

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

Date of Report (Date of earliest event reported): March 10, 2020

**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**  
(I.R.S. Employer Identification  
No.)

**1141 Cummings Road**  
**Santa Paula, CA 93060**  
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: **(805) 525-5541**

**Not Applicable**

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

Check the appropriate box below if the Form 8-K filing 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 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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 March 10, 2020, Limoneira Company (the “Company”) entered into a \$15,000,000 Revolving Equity Line of Credit (the “RELOC”) with Farm Credit West, FLCA (the “Lender”). The RELOC expands the Company’s current borrowing capacity of \$115,000,000 to \$130,000,000 with the Lender. Any indebtedness under the RELOC is secured by a first lien on the Windfall Investors, LLC property (the “Property”).

The RELOC features a three-year draw period followed by 20 years of fully amortized loan payments. The interest rate is variable with monthly interest-only payments during the three-year draw period and monthly principal and interest payments thereafter. Disbursements under the RELOC are not to exceed the lesser of \$15,000,000 or 65% of the appraised value of the Property. For amounts outstanding under the RELOC, interest will begin to be charged on the date the Lender disburses principal and will continue until the outstanding indebtedness under the RELOC is paid in full with interest. The initial interest rate in effect under the RELOC is 3.704% per annum, which rate will be automatically adjusted on the first day of each month to the rate then made applicable to the RELOC’s assigned interest rate group under the provisions of the Lender’s Variable Interest Rate plan in effect at that time. Any amounts outstanding under the RELOC are due and payable in full on February 1, 2043. The Company may prepay any amounts outstanding under the RELOC without penalty.

The RELOC includes customary default provisions. Should an event of default occur, the Lender, at its option, may declare all or any portion of the indebtedness under the RELOC 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 foregoing summary of the RELOC is qualified in its entirety by reference to the text of the RELOC, a copy of which is filed hereto as Exhibit 10.1 and incorporated herein by reference.

**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 8**            **Other Events**  
**Item 8.01**           **Other Events.**

On March 12, 2020, the Board of Directors of the Company approved a share repurchase program authorizing the Company to repurchase up to \$10,000,000 shares of its outstanding shares of common stock in the open market or in privately negotiated transactions. The share repurchase program may be modified, suspended or discontinued at any time and does not commit the Company to repurchase shares of its common stock. The actual number and value of the shares to be purchased will depend on the performance of the Company’s stock price and other market conditions.

On March 12, 2020, the Company issued a press release announcing the share repurchase program, which is attached as Exhibit 99.1 to this Current Report on Form 8-K.

**Section 9**            **Financial Statements and Exhibits**  
**Item 9.01**           **Financial Statements and Exhibits.**

Exhibit Number	Description
<a href="#">10.1</a>	<a href="#">Revolving Line of Credit Promissory Note and Loan Agreement, dated March 12, 2020, between Limoneira Company and Farm Credit West, FLCA.</a>
<a href="#">99.1</a>	<a href="#">Limoneira Company Press Release dated March 12, 2020.</a>

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**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.

Date: March 16, 2020

LIMONEIRA COMPANY

By: /s/ Mark Palamountain  
Mark Palamountain  
*Chief Financial Officer, Treasurer and Corporate Secretary*  
*(Principal Financial and Accounting Officer)*

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Filing Ref. :	<b>Limoneira Company</b>	Loan Number:	8001790
		Customer Number:	0005229057

**REVOLVING LINE OF CREDIT  
PROMISSORY NOTE AND LOAN AGREEMENT**

This Revolving Line of Credit Promissory Note and Loan Agreement (“**Note**”) is entered into as of **February 25, 2020**, between the Lender and Borrower identified below.

1. **PROMISE TO PAY.** For value received the undersigned (collectively, “**Borrower**”) as principals, jointly and severally, promise to pay to the order of **Farm Credit West, FLCA (“Lender”)**, a corporation organized under the laws of the United States of America, with its office at **2031 Knoll Drive, Ventura, CA 93003** or at such other place as may be designated in writing by Lender, the principal sum of **\$15,000,000.00** (Fifteen Million Dollars and Zero Cents) (“**Maximum Loan Amount**” or “**Commitment**”), or so much of that sum as may be advanced or re-advanced by Lender from time to time, together with interest on the unpaid principal balance as specified in Section 3 below. “**Indebtedness**” (also called a “**Loan**” or “**Account**” herein) means principal, interest and all other sums owed hereunder of whatever kind evidenced by this Note. All Indebtedness owed shall be payable by Borrower only in lawful money of the United States of America.
  - 1.1 **REVOLVING LINE OF CREDIT.** Lender shall make available to Borrower a revolving line of credit in a principal amount not to exceed at any one time the Maximum Loan Amount. Subject to the provisions of this Note, as amounts drawn under the revolving line of credit are repaid, they may be re-borrowed from time to time during the Draw Period.
  - 1.2 **DRAW PERIOD.** Subject to the provisions of this Note, until **April 1, 2023 (“Draw Period”)**, Borrower may draw Loan funds hereunder; and Lender shall make advances of Loan funds to Borrower upon Borrower’s request. The Draw Period may be terminated by Borrower at any time by written notice to Lender.
    - 1.2.1 **COMMITMENT EXPIRATION.** Notwithstanding the Draw Period or Maturity Date, the Commitment shall expire as of the Commitment Expiration Date unless extended by Lender hereunder. Upon the Commitment Expiration Date, Borrower’s right to draw any undisbursed funds under the Commitment terminates with the remaining outstanding balance under the Commitment payable according to the terms of this Note unless Lender, at its option, declares the outstanding balance under the Commitment immediately due and payable. The Commitment Expiration Date shall mean **July 1, 2020** and each year thereafter the date established by Lender which shall be no later than the anniversary date of the original Commitment Expiration Date. If Lender, in its sole discretion, elects to extend the Commitment, Lender shall notify Borrower of the next Commitment Expiration Date and Borrower agrees that no additional consents or amendments to this Note shall be required for any such extension.
  - 1.3 **USE OF DRAW FUNDS.** Borrower represents that any funds drawn hereunder will be used primarily for business and agricultural purposes and not for personal, family or household purposes. Borrower acknowledges that Lender has relied upon this representation in establishing this revolving line of credit and in making any advance hereunder.
  - 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 shall be made upon a verbal, written, or telecopied request from Borrower to Lender. Each such request shall specify the date of the requested draw and the amount thereof. 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. Lender may rely on any verbal request for a draw as fully as if such request were in writing.
  - 1.5 **ONGOING REQUIREMENTS AND REPRESENTATIONS DURING DRAW PERIOD.** At the time of any draw request or draw by Borrower or advance of Loan funds by Lender, Borrower shall not be in default under this Note as described in Section 5 below. 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 requirements set forth in this Note, the Security Instrument or any other Loan Document, and that title to the Collateral, each as defined in Section 9 below, has not been “transferred”, as defined in Section 23 below, without Lender’s written consent. If a default occurs under Section 5 below, 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.

**2. PAYMENTS.** Principal and interest shall be payable to Lender as follows:**2.1** During the Draw Period.

Interest Only: Borrower shall pay on **April 1, 2020**, and **Monthly** thereafter, (the “**Interest Repayment Frequency**”) for **37 Monthly** periods, all interest then accrued during the billing period based on the daily principal balance.

**2.2** During the Amortized Balance Period. Provided that the Borrower is in compliance with all requirements of this Note, including all provisions of Section 1 hereof, then on the first day after the end of the Draw Period, the outstanding principal balance then due (“**Amortized Balance**”) shall be fully amortized in accordance with the terms hereof over the remaining term of the Note (“**Amortized Balance Period**”). Provided Borrower is current on all scheduled payments due under the Draw Period, any interest accrued and unpaid since the last scheduled payment under the Draw Period shall be added to the first installment due during the Amortized Balance Period.

Borrower shall make equally amortized payments of principal and interest based on the Amortized Balance beginning on **May 1, 2023** and **Quarterly** thereafter until **February 1, 2043** (“**Maturity Date**”), at which time the entire remaining principal balance, together with all accrued interest and all other obligations evidenced by the Note shall be fully due and payable.

Notwithstanding the foregoing, if any default under this Note has occurred or Borrower is not in compliance with all requirements of this Note at the end of the Draw Period, Lender may, at its option, elect not to amortize the Loan over the Amortized Balance Period as described above but Lender may elect instead to require that Loan be paid in full and/or Lender may otherwise exercise its rights and remedies arising from the default.

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. Lender may apply any payment received from or on behalf of Borrower and any proceeds of Collateral, as defined herein, to principal, interest, or any part of the Indebtedness as Lender, in its sole discretion, may choose. Any payment received by Lender after Lender has closed its books for the day will be applied on the next business day.

**2.3** Repayment Upon Early Termination of the Draw Period. If Borrower terminates the Draw Period earlier than the Draw Period end date (“**Early Termination**”), and the Note is not in default (or Lender elects not to exercise its rights and remedies arising from the default), the Indebtedness evidenced by this Note (the “**Outstanding Obligation**”) will be immediately re-scheduled and repaid as follows:

- 2.3.1** The Outstanding Obligation will be immediately equally amortized over the remaining term of the Note. The repayment frequency (i.e. monthly, annually or other) will be the same frequency as that established for the Amortized Balance Period described above.

If the Loan is re-scheduled due to an Early Termination, all other terms and conditions of the Note shall remain in full force and effect, including the provisions of Section 2.4 below.

If the Note is in default at the time Borrower elects an Early Termination, Lender shall have the right to accelerate the Loan and/or otherwise exercise its rights and remedies as described in Section 5.1 rather than re-scheduling the Loan.

- 2.4** **INSTALLMENTS.** Lender may apply to the Loan any payment received from Borrower and any proceeds of Collateral in such manner as Lender, in its sole discretion, may choose. Any payment received by Lender after Lender has closed its books for the day will be applied on the next business day.

### **3. INTEREST.**

- 3.1** **INITIAL INTEREST RATE.** The interest rate applicable to the Note is a Variable Interest Rate (“**Variable Interest Rate**”) and shall change in accordance with Sections 3.2 through 3.3 below. Interest shall accrue at the Variable Interest Rate as established by Lender for the interest rate group to which this Note is assigned.

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 described in Section 5.2 below, 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.

Interest will be calculated on the basis of a 30-day month and a 360-day year. Interest charges will begin on the date Lender disburses principal and continue until the Indebtedness is paid in full with interest. On the date Lender disburses the Loan, interest will be at an annual rate of **3.70%** (“**Initial Interest Rate**”).

- 3.2** **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 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.

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, the Loan Documents or under any other note or agreement between Borrower and Lender.

- 3.3** **NOTICE.** If Lender changes Borrower’s Variable Interest Rate, Lender will give Borrower notice of such rate change to the extent required by the then applicable law.

- 4. LATE CHARGES FOR OVERDUE PAYMENTS.** Any installment of principal or interest not received by Lender by the end of the fifteenth (15<sup>th</sup>) calendar day after the date it is due shall bear interest from such due date until such amount is fully paid at the interest rate in effect at that time, as may be increased or decreased based on the interest rate group assigned by Lender to Borrower, plus **4.00%** per annum.

5. **DEFAULT.** Borrower is in default on this Note under any one or more of the following circumstances: (a) Borrower or any guarantor fails to pay when due principal, interest or other sums as set forth in this Note or any other Loan Document; (b) Borrower is declared to be in default on any other loan or obligation of Borrower to Lender or in which Lender has an interest, or Borrower or any guarantor breaches any term, condition or representation in this Note or in any other Loan Document or in connection with any other loan of this Lender, or any other lender, including but not limited to any other Farm Credit lender; (c) any of Borrower's or guarantor's representations to this or any other lender in connection with any loan are materially false or misleading; (d) Lender determines that Borrower or any guarantor is unable to repay the sums owed Lender under this Note as agreed, or Lender in good faith otherwise deems itself insecure; (e) Lender's reasonable determination that a material adverse change has occurred in the financial condition of Borrower or any guarantor or in the value of the Collateral; (f) Borrower's death, dissolution, incapacity or termination of existence; (g) Borrower's or guarantor's insolvency, business failure, application for or consent to appointment of a receiver/custodian or trustee for itself or any of its assets, assignment to an agent authorized to liquidate any substantial amount of assets, assignment for the benefit of creditors by, or commencement of any proceeding under any bankruptcy or insolvency law by or against Borrower, or any guarantor, endorser, or surety for Borrower; (h) any judgment, writ, levy, lien, attachment, notice of tax lien, tax lien, or similar process is entered against Borrower, any guarantor or any of Borrower's or any of guarantor's properties and is not vacated, bonded, or stayed to the satisfaction of Lender; (i) a default occurs under any guaranty given to Lender in connection with this Note, or any guarantor shall purport to terminate, repudiate or contest any such guaranty; any guarantor who is a natural person shall die or becomes incapacitated; or any guarantor that is not a natural person shall be dissolved or terminated; or (j) Borrower sells, leases, encumbers, transfers, or enters into any agreement for the sale, lease, encumbrance, transfer or nonuse of any water, water rights or "Water Asset", as defined in any deed of trust, mortgage, security agreement or other agreement relating to the pledge of water or water rights; or (k) if Borrower or any guarantor is an entity other than a natural person: (i) a transfer of a beneficial interest of such entity (ii) a withdrawal or removal of a general partner or manager if such entity is partnership or limited liability company, as applicable; (iii) a transfer in the aggregate of more than 25% of the voting stock if such entity is a corporation or of more than 25% of the partnership interests or membership interests if such entity is a partnership, limited liability company or similar entity.
- 5.1 **REMEDIES.** If a default hereunder shall occur, Lender shall have all rights and remedies under this Note or any other Loan Document, or accorded by law or at equity, including the right to foreclose on any and all Collateral and to exercise any or all of the rights of a mortgagee, trust deed beneficiary, or secured party pursuant to applicable laws, rules, ordinances, permits and regulations of all local, regional, county, state and federal governmental authorities ("Applicable Laws"). One of Lender's remedies hereunder shall include Lender's right to immediately terminate Borrower's right to make draws, with or without notice to Borrower. All rights and remedies of Lender may be exercised at any time by Lender and from time to time after the occurrence of a default. All rights and remedies of Lender hereunder and any other Loan Document are cumulative and not exclusive and shall be in addition to any other rights or remedies provided by law or equity. Lender may enforce any security interest or lien pursuant to any Loan Document 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 Borrower can, waives any and all rights, obligations, or defenses now or hereafter established by law relating to the foregoing. The mortgage, deed of trust or other Security Instrument provides that advances made by Lender shall become a part of the principal evidenced by this Note, and also states additional conditions under which the entire Note may be accelerated and become immediately due and payable and will be subject to interest and acceleration interest
- 5.2 **ACCELERATION AND INTEREST UPON ACCELERATION.** On Borrower's default, and at Lender's option, all unpaid principal, including amounts advanced for taxes, insurance, and other expenses herein, accrued unpaid interest and amounts charged in Section 4, shall become immediately due and payable without presentment, demand, notice of non-payment, or protest. Interest on said accelerated amount shall be **4.00%** per annum above the interest rate provided for in Section 3 above.
- 5.3 **WAIVER.** Any delay, failure or discontinuance of Lender in exercising any right or remedy shall not waive that right or remedy or any other right or remedy. Any explicit waiver of default by Lender must be in writing and signed by Lender. No waiver of default by Lender shall operate as a waiver of any other default or of the same default on a future occasion.

- 6. 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 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.

- 7. BORROWER’S REPRESENTATIONS.** In addition to the representations described in other Loan Documents, Borrower makes the following representations to Lender which remain in effect until all Indebtedness is repaid in full:

**7.1 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.

**7.2 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.

**7.3 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.

**7.4 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.

**7.5 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.

**7.6 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.



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

**8.1 FINANCIAL PERFORMANCE**

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

**8.1.2** **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 1.25:1 when measured with the October 31 SEC Form 10-K financial statements for Limoneira Company, and annually thereafter during the term on a 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.

**8.2 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.

**8.3 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:

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

**8.3.2** **REPORTING - OTHER.** As soon as possible, but no later than 90 days after October 31, Borrower is to provide the following financial information: an annual budget and cash flow projection or operating plan.

**8.3.3** **REPORTING - SELF-PREPARED STATEMENTS.** As soon as possible, but no later than 60 days after January 31, April 30 and July 31, quarterly Self-prepared SEC Form 10-Q Financial Statements, unless such statements are made readily accessible to Lender for download from Borrowers' website or other publicly available source., for Limoneira Company.

**8.3.4** **REPORTING - OTHER.** As soon as possible, but no later than 90 days after October 31, Borrower is to provide the following financial information: 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.

**8.4 ENVIRONMENTAL.** Borrower shall comply with the following additional requirements

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

**8.5 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:

- 8.5.1** Mortgage, pledge, lease for a period exceeding one year or otherwise make or allow the filing of a lien on any Collateral.
- 8.5.2** Become a guarantor or surety on or otherwise become liable for, the debts or obligations of any third party person, or any entity.
- 8.5.3** Obtain credit or loans other than trade credit customary in Borrower's business.
- 8.5.4** 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.
- 8.5.5** Sell Borrower's business, abandon or cease or materially change its business operations, or merge or consolidate with any third party or entity.
- 8.6** **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:
- 8.6.1** Lender shall have received evidence that all Loan Documents have been duly authorized and executed;
- 8.6.2** 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;
- 8.6.3** All representations and warranties of any party to the Loan Documents, other than Lender, are true and correct; and
- 8.6.4** Lender has received all other documents, certificates, approvals, information, and fees requested by Lender.
- 9. SECURITY.** This is a secured Note. "**Collateral**" means all real and personal property securing this Note. "**Security Instrument**" means any deed of trust, mortgage, security agreement or other Loan Document granting Lender a security interest in, any real or personal property as security for this Note. The terms of all Security Instruments securing this Note are hereby incorporated by reference as a part of this Note. "**Loan Document**" means this Note, and any loan agreement, guaranty, Security Instrument, and any and all other writings or agreements executed in connection with the loan or this Note, and all amendments, modifications, and restatements thereof.
- The Collateral for this Note is as follows:
- i.** 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.
  - ii.** This Note is secured by a real estate Deed of Trust recorded in counterpart, but constitute only one document, on 09/30/2005, as Instrument # 2005082030 and Instrument # 2005082031, as supplemented or amended from time to time, in the official records of San Luis Obispo County, State of California.
- 10. AGENCY.** Each Borrower hereby appoints each of the other undersigned as his, her or its agent for performance of the within obligations until written notice of termination of such agency is actually received by Lender. This Agency shall include, but not be limited to, the authority to vote all stock or participation certificates required by Lender's bylaws, request and receive Loan disbursements, and receive on behalf of all the undersigned any check, payment, document or notice given in connection with this Note or any Loan.
- 11. INSPECTION AND ACCESS.** While this Note 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.

- 12. REQUIRED ACTIONS.** While this Note is in effect Borrower will: (a) maintain all other loans with Lender in a current status; (b) comply with all terms of all Loan Documents executed in connection with this Note; 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.
- 13. 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.
- 14. 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 or any other 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 Note shall be payable by Borrower on demand and Lender may, at its option, add the amount of such Expenses to any portion of the Note, 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 Note:
- A. The preparation, modification or enforcement of this Note and any other agreement or Loan Document related to the Note or to the Collateral;
  - B. Advising Lender concerning its rights and obligations under this Note and any other agreement or Loan Document related to the Note, or to the Collateral, including advising Lender with regard to the extent of Lender's rights, if any, under 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 Note, any other Loan Document, the Collateral or Borrower's affairs;
  - D. The furtherance of 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 Note.
- The Expenses shall be in addition to those set forth in any Security Instrument or other Loan Document between Lender and Borrower.
- 15. TRANSACTION SUMMARY.** All disbursements and repayments of Indebtedness shall be posted on Lender's accounting records. Periodically, Lender shall send Borrower a transaction summary, statement or a similar loan accounting. If Borrower fails to object to the accounting in writing within 30 days of its mailing by Lender, Borrower shall have waived any right to object to the accuracy of the accounting and the accounting may be admitted into evidence by Lender for the purpose of establishing the balance due Lender in any legal proceeding between the parties.
- 16. 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 pending or threatened litigation or court proceeding against Borrower; (c) the death or disability of any Borrower or guarantor; (d) any material adverse change in Borrower's business or financial condition; (e) the occurrence of any default or any event that with a lapse of time or the giving of notice or both would become a default under any obligation of Borrower to Lender or in which Lender has an interest; (f) any change in management or ownership of Borrower's business or operations; (g) any default on loans or credit arrangements with any other creditors; (h) any location change or new location of Borrower's office or site of operation; (i) any change to an out of state location for any Collateral; and (j) any restriction, suspension, or other change in any permit(s), license(s) or authority(ies) required to conduct Borrower's business.

**16.1** Any notice under this Note or any other Loan Documents shall be in writing and delivered to the address below if to Borrower and to the address specified in Section 1 hereof 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.

- 17. LOAN CHARGES.** To the extent any interest or other loan charges collected or to be collected in connection with this Note exceed the maximum amount permitted by law, 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 Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment.
- 18. DISCLOSURE AND INQUIRIES.** By signing this Note, 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 Loan. 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.
- 19. BORROWER'S AUTHORITY AND ADDITIONAL REPRESENTATIONS.** By signing this Note, Borrower represents that the terms of this Note and any Security Instrument do not conflict with terms of any other contract(s) of Borrower, that Borrower's representations in this Note and any other Loan Documents are true and accurate, and that there is no 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.
- 20. INDEMNITY.** Borrower 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 pledged as security for this Note or not; (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. The indemnity covers Lender and its affiliates and their officers, directors, agents, and attorneys of Lender and its affiliates 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. **NOTWITHSTANDING ANY OTHER PROVISION OF THIS NOTE OR THE OTHER LOAN DOCUMENTS, THIS INDEMNITY SHALL SURVIVE REPAYMENT OF THE LOAN.**

- 21. OBLIGATIONS OF PERSONS UNDER THIS NOTE.** The liability of each Borrower executing this Note shall be that of co-maker and not that of an endorser, guarantor or accommodation party and shall be joint and several. The liability of each Borrower shall be that of co-maker and not that of an endorser, guarantor or accommodation party (collectively "Surety") and shall be joint and several. To the extent any Borrower is deemed to be a Surety, each such Surety waives any right to require Lender to (a) proceed against Borrower, or any other Surety or any other third party; (b) proceed against or exhaust any Collateral or other support for the Indebtedness granted by Borrower, Surety, or any other Surety or third party; or (c) pursue any other remedy in Lender's power whatsoever. Surety waives any defense arising by reason of (i) any disability or other defense of Borrower; (ii) the cessation from any cause whatsoever of the liability of Borrower for the Indebtedness for any reason other than payment in full and final satisfaction; or (iii) the non-perfection of any Collateral for the Indebtedness.. Surety shall have no right of subrogation to and waives any right to enforce any remedy which Lender now has or may hereafter have against Borrower, and waives any benefit of, any right to participate in, and any right to direct the application of any Collateral for the Indebtedness, now or hereafter held by Lender, whether any of the foregoing rights arise in equity, at law or by contract. Without limiting the generality of the foregoing, Surety specifically waives all rights and defenses arising out of an election of remedies by Lender, even though that election of remedies, such as non-judicial foreclosure with respect to Collateral, has destroyed Surety's rights of subrogation and reimbursement against Borrower by the operation of Section 580d of California Code of Civil Procedure or otherwise if applicable. Surety further waives all presentments, demands for performance, notices of nonperformance, or other defaults, protests, notices of protest, notices of dishonor, and notices of acceptance of this Note and of the existence, creation, or incurring of new or additional Indebtedness and all other rights, benefits, protections and other defenses available to Surety now or at any time hereafter, including, without limitation, under California Civil Code Sections 2787 to 2855, inclusive, and California Code of Civil Procedure Sections 580a, 580b, 726, and all successor sections. The separate property of any married person executing this Note shall be liable for the Loan and Indebtedness evidenced hereby.
- 22. SPECIFIC WAIVERS OF EACH BORROWER.** The indebtedness of each Borrower is independent of the indebtedness of all other Borrowers. Each Borrower expressly waives any right to require Lender to proceed against any other Borrower, to proceed against or exhaust any collateral, to pursue any remedy Lender may have at any time, and the benefit of any statute of limitations affecting its liability under this Note or any other Loan Document. Each Borrower waives any and all defenses by reason of: (a) any disability or other defense of any other Borrower with respect to the Indebtedness owed to Lender, (b) the termination for any reason whatsoever of the liability of any other Borrower, (c) any act or omission of Lender that directly or indirectly results in the release of any other Borrower, any guarantor, or any security provided by any Borrower or guarantor, (d) the failure by Lender to perfect any security interest on any Collateral, and (e) an election of remedies by Lender, even though that election of remedies, such as a non-judicial foreclosure with respect to security for this Note, has destroyed Borrower's rights of subrogation, contribution, reimbursement, indemnity, set off, or other recourse against another Borrower by the operation of Section 580d of the California Code of Civil Procedure or otherwise or under similar laws in other jurisdictions.
- 22.1 BORROWER FURTHER AGREES.** Each Borrower agrees that Lender may, in its sole discretion, at any time, without notice, release all or any part of the security for this Note, grant extensions, change terms of payment, deferments, renewals or reamortizations of any part of the debt evidenced by this Note, and release from personal liability any one or more of the parties who are or may become liable for this debt; all without affecting the personal liability of any other party. Borrower and endorsers of this Note also severally waive any and all other defenses 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 Note 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.
- 22.2 BORROWER ADDITIONAL REPRESENTATIONS.** Each 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.

23. **REAL ESTATE SECURED NOTE.** This Note is secured by a Security Instrument under which all amounts owed under this Note may become immediately due and payable under certain conditions. 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 Assets), or any interest therein, is transferred or agreed to be transferred, or any right to drill is exercised for any oil, gas or minerals in, on or under the Property, without Beneficiary's prior written consent, 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 any subsequent agreement to transfer.

If Trustor is an entity other than a natural person, 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: (a) a beneficial interest in Trustor is transferred; (b) there is a withdrawal or removal of a general partner of a partnership or a manager of a limited liability company; (c) there is a transfer in the aggregate of more than 25% of the voting stock of Trustor, if Trustor is a corporation, or there is a transfer in the aggregate of more than 25% of the partnership interests or membership interests, if Trustor is a partnership, limited liability company or similar entity; or (d) Trustor is dissolved or its existence as a legal entity is terminated.

24. **NO ORAL AGREEMENTS.** The representatives of Lender are not authorized to make any oral agreements or assurances. Do not sign this Note if you believe that there are any agreements or understandings between you and Lender that are not set forth in writing in this Note or the other Loan Documents.
25. **SUCCESSORS AND ASSIGNS.** This Note is binding on Borrower's and Lender's successors and assignees. Borrower shall not assign this Note without Lender's prior written consent. Lender may sell participations in or assign this Note, and may exchange financial information about Borrower with actual or potential participants or assignees. If participation is sold or the Note is assigned, the purchaser will have the right of set-off against Borrower.
26. **SEVERABILITY; COUNTERPARTS.** If one or more of the provisions of this Note, 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 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.
27. **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. As used herein, the word "**including**" means including without limitation and/or including but not limited to.
28. **APPLICABLE LAW.** Enforcement of this Note, any Security Instrument, and any other Loan Document executed in connection herewith shall be governed by and construed in accordance with federal laws to the extent applicable, and shall otherwise be governed by and construed under the laws of the state specified in the address of Lender in Section 1, without regard to its conflict of laws principles, unless a Security Instrument specifies that it shall be governed by the laws of a different state, in which case the law of the state specified in the Security Instrument shall govern regarding the Security Instrument in question.

- 29. ENTIRE AGREEMENT; AMENDMENTS MUST BE IN WRITING.** This Note, any Security Instrument and modifications thereof, the Notice of Loan Approval, and any other Loan Document executed by Borrower in connection herewith, constitute the entire agreement between Borrower and Lender and supersedes all prior communications, oral or written, concerning this Loan. The Note shall not include any loan application or any written correspondence submitted by Borrower to Lender that has not been agreed to by Lender in writing. To the extent that any of the terms or provisions in this Note are inconsistent with those contained in the Notice of Loan Approval, or in any previous loan agreement, Security Instrument, agreement or other Loan Document executed prior to this Note, the terms and provisions contained herein shall control. Otherwise, such provisions shall be considered cumulative. This Note may be amended or modified only by a written instrument executed by Lender and Borrower. All exhibits to this Note are considered to be supplemental to and made a part of this Note.
- 30. 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.
- 31. 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.
- 32. 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, ACTION, DISPUTE OR LEGAL 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.
- 32.1 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
- 33. 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.

34. **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.

**ADDRESSES WHERE NOTICE TO BORROWER IS 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.

BY SIGNING, BORROWER ACKNOWLEDGES THAT BORROWER HAS READ AND AGREES TO THE TERMS OF THIS NOTE, AND HAS RECEIVED A COMPLETED COPY OF THIS NOTE AND THE RELATED MORTGAGE, DEED OF TRUST OR OTHER SECURITY INSTRUMENTS WITH ALL APPLICABLE BLANKS FILLED IN PRIOR TO OR AS A PART OF THE CONSUMMATION OF THIS TRANSACTION.

Signers:

**Limoneira Company, a Delaware Corporation**

By: /s/ Harold S. Edwards  
Harold S. Edwards, as President

By: /s/ Mark Palamountain  
Mark Palamountain, as Secretary



## Limoneira Announces New \$10 Million Share Repurchase Program

SANTA PAULA, Calif.--(BUSINESS WIRE) -- March 12, 2020 -- Limoneira Company (the “Company” or “Limoneira”) (Nasdaq:LMNR), a diversified citrus growing, packing, selling and marketing company with related agribusiness activities and real estate development investments, today announced that the Company’s Board of Directors authorized the repurchase of up to \$10.0 million of the Company’s issued and outstanding common stock.

Harold Edward, the Company’s Chief Executive Officer, said, “Today’s share repurchase program announcement demonstrates the Board and management’s continued confidence in the long-term growth prospects of Limoneira and the strong overall value of our Company. The authorized repurchases are part of the ongoing commitment to a disciplined and opportunistic capital deployment strategy.”

Under the approved authorization, the Company may purchase common stock through March, 2021 utilizing one or more open market transactions, transactions structured through investment banking institutions, in privately-negotiated transactions or otherwise, by direct purchases of common stock or a combination of the foregoing in compliance with the applicable rules and regulations of the Securities and Exchange Commission.

The timing of the purchases and the amount of stock repurchased is subject to the Company’s discretion and will depend on market and business conditions, applicable legal and credit requirements and other corporate considerations including the Company’s historical strategy of pursuing accretive acquisitions and deleveraging.

### About Limoneira Company

Limoneira Company, a 126-year-old international agribusiness headquartered in Santa Paula, California, has grown to become one of the premier integrated agribusinesses in the world. Limoneira (lê moí âra) is a dedicated sustainability company with 15,700 acres of rich agricultural lands, real estate properties, and water rights in California, Arizona, Chile and Argentina. The Company is a leading producer of lemons, avocados, oranges, specialty citrus and other crops that are enjoyed throughout the world. For more about Limoneira Company, visit [www.limoneira.com](http://www.limoneira.com).

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## Forward-Looking Statements

*This press release contains forward-looking statements, including guidance for fiscal year 2020, within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are based on Limoneira's current expectations about future events and can be identified by terms such as "expect," "may," "anticipate," "intend," "should be," "will be," "is likely to," "strive to," and similar expressions referring to future periods.*

*Limoneira believes the expectations reflected in the forward-looking statements are reasonable but cannot guarantee future results, level of activity, performance or achievements. Actual results may differ materially from those expressed or implied in the forward-looking statements. Therefore, Limoneira cautions you against relying on any of these forward-looking statements. Factors that may cause future outcomes to differ materially from those foreseen in forward-looking statements include, but are not limited to: changes in laws, regulations, rules, quotas, tariffs and import laws; weather conditions that affect production, transportation, storage, import and export of fresh product; increased pressure from crop disease, insects and other pests; disruption of water supplies or changes in water allocations; pricing and supply of raw materials and products; market responses to industry volume pressures; pricing and supply of energy; changes in interest and currency exchange rates; availability of financing for land development activities; political changes and economic crises; international conflict; acts of terrorism; labor disruptions, strikes or work stoppages; loss of important intellectual property rights; inability to pay debt obligations; inability to engage in certain transactions due to restrictive covenants in debt instruments; government restrictions on land use; and market and pricing risks due to concentrated ownership of stock. Other risks and uncertainties include those that are described in Limoneira's SEC filings that are available on the SEC's website at <http://www.sec.gov>. Limoneira undertakes no obligation to subsequently update or revise the forward-looking statements made in this press release, except as required by law.*

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