender.

9. **REIMBURSEMENT OF CHARGES.** If any Farm Credit bank or any other provider of financing or funding to Lender shall assess against Lender any fee, cost, charge, or other amount with respect to the Indebtedness, Borrower shall reimburse Lender on demand for the amount thereof, regardless of whether such assessment arose from actions taken by Borrower.

10. **REAL ESTATE SECURED NOTE.** This Note is secured by a Security Instrument which describes how and under what conditions all amounts owed under this Note may become immediately due and payable. One of those conditions relates to any transfer of the property covered by the Security Instrument and to certain other transfers. Refer to each Security Instrument for the specific conditions and requirements. When the Security Instrument is a Deed of Trust, the Deed of Trust provides as follows:

**DUE ON SALE OR TRANSFER.** In the event the Property, (including any existing or subsequently acquired or created Water Asset), or any interest therein, is transferred or agreed to be transferred or any right to drill oil, gas or minerals is exercised in, on, or under the Property, without Beneficiary’s prior written consent, except as specifically allowed under Section 6 above all Indebtedness, irrespective of the maturity dates, at the option of the holder hereof, and without demand or notice, shall immediately become due and payable. As used herein, “transferred” means sold, conveyed, alienated, exchanged, transferred by gift, further encumbered, pledged, hypothecated, made subject to an option to purchase, or otherwise disposed of, directly or indirectly, or in trust, voluntarily or involuntarily, by Trustor or by operation of law or otherwise. Failure to exercise such option shall not constitute a waiver of the right to exercise this option in the event of subsequent transfer or subsequent agreement to transfer.

If Trustor is an entity other than a natural person (such as a corporation or other organization), then all Indebtedness, irrespective of the maturity date, at the option of Beneficiary, and without demand or notice, shall become immediately due and payable if: Trustor is dissolved or its existence as a legal entity is terminated.

**11. COUNTERPART SIGNATURES.** This Note may be signed in one or more counterparts which shall constitute one and the same Note. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Note.

**12. SPECIAL REPRESENTATIONS, WARRANTIES, CONDITIONS AND COVENANTS.**

**12.1 DISBURSEMENT INSTRUCTIONS.** Borrower understands and agrees Lender shall disburse loan funds based on the following:

Disbursements of loan funds shall not exceed the lesser of:

1. \$75,000,000; or
2. The principal balance at which, if the remaining available Commitment were drawn and applied to Current Assets, the Current Ratio would calculate to equal 1.10:1, measured at each quarter end with Borrower's SEC Form 10-Q financial statements and at fiscal year-end with Borrower's SEC Form 10-K financial statements.

**12.2 COMBINED COVENANT COMPLIANCE CERTIFICATE.** Concurrently with the delivery of the FYE (Borrower's SEC Form 10-K) and quarterly (Borrower's SEC Form 10-Q) Financial Statements required under the MLA, Borrower shall deliver to Lender a duly completed Combined Covenant Compliance Certificate, certifying that all information contained therein is complete and correct and that no Default exists under this Supplement or the other Loan Documents or, if any such Default shall exist, stating the nature and status of such event. The term "**Combined Covenant Compliance Certificate**" means a certificate substantially in form and substance satisfactory to Lender, executed on behalf of Borrower by an authorized party of Borrower, to evidence compliance with the financial covenants contained in this Supplement and the MLA, substantially the form set forth in **Exhibit A** attached hereto.

**12.3 UNUSED COMMITMENT FEE.** Borrower shall pay Lender an unused commitment fee ("**Unused Commitment Fee**") equal to the product of (i) the applicable percentage specified in Section 3.4 above that corresponds to the Modified Current Ratio or Current Ratio, times (ii) the actual daily amount by which the Commitment exceeds the actual daily amount of Commitment outstanding. The Unused Commitment Fee shall be calculated on the basis of a 365-day year and the actual number of days in each month, accrue at all times during the Draw Period, and shall be due and payable at the same time as monthly interest only payments specified under Section 2.

REPRESENTATIVES OF LENDER ARE NOT AUTHORIZED TO MAKE ANY ORAL AGREEMENTS OR ASSURANCES. DO NOT SIGN THIS AGREEMENT IF YOU BELIEVE THAT THERE ARE ANY AGREEMENTS OR UNDERSTANDINGS BETWEEN YOU AND LENDER THAT ARE NOT SET FORTH IN WRITING IN THIS AGREEMENT OR IN OTHER LOAN DOCUMENTS PERTAINING TO THIS LOAN.

This Supplement has been executed as of the date first written above.

Signers:

**Limoneira Company, a Delaware Corporation**

By: \_\_\_\_\_  
Harold S. Edwards, as President

By: \_\_\_\_\_  
Mark Palamountain, as Secretary

Filing Ref.: Limoneira Company

Loan/Supplement Number: 8363846-201

Customer Number: 0005229057

**PROMISSORY NOTE AND SUPPLEMENT  
TO MASTER LOAN AGREEMENT**

This Non-revolving Credit Facility Supplement (alternately, “**Note**” or “**Supplement**”) to a Master Loan Agreement dated **June 1, 2021** (“**MLA**”) is established as of **June 1, 2021** between the undersigned Borrower and Lender identified herein. This Supplement is executed, delivered and accepted not in payment of but for the purpose of amending, restating and replacing the following described notes(s), and renewing any unpaid balance(s) evidenced thereby: Loan/Supplement number 8363846-201, dated **June 19, 2017**. This Supplement also evidences an additional loan advance(s) to the extent the Commitment under this Supplement exceeds the renewed unpaid balance(s) referred to above.

**1. PROMISE TO PAY.** For value received, **Limoneira Company, a Delaware Corporation** (“**Borrower**”) promises to pay to the order of **Farm Credit West, PCA** (“**Lender**”), a corporation organized under the laws of the United States of America, with its office at **2031 Knoll Drive, Ventura, CA 93003-7301** or at such other place as may be designated in writing by Lender, the principal sum of **\$40,000,000.00** (Forty Million Dollars and Zero Cents) (“**Commitment**”), or so much of that sum as may be advanced by Lender from time to time, together with interest on the unpaid principal balance as specified in Section 3 below. All defined terms used in this Supplement shall have the same meaning as set forth in the MLA. All Indebtedness shall be payable by Borrower only in lawful money of the United States of America.

**1.1 NON-REVOLVING CREDIT FACILITY.** On the terms and conditions in the MLA and this Supplement, Lender agrees to make Loan advances to Borrower during the period set forth below in the aggregate principal amount not to exceed at any one time outstanding the Commitment or the borrowing base or other guidelines where applicable, whichever is less. Amounts borrowed and later repaid may not be reborrowed.

**1.2 TERM.** The term of the Commitment shall be from the date of this Supplement up to and including the Maturity Date, or such later date as Lender may in its sole discretion authorize in writing. Borrower may draw funds only during the term of the Commitment.

**1.3 ONGOING REQUIREMENTS AND REPRESENTATIONS.** At the time of any draw request or draw by Borrower or advance of Loan funds by Lender, Borrower shall not be in default hereunder. Any request for or acceptance of a draw by Borrower constitutes an ongoing representation by Borrower that Borrower continues to comply with the conditions and terms in this Agreement, the Security Instruments or any Loan Document in connection herewith, and that title to the Property defined in the Security Instruments has not been transferred without Lender’s written consent. If a default occurs, one of Lender’s remedies includes Lender’s right to immediately terminate Borrower’s right to make draws hereunder, with or without notice to Borrower.

**1.4 PROCEDURE FOR DRAWING FUNDS.** All draws requested hereunder shall comply with applicable procedures established by Lender from time to time. Lender’s records shall be conclusive evidence of draw requests. Each advance of Loan funds hereunder may be made upon a verbal, written, or telecopied request from Borrower to Lender. Lender may rely on any verbal request for a draw as fully as if such request were in writing. Upon fulfillment of the applicable conditions for making a draw, Lender shall disburse the amount of the requested draw to Borrower in such manner as Lender and Borrower may from time to time agree.

**2. PAYMENTS.**

**Sixty (60) Monthly** interest only payments in the amount billed, beginning on **July 1, 2021**. **One (1)** installment of interest in the amount billed and principal to be paid on **July 1, 2026**.

Payments, other than those required in this Section or elsewhere herein, may be made at any time and in any amount during the term of this Note, unless limited or prohibited herein or unless otherwise required by Lender in writing. This Loan is due and payable in full on **July 1, 2026** ("**Maturity Date**"), at which time Borrower shall pay the unpaid principal balance and all accrued interest in full.

At Lender's option, a change in the interest rate or an advance may either increase or decrease one or more of the following: the amount of each installment due, the amount of the final installment (resulting in a final installment due at the Maturity Date which may be greater than any previous installments) or the total number of installments due.

### 3. INTEREST.

**3.1 INITIAL INTEREST RATE.** Interest will be charged on the entire unpaid principal balance of this Note, including payments not made when due and any other sums owing hereunder, at a fixed interest rate of **4.77%** per year (the "**Fixed Rate**") and such rate shall continue for a period of **1 year and 1 month** (the "**Fixed Rate Term**"). At the end of the Fixed Rate Term, the interest rate shall then convert to interest at a Variable Interest Rate, as described in Section 3.5 below. Interest will be calculated on the basis of a 365-day year and the actual number of days in each month. Interest charges will begin on the date Lender disburses principal and continue until the Indebtedness is paid in full with interest.

Interest charged hereunder, including any acceleration interest rate, all late charges, default interest and other charges described in Section 4 below, and all other amounts charged hereunder, shall not be limited by the laws of any state, including any state laws relating to a legal rate or other interest rate, but shall be governed solely by applicable federal laws.

**3.2 CHANGE OF INTEREST RATE.** At the end of the Fixed Rate Term, on **July 1, 2022**, unless the remaining balance of the Note is repaid or fixed for an additional period, the Fixed Rate for this Note shall automatically convert to the then current Variable Interest Rate for which this Note is eligible, as described in Section 3.5 below. Thereafter, all Variable Interest Rate provisions shall apply to this Note.

**3.3 INTEREST RATE ON DEFAULT.** If the Indebtedness shall become due because of a default under this Note interest for this Note shall continue pursuant to the terms of this Note until all the Indebtedness is paid in full.

**3.4 NOTICE.** At the end of the Fixed Rate Term, or if the interest rate changes for any other reason, Lender will give Borrower notice of such rate change to the extent required by then applicable law. Any notices under this Supplement shall be given in accordance with the notice section of the MLA.

**3.5 VARIABLE INTEREST RATE.** Indebtedness converting to the Variable Interest Rate upon the expiration of the Fixed Rate Term shall: a) bear interest at the Variable Interest Rate from the date of expiration of the Fixed Rate Term until the Maturity Date unless another rate is established; and b) be repaid in installments calculated at the Variable Interest Rate sufficient to pay the account in full on the Maturity Date.

The Variable Interest Rate applicable to the Indebtedness after conversion shall be the Variable Rate established by Lender corresponding to the interest rate group to which the Indebtedness is assigned at any time ("**Variable Interest Rate**"). Interest charges will begin on date the interest rate is converted hereto, and continue until the full amount of the Indebtedness has been paid in full with interest.

**Change in interest rate and interest rate group.** The Variable Interest Rate applicable to the Indebtedness may be adjusted automatically, as of the first day of any month, to the Variable Interest Rate corresponding to the interest rate group to which such Indebtedness is assigned under the provisions of Lender's variable interest rate plan in effect at that time. In adjusting the Variable Interest Rate, Lender considers certain standard factors set forth in the plan, including but not limited to, changes in its costs of funds, operating expenses, earnings requirements to meet certain capital objectives, credit risk factors, and the competitive environment, which factors may change during the term of this Note.

Borrower understands and agrees that: (a) the interest rate group to which the Indebtedness is assigned may be changed at any time to any other interest rate group, based on Lender's evaluation of the change in Borrower's credit quality, quality of collateral, costs of servicing the loan, and other factors which are set forth in Lender's interest rate plan in effect at that time; and (b) the interest rate group to which the Indebtedness is assigned may be automatically adjusted to the highest interest rate group if a default shall occur under this Note or under any other note or agreement between Borrower and Lender.

4. **INTEREST FOR OVERDUE PAYMENTS.** Any interest or other sum owed hereunder which is not paid when due shall be added to the outstanding principal balance of the Loan and such combined amount shall thereafter bear interest at the same rate as the principal portion of the Loan.

5. **DEFAULT AND REMEDIES.** Borrower is in default on this Supplement if Borrower is in default under the MLA. If a default occurs, Lender shall have all the Remedies in the MLA.

6. **SECURITY.** The security given by Borrower to Lender includes, without limitation, the following:

6.1 By signing below, the undersigned individually and collectively represent that there have been NO CHANGES in the ownership, condition, or location of any collateral previously pledged to Lender, which is also pledged as Collateral for this Note.

6.2 This Note is secured by a real estate Deed of Trust recorded on 06/22/2017, Instrument # 20170622-00081038-0, as supplemented or amended from time to time, in the official records of Ventura County, State of California.

6.3 This Note is secured by a real estate Deed of Trust recorded on 06/22/2017, Instrument # 2017-00035918, as supplemented or amended from time to time, in the official records of Tulare County, State of California.

6.4 This Note shall be secured by a security interest in personal property granted by the Security Instruments and all additions, replacements or amendments thereto as such may be made from time to time.

7. **PREPAYMENT; REAMORTIZATION; REFINANCE; INTEREST RATE CONVERSION.** A payment, in any amount, made in advance of the scheduled payment date is a "prepayment". Borrower is subject to the following provisions in the event a prepayment is made.

7.1 **PREPAYMENT PROCEDURES.** Any prepayment, as well as any Prepayment Fee and Prepayment Surcharge will only be accepted in accordance with Lender's established procedures. If Borrower, in making a prepayment, intends the prepayment to be applied to reduce the principal balance of the Account, Borrower must so inform Lender in writing accompanying the prepayment. Unless agreed to in writing otherwise, Lender may apply all prepayments in such manner as Lender, in its sole discretion, may determine.

7.2 **REAMORTIZATION.** Upon the making of a partial prepayment, Borrower may request to have the amount of future installments reamortized over the remaining term of the Loan, but only if Borrower so notifies Lender at the time Borrower makes the partial prepayment and only if, upon Lender's approval of the request, Borrower pays to Lender any fees and costs that Lender may charge for such reamortization.

7.3 **INTEREST RATE CONVERSION/REFINANCE.** Lender may from time to time offer other loan or interest rate products for which Borrower qualifies. Borrower acknowledges that it may not refinance or convert this Note to another loan or interest rate product with Lender unless Borrower qualifies for such loan or interest rate product and pays to Lender any fees and costs that Lender may charge for such refinance or conversion.

7.4 **PREPAYMENT FEE.** A fee equal to **0.50 %** of the amount prepaid ("**Prepayment Fee**") must be paid with the prepayment. Prepayments resulting from Lender's application of condemnation or insurance loss proceeds will not be subject to the Prepayment Fee, but will be subject to the Prepayment Surcharge defined below.

- 7.5 **PREPAYMENT SURCHARGE.** In addition to the Prepayment Fee, Borrower must also pay to Lender (a) any amount charged to Lender with respect to such prepayment by any farm credit bank or other provider of financing or funding to Lender, and (b) any other cost or loss suffered by Lender as a result of the prepayment (collectively a “**Prepayment Surcharge**”).
- 7.6 **CHARGES DUE WITH PREPAYMENT.** The Prepayment Fee and, if applicable, the Prepayment Surcharge must be paid prior to or concurrent with the amount prepaid, as a condition to Lender’s acceptance of the prepayment.
- 7.7 **ACCELERATION.** If the Maturity Date of this Note is accelerated, for any reason, including default or unauthorized transfer of an interest in any Collateral, and the entire Indebtedness becomes immediately due and payable, a tender of payment of the amount necessary to satisfy the entire Indebtedness will be deemed a prepayment, and must include the Prepayment Fee and Prepayment Surcharge.
- 7.8 **WAIVER OF STATUTORY RIGHT TO PREPAY WITHOUT PENALTY OR CHARGE UPON CONVEYANCE OF REAL PROPERTY COLLATERAL.** By the initials below, Borrower waives any right under Section 2954.10 of the California Civil Code, or under similar laws in other jurisdictions, to prepay the Note, in whole or in part, without penalty, including any right to prepay the Note without also paying the Prepayment Fee and Prepayment Surcharge following Lender's acceleration of the Maturity Date of the Note upon any unauthorized conveyance or transfer of an interest in any real property securing the Note or any guaranty of the Note.

INITIALS OF BORROWER: \_\_\_\_\_

8. **LEGAL ENTITY STATUS.** If Borrower is a legal entity, by signing below, the undersigned representatives of such entity certify that there have been NO CHANGES in: the entity’s, directors, officers, partners, managers, trustees or beneficiaries; or in the entity’s lawful powers to borrow or encumber entity assets to secure its debts; or in the authority of any person signing below to act for and bind the entity; or in the entity’s Articles, Bylaws, or other applicable legal documents creating or sustaining the entity since the later of delivery to Lender of the last statement proving entity status and authorization or such entity organizational documents and consents as requested by Lender.

9. **REIMBURSEMENT OF CHARGES.** If any Farm Credit bank or any other provider of financing or funding to Lender shall assess against Lender any fee, cost, charge, or other amount with respect to the Indebtedness, Borrower shall reimburse Lender on demand for the amount thereof, regardless of whether such assessment arose from actions taken by Borrower.

10. **REAL ESTATE SECURED NOTE.** This Note is secured by a Security Instrument which describes how and under what conditions all amounts owed under this Note may become immediately due and payable. One of those conditions relates to any transfer of the property covered by the Security Instrument and to certain other transfers. Refer to each Security Instrument for the specific conditions and requirements. When the Security Instrument is a Deed of Trust, the Deed of Trust provides as follows:

**DUE ON SALE OR TRANSFER.** In the event the Property, (including any existing or subsequently acquired or created Water Asset), or any interest therein, is transferred or agreed to be transferred or any right to drill oil, gas or minerals is exercised in, on, or under the Property, without Beneficiary’s prior written consent, except as specifically allowed under Section 6 above, all Indebtedness, irrespective of the maturity dates, at the option of the holder hereof, and without demand or notice, shall immediately become due and payable. As used herein, “transferred” means sold, conveyed, alienated, exchanged, transferred by gift, further encumbered, pledged, hypothecated, made subject to an option to purchase, or otherwise disposed of, directly or indirectly, or in trust, voluntarily or involuntarily, by Trustor or by operation of law or otherwise. Failure to exercise such option shall not constitute a waiver of the right to exercise this option in the event of subsequent transfer or subsequent agreement to transfer.

If Trustor is an entity other than a natural person (such as a corporation or other organization), then all Indebtedness, irrespective of the maturity date, at the option of Beneficiary, and without demand or notice, shall become immediately due and payable if: Trustor is dissolved or its existence as a legal entity is terminated.

**11. COUNTERPART SIGNATURES.** This Note may be signed in one or more counterparts which shall constitute one and the same Note. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Note.

**12. SPECIAL REPRESENTATIONS, WARRANTIES, CONDITIONS AND COVENANTS.**

**12.1 COMBINED COMPLIANCE CERTIFICATE.** Concurrently with the delivery of the FYE (Borrower's SEC Form 10-K) and quarterly (Borrower's SEC Form 10-Q) Financial Statements required under the MLA, Borrower shall deliver to Lender a duly completed Combined Compliance Certificate, certifying that all information contained therein is complete and correct and that no Default exists under this Supplement or the other Loan Documents or, if any such Default shall exist, stating the nature and status of such event. The term "**Combined Compliance Certificate**" means a certificate substantially in form and substance satisfactory to Lender, executed on behalf of Borrower by an authorized party of Borrower, to determine the Applicable Margin and to evidence compliance with the financial covenants contained in this Supplement and the MLA, substantially the form set forth in **Exhibit A** attached hereto.

REPRESENTATIVES OF LENDER ARE NOT AUTHORIZED TO MAKE ANY ORAL AGREEMENTS OR ASSURANCES. DO NOT SIGN THIS AGREEMENT IF YOU BELIEVE THAT THERE ARE ANY AGREEMENTS OR UNDERSTANDINGS BETWEEN YOU AND LENDER THAT ARE NOT SET FORTH IN WRITING IN THIS AGREEMENT OR IN OTHER LOAN DOCUMENTS PERTAINING TO THIS LOAN.

This Supplement has been executed as of the date first written above.

Signers:

**Limoneira Company, a Delaware Corporation**

By: \_\_\_\_\_

Harold S. Edwards, as President

By: \_\_\_\_\_

Mark Palamountain, as Secretary



## AGREEMENT TO CONVERT TO FIXED INTEREST RATE

**Conversion Date: July 1, 2021**

**Loan No. 8363846-201 (the "Loan")**

This **AGREEMENT TO CONVERT TO FIXED INTEREST RATE** (the "**Agreement**") is entered into by each of the undersigned persons and/or entities (individually and collectively "**Borrower**") and Farm Credit West, PCA ("**Lender**") as of **June 8, 2021** (Borrower and Lender collectively the "**Parties**").

**WHEREAS**, Borrower is indebted to Lender under that certain promissory note in the original amount of **\$40,000,000.00** dated **June 1, 2021** (the "**Note**") together with any and all agreements executed in connection with the Note (collectively the "**Loan Documents**").

**WHEREAS**, Borrower has requested that the existing interest rate under the Note be converted on the Conversion Date to the fixed interest rate product chosen by Borrower below (the "**Interest Rate Conversion**") and Lender has agreed to such request subject to the terms and conditions of this Agreement.

**NOW, THEREFORE, IN CONSIDERATION OF THE RECITALS SET FORTH ABOVE**, the terms herein, and other valuable consideration, the receipt of which is hereby acknowledged, the Parties hereto agree as follows:

1. **PREPAYMENT RESTRICTIONS**. The interest rate product below is subject to a **Prepayment Lockout Period** and applicable prepayment fees and surcharges. A **Prepayment** is a payment, in any amount, made in advance of a scheduled payment date, or a payment made on a scheduled payment date that is in excess of the scheduled payment amount.

1.1. **NOT PREPAYABLE**. The Prepayment Lockout Period is for the entire Fixed Rate Term, which begins on the Conversion Date and ends on July 1, 2025.

If Borrower makes a Prepayment during the Prepayment Lockout Period, Borrower shall pay:

- (i) a **Prepayment Fee** equal to **0.50 %** of the amount prepaid; **and**
- (ii) any applicable **Prepayment Surcharge** associated with providing the Fixed Rate to Borrower. A Prepayment Surcharge is (a) any amount charged to Lender, with respect to such prepayment; and (b) any other cost or loss suffered by Lender as a result of the prepayment all as further described in **Exhibit A** attached hereto and incorporated by this reference.

2. **NEW INTEREST RATE AFTER CONVERSION**. On the Conversion Date, Borrower's interest rate on the Loan shall be converted and interest will be charged on the entire unpaid principal balance of the Note, including payments not made when due and any other sums owing under the Note, at a fixed interest rate of **3.57%** per year (the "**Fixed Rate**"). The Fixed Rate shall continue for the "**Fixed Rate Term**" selected.

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2.1. **FIXED TO CONVERSION.** The Fixed Rate Term begins on the Conversion Date and continues until **July 1, 2025**. At the end of the Fixed Rate Term, on **July 1, 2025**, unless the remaining balance of the Note is repaid or fixed for an additional period, the Fixed Rate for the Note shall automatically convert to the then current Variable Interest Rate for which the Note is eligible and shall: a) bear interest at the Variable Interest Rate from the date of expiration of the Fixed Rate Term until the earlier of the Maturity Date of the Note (“**Maturity Date**”) or until the full amount of the Note has been paid in full with interest, unless another rate is established; and b) be repaid in installments calculated at the Variable Interest Rate sufficient to pay the Note in full on the Maturity Date.

2.1.1. **VARIABLE INTEREST RATE.** The Variable Interest Rate applicable to the Note shall be the Variable Interest Rate established by Lender corresponding to the interest rate group to which the Note is assigned at any time (“Variable Interest Rate”).

2.1.2. **CHANGE IN INTEREST RATE AND INTEREST RATE GROUP.** The Variable Interest Rate applicable to the Note may be adjusted automatically, as of the first day of any month, to the Variable Interest Rate corresponding to the interest rate group to which such Note is assigned under the provisions of Lender's variable interest rate plan in effect at that time. In adjusting the Variable Interest Rate, Lender considers certain standard factors set forth in the plan, including but not limited to, changes in its costs of funds, operating expenses, earnings requirements to meet certain capital objectives, credit risk factors, and the competitive environment, which factors may change during the term of the Note.

In addition (a) the interest rate group to which the Note is assigned may be changed at any time to any other interest rate group, based on Lender's evaluation of the change in Borrower's credit quality, quality of collateral, costs of servicing the loan, and other factors which are set forth in Lender's interest rate plan in effect at that time; and (b) the interest rate group to which the Note is assigned may be automatically adjusted to the highest interest rate group if a default shall occur under the Note or under any other note or agreement between Borrower and Lender.

2.2. **INTEREST ACCRUAL.** Interest shall accrue to the date of Lender's receipt of an Installment or other payment, and will be calculated on the basis of a 365 day year and the actual number of days in each month. Interest charges will begin on the Conversion Date and continue until the Indebtedness is paid in full with interest.

2.3. **NOTICE.** At the end of the Fixed Rate Term, or if the interest rate changes for any other reason, Lender will give Borrower notice of such rate change to the extent required by and in accordance with the then applicable law.

2.4. **PREPAYMENT TERMS.**

2.4.1. **PREPAYMENT PROCEDURES.** Any prepayment, as well as any Prepayment Fee and Prepayment Surcharge that is applicable, will only be accepted in accordance with Lender's established procedures. If Borrower, in making a Prepayment, intends the Prepayment to be applied to reduce the principal balance of the Note, Borrower must so inform Lender in writing accompanying the prepayment. Unless agreed to in writing otherwise, Lender may apply all prepayments in such manner as Lender, in its sole discretion, may determine.

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- 2.4.2. **REAMORTIZATION.** Upon the making of a partial Prepayment, Borrower may request to have the amount of future installments reamortized over the remaining term of the Loan, but only if Borrower so notifies Lender at the time Borrower makes the partial Prepayment and only if, upon Lender's approval of the request, Borrower pays to Lender any fees and costs that Lender may charge for such reamortization.
- 2.4.3. **INTEREST RATE CONVERSION/REFINANCE.** Lender may, from time to time, offer other loan or interest rate products for which Borrower qualifies. Borrower may not refinance or convert the Note to another loan or interest rate product with Lender unless Borrower qualifies for such loan or interest rate product and pays to Lender any fees and costs that Lender may charge for such refinance or conversion. In addition to any other such fees and costs, interest rate conversions made subsequent to the Interest Rate Conversion that is the subject of this Agreement will be subject to (i) a .50% conversion fee calculated on the amount being converted; and (ii) if such subsequent conversion is made during a Prepayment Lockout Period, any applicable Prepayment Surcharge.
- 2.4.4. **PREPAYMENT FEE. See Section 1 above for Prepayment Fee.** Prepayments resulting from Lender's application of condemnation or insurance loss proceeds will not be subject to the Prepayment Fee but will be subject to the Prepayment Surcharge defined in Section 1.
- 2.4.5. **CHARGES DUE WITH PREPAYMENT.** Any Prepayment Fee and, if applicable, the Prepayment Surcharge must be paid prior to or concurrent with the amount prepaid, as a condition to Lender's acceptance of the prepayment.
- 2.4.6. **ACCELERATION.** If the Maturity Date of the Note is accelerated, for any reason, including default or unauthorized transfer of an interest in any Collateral, and the entire indebtedness under the Note becomes immediately due and payable, a tender of payment of the amount necessary to satisfy the entire indebtedness will be deemed a prepayment, and must include the Prepayment Fee and any applicable Prepayment Surcharge.
- 2.4.7. **WAIVER OF STATUTORY RIGHT TO PREPAY WITHOUT PENALTY OR CHARGE UPON CONVEYANCE OF REAL PROPERTY COLLATERAL.** By the initials below, Borrower waives any right under Section 2954.10 of the California Civil Code, or under similar laws in other jurisdictions, to prepay the Note, in whole or in part, without penalty, including any right to prepay the Note without also paying the Prepayment Fee and Prepayment Surcharge following Lender's acceleration of the Maturity Date upon any unauthorized conveyance or transfer of an interest in any real property securing the Note or any guaranty of the Note.

**INITIALS OF BORROWER:** \_\_\_\_\_

3. **WARRANTY AND REPRESENTATION.** Borrowers warrant and represent that they constitute all the obligors under the Note and that if any of the Borrowers are partnerships, corporations, estates, trusts or other similar entities, all necessary and appropriate authorizations and approvals have been obtained for this Agreement.
4. **COUNTERPARTS.** This Agreement may be executed in one or more counterparts, including both counterparts that are executed on paper and counterparts that are electronic records and executed electronically, each of which is for all purposes deemed an original and all such counterparts taken together, constitute one and the same instrument. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement. A signed copy of this Agreement delivered by facsimile or email shall be deemed to have the same legal effect as an original signature of this Agreement.
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5. **DEFINED TERMS.** All capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Note or other Loan Documents.
6. **OTHER TERMS AND CONDITIONS.** Except as expressly modified by this Agreement, all other terms and conditions contained in the Note shall remain in full force and effect. To the extent that any of the terms or provisions contained in this Agreement are inconsistent with those contained in the Note, the terms and conditions contained herein shall control. Otherwise, such provisions shall be considered cumulative.

**Borrower Signature(s):**

**Limoneira Company, a Delaware Corporation**

By: \_\_\_\_\_  
Harold S. Edwards, as President

By: \_\_\_\_\_  
Mark Palamountain, as Secretary

**Lender:**

Farm Credit West, PCA

By: \_\_\_\_\_  
Christian Buenning, Vice President

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## Exhibit A to Agreement to Convert to Fixed Interest Rate

### Description of Prepayment Surcharge

The Prepayment Surcharge is an amount calculated and assessed by Lender to compensate Lender for economic losses if a fixed rate funding request is cancelled or allowed to expire. The Prepayment Surcharge is based on a mark-to-market approach and is calculated as the present value of the difference in debt cost locked and the current market debt cost at the time the breakage occurs. A more specific description of the calculation follows:

An amortization schedule is created based on:

1. the original debt cost charged by Lender;
2. the principal amount of the prepayment;
3. the loan's interest rate; and
4. the prepaid fixed rate term requested.

Loans with a prepaid fixed rate loan term greater than one year are assumed to have equal monthly principal and interest payments adjusted for a constant prepayment rate equal to that currently used.

The amortization schedule is used to calculate a current debt cost based on an interpolated (straight-line) Farm Credit yield curve created by Lender. The current debt cost is determined by calculating the internal rate of return based on the amortization schedule's assumed principal payments.

An original interest expense is calculated by period based upon the original debt cost times the principal balances derived from the created amortization schedule and compared to a current interest expense created in the same manner based upon the current debt cost.

The Prepayment Surcharge is the present value of the sum of each monthly difference between the original interest expense and the current interest expense. The present value of each monthly difference is calculated using a discount rate based on the corresponding monthly point on the interpolated Farm Credit yield curve.

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