As confidentially submitted to the Securities and Exchange Commission on July 30, 2021.
This draft registration statement has not been filed publicly with the Securities and Exchange Commission and all information contained herein remains confidential.

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

PROJECT CLEAN, INC.
to be converted as described herein into a corporation named
THE REAL GOOD FOOD COMPANY, INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware	2000	87-1280343
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

3 Executive Campus, Suite 155
Cherry Hill, NJ 08002
(856) 644-5624
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Bryan Freeman
Gerard G. Law
The Real Good Food Company, Inc.
3 Executive Campus, Suite 155
Cherry Hill, NJ 08002
(856) 644-5624
(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☐

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		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 7(a)(2)(B) of the Securities Act. ☒

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities To Be Registered	Proposed Maximum Aggregate Offering Price[1][2]	Amount of Registration Fee
Class A common stock, $0.0001 par value per share	$	$

(1) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.

(2) Includes the aggregate offering price of additional shares that the underwriters have the option to purchase, if any.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED , 2021

PRELIMINARY PROSPECTUS

Shares

The Real Good Food Company, Inc.

Class A Common Stock

This is an initial public offering of shares of Class A common stock of The Real Good Food Company, Inc. Prior to this offering, there has been no public market for our Class A common stock. The initial public offering price is expected to be between $ and $ per share.

We intend to apply to list our Class A common stock on the Nasdaq Market under the symbol "RGF."

Following the consummation of this offering, we will have two classes of authorized common stock. The Class A common stock and the Class B common stock will have one vote per share. The Class A common stock will represent 100% of the economic interest in The Real Good Food Company, Inc. and the Class B common stock will represent no economic interest in The Real Good Food Company, Inc.

Upon the consummation of this offering, we intend to use the net proceeds to purchase newly issued Class A units of The Real Good Food Company LLC (the "Class A Units"). We will also become the sole managing member of The Real Good Food Company LLC and, although we will have a minority economic interest in The Real Good Food Company LLC, we will operate and control all of its business and affairs and will have sole voting interest in, and control the management of, The Real Good Food Company LLC. The members of The Real Good Food Company LLC will hold Class B Units of The Real Good Food Company LLC (the "Class B Units"), representing % economic interest in The Real Good Food Company LLC and no voting interest, along with an equivalent number of shares of Class B common stock of the Real Good Food Company, Inc. Immediately following the completion of this offering, the members of The Real Good Food Company LLC holding Class B common stock may exchange their Class B Units and cancel an equivalent amount of their shares of Class B common stock for newly issued shares of our Class A common stock or, at our option, cash. Following the completion of this offering, holders of our Class A common stock will hold approximately % of our voting interest, and holders of our Class B common stock will hold approximately % of our voting interest.

We are an "emerging growth company," and a "smaller reporting company," as defined under U.S. federal securities laws and, as such, we have elected to comply with certain reduced public company reporting requirements for this prospectus and may elect to do so in future filings.

Investing in our Class A common stock involves a high degree of risk. Please read the section entitled "*Risk Factors*" beginning on page 19 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	PER SHARE	TOTAL
Initial Public Offering Price	$	$
Underwriting Discounts and Commissions(1)	$	$
Proceeds to The Real Good Food Company, Inc., before expenses	$	$

(1) For additional information regarding underwriting discounts and commissions and estimated offering expenses, refer to the section entitled "*Underwriting*."

Delivery of the shares of Class A common stock is expected to be made on or about , 2021. We have granted the underwriters an option for a period of 30 days to purchase an additional shares of our Class A common stock. If the underwriters exercise the option in full, the total underwriting discounts and commissions payable by us will be $, and the total proceeds to us, before expenses, will be $.

Joint Book-Running Managers

Jefferies **William Blair**

Prospectus dated , 2021

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Through and including , 2021 (the 25th day after the date of this prospectus), all dealers that buy, sell, or trade in our Class A common stock, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

Neither we nor the underwriters have authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectuses we have prepared. Neither we nor the underwriters take responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus or in any applicable free writing prospectus is current only as of its date, regardless of its time of delivery or any sale of shares of our Class A common stock. Our business, operating results, financial condition, and prospects may have changes since such dates.

For investors outside of the United States: Neither we nor the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. You are required to inform yourself about, and to observe any restrictions relating to, this offering and the distribution of this prospectus outside of the United States.

BASIS OF PRESENTATION

Unless the context otherwise requires, we use the terms “Real Good Foods,” “the Company,” “we,” “us,” and “our” in this prospectus to refer to The Real Good Food Company LLC and The Real Good Food Company, Inc. on a consolidated basis, “RGF, Inc.” to refer to The Real Good Food Company, Inc., “RGF, LLC” to refer to The Real Good Food Company LLC, and the term “our Class A common stock” to refer to RGF, Inc.’s Class A common stock offered in this prospectus.

Prior to the consummation of this offering and the reorganization transactions described in the section entitled “*The Reorganization*” (the “Reorganization”), RGF, LLC was owned entirely by its members (the “Members”) and operated its business through itself and no other entities. RGF, Inc. was incorporated as a Delaware corporation on June 2, 2021, under the name Project Clean, Inc., to serve as the issuer of our Class A common stock offered in this offering. Project Clean, Inc. changed its name to The Real Good Food Company, Inc. on , 2021.

Following the Reorganization, RGF, Inc. will be a holding company and the sole managing member of RGF, LLC, which will continue to operate the Company’s business. Upon the consummation of this offering and the application of the net proceeds therefrom, RGF, Inc.’s principal asset will be Class A Units of RGF, LLC. For financial reporting purposes, RGF, LLC is the predecessor of RGF, Inc. RGF, Inc. will be the financial reporting entity following this offering. Accordingly, this prospectus contains the following historical audited financial statements:

- ***RGF, Inc.*** Other than the inception balance sheet, dated as of June 2, 2021 and June 30, 2021, historical financial information of RGF, Inc. has not been included in this prospectus since it is a newly incorporated entity, has no business transactions or activities to date, and was not in existence as of December 31, 2020, and thus had no assets or liabilities during the periods presented in this prospectus.
- ***RGF, LLC***. Because RGF, Inc. will have no other interests, assets, or operations other than indirectly as a result of its control of RGF, LLC and ownership of Class A Units thereof, the historical audited financial information included in this prospectus is that of RGF, LLC.

The unaudited pro forma financial information of the Company presented in this prospectus has been derived from the application of pro forma adjustments to our historical audited financial statements included elsewhere in this prospectus. These pro forma adjustments give effect to the Reorganization. Where applicable, certain other information within this prospectus, including the information within the section entitled “*Dilution*,” presents financial and capitalization information after giving effect to the issuance of our Class A common stock issuable upon the exchange of Class B Units held by the Members. The pro forma financial information is also based on an assumed initial public offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, as if all such transactions had occurred on January 1, 2020 in the case of the unaudited pro forma combined statement of income, and as of June 30, 2021, in the case of the unaudited pro forma combined balance sheet.

INDUSTRY AND MARKET DATA

This prospectus contains statistical data, estimates, and forecasts that are based on various sources, including independent industry publications and other publicly available information, as well as other information based on our internal sources. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to these data, estimates, and forecasts. We have not independently verified the accuracy or completeness of the data contained in these industry publications and other publicly available information. Our industry and market data are subject to a variety of risks and uncertainties, including those described in the section entitled "*Risk Factors*," which could cause results to differ materially from those expressed in these publications and reports.

Certain information in the text of this prospectus is from industry data sources and publicly available data and reports. The content of the below sources, except to the extent specifically set forth in this prospectus, does not constitute a portion of this prospectus and is not incorporated herein. The sources are provided below:

- SPINS, LLC, an independent industry and research organization ("SPINS") for the retail industry, historical and current market and sales data for the periods January 1, 2018 – December 30, 2018; December 31, 2018 – December 29, 2019; December 30, 2019 – December 27, 2020; and December 28, 2020 – June 13, 2021;
- SPINS, 2021 Brand Switching Analysis, dated February 7, 2021 (the "2021 Brand Switching Analysis"), commissioned by us;
- U.S. Department of Health and Human Services Centers for Disease Control and Prevention (the "CDC"), National Diabetes Statistics Report 2020, last reviewed February 11, 2020; and
- The CDC, National Center for Health Statistics, NCHS Data Brief No. 360, February 2020.

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus and does not contain all of the information that you should consider in making your investment decision. Before investing in our Class A common stock, you should carefully read this entire prospectus, including our audited financial statements and related notes and the information set forth under the sections entitled "Risk Factors," "Unaudited Pro Forma Combined Financial Data," and "Management's Discussion and Analysis of Financial Condition and Results of Operations," in each case included in this prospectus. Some of the statements in this prospectus constitute forward-looking statements that involve risks and uncertainties. For additional information, refer to the section entitled "Cautionary Note Regarding Forward-Looking Statements."

Overview

Real Food You Feel Good About Eating

Real Good Foods is an innovative, high-growth, branded, health- and wellness-focused frozen food company. We develop, market, and manufacture delicious and convenient comfort foods designed to be high in protein, low in sugar, and made from gluten- and grain-free ingredients that are intended to be sold in the health and wellness ("H&W") segment of the frozen food category. Our brand commitment, "*Real Food You Feel Good About Eating*," represents our strong belief that, by eating our food, consumers can enjoy more of their favorite foods and, by doing so, live better lives as part of a healthier lifestyle.

We are a mission-focused company. Our mission is to make our craveable, nutritious comfort foods accessible to everyone across the United States and, eventually, throughout the world. Our mission is important to us because we believe an increasing number of consumers are seeking to make healthier food choices, yet face limited options when it comes to the convenience of products found in the frozen food aisle. These consumers include the U.S. population seeking to reduce sugar in their diets, the U.S. population seeking to reduce their carbohydrate intake, the 13% of the U.S. adult population suffering from the health effects of diabetes, the 34.5% of the U.S. adult population with prediabetes, and the 42% of the adult U.S. population suffering from obesity. We believe our products provide alternatives for these consumers, and also have broad appeal due to our uncompromising approach to developing products suited to a wide range of consumer tastes and diet preferences.

We believe the nutritional content and quality of our products position us to compete directly within the $170 billion U.S. H&W industry, which includes natural, specialty, and wellness food products. Since our inception, we have focused on creating H&W products for the frozen food aisle, where we believe H&W brands are underrepresented compared to other categories. We also believe H&W branded products with our macronutrient composition are similarly underrepresented within the frozen food category. We compete in multiple large subcategories within the U.S. frozen food category, including frozen entrée and breakfast, which we consider our two core, strategic growth subcategories. According to SPINS, during the year ended December 27, 2020, the two core subcategories in which we operate comprised 48% of the approximately $58 billion U.S. frozen food category excluding frozen and refrigerated meat. Currently, we sell comfort foods such as our bacon wrapped stuffed chicken, chicken enchiladas, grain-free cheesy bread breakfast sandwiches, and various entrée bowls. Based on consumer feedback, we also believe our brand has permission to extend into multiple adjacent food categories within and outside of frozen.

All of our products are prepared with proprietary ingredient systems that allow us to provide consumers with delicious meals that are designed to be high in protein, low in sugar, and made with gluten- and grain-free ingredients. Our base ingredient systems, which include (i) chicken and parmesan cheese, and (ii) plant-based proteins and fibers, are composed of simple ingredients to which our consumers are accustomed. We believe these ingredient systems are critical to our success because they are a large part of what makes our products craveable while allowing us to capture the macronutrient ratios favored by H&W consumers. To support these ingredient systems, we source widely available, nutritious ingredients from a network of suppliers with whom we have strong relationships.

Historically, we have sold the vast majority of our products under our "Realgood Foods Co." brand. We also sell a limited number of private label products to select retail customers. Our branded products are sold to consumers through an increasing number of locations within retail channels, primarily in natural and conventional grocery, drug, club, and mass merchandise stores, including Walmart, Kroger, and Costco. During the 12 weeks ended June 13, 2021, our branded products had an average of approximately 170 thousand "total distribution points" across the United States, including Washington, DC and the Commonwealth of Puerto Rico. The term "total distribution points" is calculated as the sum of the number of stores selling each branded stock keeping unit ("SKU"). For perspective, leading H&W brands within the frozen food category achieved total distribution points in excess of 930 thousand during the same period. We expect to increase our retail distribution footprint by establishing new customer relationships, increasing sales of our products to our existing customers by driving incremental sales within their frozen food aisles, and continuing to grow awareness and demand for our brand and product offerings. We also believe there is an opportunity to leverage our engaged online consumer base to grow our e-commerce sales, which includes "click-and-collect" purchases by our consumers through our retail customers and, to a limited extent, direct-to-consumer sales through our website and third-party websites.

Our Strategic Advantages

We believe we are positioned to become a leading H&W brand within the frozen food category. Our strategic advantages are rooted in our mission-focused approach, craveable products, large and engaged consumer community, innovative product development process, self-manufacturing capabilities, product positioning within our category, and management expertise.

We are a Mission-Focused Company

The purpose of our company is to fulfill our mission of making craveable, nutritious H&W foods accessible to consumers while taking an uncompromising approach to the creation of products that are delicious, convenient, and have broad appeal. We hope to create products that allow consumers to enjoy more of their favorite foods and, by doing so, live better lives as part of a healthier lifestyle. Significant portions of the U.S. population are seeking to make healthier lifestyle choices, which often starts with making better food choices. Our H&W-focused products are designed to address the needs of this large and growing population, while providing the convenience associated with frozen food products. Our mission drives our management team and employees every day and is foundational to our business. We believe we are well-positioned to accomplish our mission due to the taste and macronutrient ratios associated with our products, our innovative approach to product development, and our highly engaged consumer community.

Our Craveable Products Have Broad Appeal

We are uncompromising on taste in our approach to product development, which we believe helps consumers meet their preferences for increasing protein intake while reducing their intake of carbohydrates, sugar, grain, and gluten. Our entrées, bowls, breakfast sandwiches, enchiladas, and other products are delicious while maintaining macronutrient ratios that are difficult to find within the frozen food category, even among other H&W brands. The following sets forth the carbohydrate and protein content of our products in comparison to our competitors' products:

	CARBOHYDRATES		PROTEIN	
COMPANY PRODUCT	GRAMS IN EACH SERVING OF OUR PRODUCT	GRAMS IN EACH SERVING OF COMPETITOR PRODUCT	GRAMS IN EACH SERVING OF OUR PRODUCT	GRAMS IN EACH SERVING OF COMPETITOR PRODUCT
Bacon Wrapped Stuffed Chicken	**3**	16	**32**	20
Chicken Enchiladas	**4**	36	**20**	21
Breakfast Sandwich	**4**	29	**18-20**	13
Lasagna Entrée Bowl	**11**	40	**32**	16

Our insistence on preserving taste while offering "*Real Food You Feel Good About Eating*" led us to invent our innovative base ingredient systems. While our base ingredient systems are composed of simple ingredients to which our consumers are accustomed, we use these ingredients in unique ways to mimic recipe components that are satiating, but typically higher in carbohydrates and lower in protein. These base ingredient systems are made of: (i) chicken and parmesan cheese, and (ii) plant-based protein and fibers. For example, we use thin, round slices of our innovative chicken and cheese "tortillas" within our enchiladas and use this same ingredient system to make our Italian-themed "pastas." We also use cauliflower and almond flour to create the cheesy, grain-free "buns" used in our breakfast sandwiches. These base ingredient systems are a key component of our ability to create products with broad appeal without losing the attention of the H&W consumer base we target.

Our Large Social Media Community is Highly Engaged

We have one of the largest social media followings of any brand within the frozen food category today, with approximately 365 thousand followers on Instagram and 500 thousand subscribers across all digital platforms as of June 28, 2021. For comparison, we have more Instagram followers than: (i) all Nestle brands within the U.S. frozen food category combined (Sweet Earth, Outsiders, DiGiorno, Jack's, CPK frozen, Tombstone, Wild Scape, Hot Pockets, and Lean Cuisine), (ii) all Conagra brands within the frozen food category combined (Udi's, EVOL, Gardein, Healthy Choice, Bertolli, Glutino, Marie Callender's, Blake's, and Alexia), and (iii) the top seven H&W brands within the frozen food category combined in sales as of the 52 weeks ended May 16, 2021 (Amy's Kitchen, Applegate Farms, California Pizza Kitchen, InnovAsian Cuisine, Aidells, Michael Angelos, and Perdue). More importantly, we believe we have high engagement with our consumers relative to our peers; our average number of comments per post on Instagram exceeds any of the top seven H&W brands in our category by five times. We believe our ability to quickly build this robust community is due not only to our revolutionary products, but also to our modern approach to marketing. Instead of investing heavily in traditional marketing and advertising spend, we instead began building our brand by engaging our consumers and potential consumers in direct, authentic conversations through social media, SMS text, e-mail, and our website, and indirectly through influencers. Through this approach to community engagement, we are able to build brand trust and, in turn, loyalty, which efficiently draws new consumers to our brand, provides a forum for real-time feedback, and allows us to understand our diverse population of consumers more deeply. We also believe our extensive community engagement resonates with our retail customers, leading to additional shelf space and distribution points for our products. Our management team is passionate in its belief that our modern approach to engaging and building our community has been, and will continue to be, critical to our brand success.

We Have an Innovative Product-Development Process

We have launched most of our products in fewer than six months, and our consumer community is instrumental in our approach to product development. After our marketing team conceives of and formulates our product prototypes, we send them for in-home usage tests through what we refer to as "RGF Labs," which is a targeted and diverse invitation-only subset of our consumer community. We receive feedback from RGF Labs more quickly than we would through traditional product testing, and we are confident that the insights it provides are more helpful than those provided by focus groups or consumer polling. Because we leverage this feedback to improve our prototypes prior to distributing our products, RGF Labs enables us to introduce new products with higher confidence of market acceptance. In addition, following a trial with RGF Labs, and prior to distribution within retail channels, we introduce our products directly to consumers on our website. This process provides us another opportunity to marry our products to our consumers' preferences, as our most avid consumers engage with our products through this channel and provide additional feedback. This disciplined approach to product development has resulted in a market acceptance rate higher than industry standard by the time our new products arrive in retail channels. As a result, we believe our concept-to-shelf product innovation is often more efficient and successful compared to conventional brands within our category.

Our Self-Manufacturing Capabilities Are a Strategic Advantage

The manufacture of our products requires a specialized process and purpose-built equipment to help ensure they have the macronutrient composition we strive to achieve while maintaining taste. Entering into agreements to operate our manufacturing facility located in City of Industry, California ("City of Industry Facility") during the three months ended March 31, 2021 has enabled us to self-manufacture more than 70%

of our products during June 2021, compared to none for the same period in 2020, thereby significantly reducing our reliance on co-manufacturers. Our City of Industry Facility presents an opportunity to create efficiencies in our manufacturing process and reduce labor costs, including through the purchase of machinery to automate certain manual labor tasks. We believe the facility also has the capacity to scale for additional potential sales upon future investments, including purchases of or upgrades to machinery, processing, and packaging equipment.

Our Frozen Food Category Positioning Provides Multiple Growth Opportunities

We are focused on our mission to make our H&W products convenient and accessible through multiple channels within the United States and, ultimately, throughout the world, and our strategy to achieve this begins with the growth of our brand within the frozen food category. We compete in the U.S. frozen food category excluding frozen and refrigerated meat. According to SPINS, during the 52 weeks ended December 27, 2020, the total U.S. frozen category excluding frozen and refrigerated meat generated retail sales of approximately $58 billion. We see significant opportunity to address the unmet needs of H&W-focused consumers by offering our delicious H&W products within this category, given that many consumer tastes and preferences call for high protein and lower carbohydrate, sugar, grain, and gluten foods, which are not provided by most other H&W brands.

We believe we have obtained our current distribution points in part because we represent an opportunity for retailers to grow sales within their frozen food aisles. The convenience of our products appeals to H&W consumers seeking comfort foods they can prepare at home while maintaining their health goals, in addition to consumers looking for delicious frozen food options. According to the 2021 Brand Switching Analysis we commissioned by SPINS, 90% of our sales gains in single-serve frozen breakfast entrée, 82% of our sales gains in single-serve frozen prepared poultry (with regards to our frozen chicken entrées), and 46% of our sales gains in single-serve frozen entrée bowls were a result of new consumers to these subcategories, or were “incremental” sales, for the 52 weeks ended February 7, 2021. Retailers tend to favor brands that bring new consumers to categories and, as such, we believe the incremental sales growth opportunity provided by our products has helped us grow our distribution and strengthen our relationships with our retail customers.

We Have a Proven Management Team

We are led by a management team with significant operational and merger and acquisition experience in the food industry, including with public companies. Bryan Freeman, our Executive Chairman, has over 26 years of experience in the frozen food category. Mr. Freeman served on the senior leadership team of AdvancePierre Foods through its initial public offering as well as its sale to Tyson for a reported $4.2 billion. Gerard G. Law, our Chief Executive Officer, has over 29 years of experience as an operator within the frozen foods category, including previously as part of the senior leadership team at publicly traded J&J Snack Foods Corp. where he managed 16 manufacturing facilities, oversaw multiple successful acquisitions, and had a team of approximately 4,200 employees reporting to him. Our Chief Financial Officer, Akshay Jagdale, has over 15 years of experience as a securities analyst within the food industry and has built an extensive network of industry contacts across our supply chain. Our management believes in the strength of our products, and possesses the expertise required to scale our business.

Our Market Opportunity

We compete within the $170 billion U.S. H&W industry, as measured by SPINS during the 52 weeks ended June 13, 2021. SPINS defines the H&W industry to include natural, specialty, and wellness products. We see significant opportunity within this industry, which, according to SPINS, had a two-year compound annual growth rate (“CAGR”) of 10.7% during the two years ended December 27, 2020, and where favorable consumer trends, including a greater focus on healthy lifestyle and macronutrient content, and increased consumption of meals at home, have led to growth of H&W brands within retail across multiple categories.

Since our inception, we have focused on creating H&W products for the frozen food aisle, where we believe H&W brands are underrepresented compared to other categories. According to SPINS, for the 52 weeks ended December 27, 2020, the total U.S. frozen food category excluding frozen and refrigerated meat generated retail sales of approximately $58 billion, with a two-year CAGR of approximately 11%. Within this category, H&W brands generated approximately $9 billion in sales during the same period, with a two-year CAGR of

approximately 15%. These H&W brands represented approximately 16% of frozen food category sales excluding frozen and refrigerated meat, or 16% “penetration.” By comparison, H&W brands in the broader grocery category, which includes all retail food and beverage sales, representing 23% penetration during the 52 weeks ended December 27, 2020. We believe our brand is positioned not only to increase its penetration as an H&W brand within the frozen food category, but also to drive H&W industry growth. Additionally, we believe our brand has an opportunity to extend into adjacent categories, including grocery and refrigerated, which comprise the balance of the total H&W industry.

Our branded products are sold to consumers through an increasing number of locations in retail channels, primarily in natural and conventional grocery, drug, club, and mass merchandise stores, including Walmart, Kroger, and Costco, with an average SKU-level all-commodity volume (“ACV”) of approximately 20% during the four weeks ended June 13, 2021. The term “ACV” refers to the measurement of a product’s distribution, weighted by the overall retail sales dollars attributable to the retail location distributing such product, where a retail location is determined to have sold a product if at least one unit of the product was scanned for sale within the relevant time period. We believe we have the opportunity to significantly increase our ACV by executing on our growth strategy.

Further, we have experienced success growing our distribution points by approximately 80% during the two years ended December 27, 2020 and believe there is significant opportunity for continued growth. For example, our total distribution points increased from approximately 94 thousand during the 12 weeks ended December 30, 2018 to approximately 170 thousand during the 12 weeks ended December 27, 2020, representing a two-year CAGR of approximately 34%. For perspective, leading H&W brands within the frozen food category achieved total distribution points in excess of 930 thousand during the 12 weeks ended June 13, 2021. We believe our innovative product offerings, strategic customer relationships, and community engagement efforts well position our Company to compete with such brands and continue accelerating our distribution point growth in future periods.

Our Growth Strategy

We believe we are well-positioned to grow our business and achieve our mission, including by expanding our retail distribution, continuing our modern approach to growing our community, leveraging our innovative product development capabilities, and investing in production capacity, innovation, and automation.

Expand Our Retail Distribution

The large H&W consumer base seeking to increase their protein intake and reduce carbohydrates, sugar, gluten, and grain in their diets face limited options in the frozen food category. As consumers increasingly demand delicious, healthier frozen food alternatives, our brand has not only converted consumers from conventional frozen food brands, but also attracted new consumers to the frozen food category generally, driving incremental sales for our customers, and supporting their omni-channel growth efforts. Retailers tend to favor brands that bring new consumers to categories, and we believe our ability to attract new H&W consumers to our customers’ stores and online marketplaces presents a compelling opportunity for our customers to expand our existing shelf space. Further, as we continue to develop innovative products and build brand equity, we believe we can grow our distribution points and achieve penetration levels that rival those of leading H&W brands in the frozen food category. We intend to leverage our strong relationships with prominent retail customers and establish relationships with new customers and consumers to expand our product offerings, capture shelf space, and become a leading H&W brand.

Invest in Our Modern Approach to Grow Our Community

Authentic consumer relationships are core to our strategy as they drive brand loyalty, optimize our product development efforts, and introduce new consumers to our brand. We believe we have one of the largest social media followings of any brand within the frozen food category today with over 500 thousand subscribers across all digital platforms. We rely extensively on social media platforms such as Facebook, Instagram, Pinterest, and TikTok to strengthen brand loyalty and facilitate online collaboration with our community. Although we believe our social media presence and consumer engagement as an H&W brand is compelling, we see significant opportunity for

brand growth. We plan to scale our efficient and modern approach to authentic community building by increasing our investment in sales and marketing and continuing our work with influencers and brand ambassadors aligned with our mission. Because both H&W and conventional brands within the frozen food category often take a traditional approach to marketing, we believe this strategy will allow us to outpace our competition. Further, we intend to leverage our consumer community to continue to grow our e-commerce sales, which includes "click-and-collect" e-commerce transactions where consumers pick up their product at a retailer following an online sale, as well as traditional direct-to-consumer "deliver-to-me" e-commerce transactions through our own website and third-party websites.

Leverage Innovative Product Development Capabilities

We believe our ability to deliver delicious comfort foods while simultaneously offering macronutrient ratios that support healthy lifestyles draws H&W consumers to our brand. Our products are the deliberate result of our innovative product development cycle, which starts with our proprietary base ingredient systems, and then combines our rapid prototyping capabilities with the assimilation of direct community feedback into the development process. We intend to innovate new base ingredient systems that will allow us to expand this offerings of craveable comfort foods that meet the macronutrient ratios sought by our consumers. We also expect to continue to validate our product recipes prior to launch by investing in the expansion of our community feedback approach. We believe we can leverage our product development capabilities to rapidly expand our product offerings within the frozen food category. In addition, because we utilize direct community feedback to align our products with consumer preferences prior to launch, we believe we can continue to launch products that will have a higher likelihood of market acceptance than conventional brands.

While we have focused on developing our H&W products for the frozen food category, we also believe we have a significant opportunity to expand our offerings into adjacent categories based on feedback we have received from our consumers and retail customers. We intend to explore opportunities to introduce our products to new categories by continuing to rely upon and invest in our innovative product development approach. To this end, we will also selectively consider acquisitions of businesses or assets, or other investments, that are aligned with our mission and enhance our growth and profitability.

Invest in Production Capacity and Automation

During June 2021, we self-manufactured more than 70% of our products at our City of Industry Facility. The manufacture of our products requires a specialized process and purpose-built equipment to ensure our products have the macronutrient composition we strive for while maintaining taste and quality. Our City of Industry Facility provides us with the opportunity to continue to expand our self-manufacturing capacity while improving production efficiencies. For example, we plan to implement our growth strategy by investing in new production lines, employing new manufacturing automation technology designed to significantly increase productivity while reducing direct labor costs through the automation of certain manual labor tasks, and adopting a continuous improvement cost savings program that focuses on process improvement throughout our supply chain and manufacturing operations to mitigate costs. By streamlining operations throughout our facility, we believe we can continue to deliver quality products while continuing to drive efficiencies across our operations and improve our financial performance. We are also in the process of implementing a new enterprise resource planning ("ERP") system that we will use to manage our business and which we expect will enhance operations at our City of Industry Facility.

Risk Factor Summary

Investing in our Class A common stock involves substantial risk. You should carefully consider all of the information in this prospectus prior to investing in our Class A common stock. We have various categories of risks, including risks related to our business, brand, products, and industry; risks related to our structure; risks related to our regulatory environment; risks related to our intellectual property, information technology, and privacy; risks related to being a public company; risks related to this offering and ownership of our Class A common stock; and risks related to accounting and tax matters, which are discussed more fully in the section entitled "*Risk Factors*." We encourage you to carefully review the full risk factor disclosures set forth in the section entitled "*Risk Factors*," as well as the other information in this prospectus, before deciding whether to invest in our Class A common stock. Additional risks beyond those summarized below or discussed elsewhere

in this prospectus may apply to our business, activities, or operations as currently conducted or as we may conduct them in the future. Some of the most significant challenges and risks associated with investing in our Class A common stock include the following:

- our limited operating history and significant operating losses;
- our need to increase net sales from existing customers and acquire new customers in order to execute our growth strategy;
- the short and long-term effects of the novel coronavirus ("COVID-19") pandemic on our business and the industry in which we operate;
- our ability to successfully implement our growth strategy and obtain additional financing to achieve our goals;
- RGF, LLC's indebtedness, and the agreements governing such indebtedness, which subject it to required debt service payments, as well as financial restrictions and operating covenants, which may reduce our financial flexibility and affect our ability to operate our business;
- our quarterly results may fluctuate significantly, and period-to-period comparisons of our results may not be meaningful;
- the substantial customer concentration risk to which we are subject;
- potential consolidation of our customers;
- our ability to compete successfully in our highly competitive market;
- consumer preferences for our products, which can change rapidly;
- our ability to introduce new products or successfully improve existing products;
- the volatile price of food commodities and packaging materials;
- our brand and reputation, as impacted by real or perceived quality or food safety issues with our products;
- the effectiveness of our digital marketing strategy and the expansion of our social media presence;
- our reliance on third-party delivery and warehousing companies, which could negatively impact our operating results;
- any disruption at one of our facilities;
- our ability to pay taxes and expenses, including payments under a tax receivable agreement (the "Tax Receivable Agreement") RGF, Inc. will enter into with RGF, LLC and the Members, may be limited by our structure; and
- the requirements of being a public company.

Summary of the Reorganization

Prior to the consummation of this offering and the Reorganization described below, RGF, LLC was owned entirely by its Members and operated its business through itself and no other entities. Project Clean, Inc. was incorporated as a Delaware corporation on June 2, 2021 to serve as the issuer of the Class A common stock offered in this offering, the sole managing member of RGF, LLC (the "Managing Member"), and the holder of Class A Units of RGF, LLC. Project Clean, Inc. changed its name to The Real Good Food Company, Inc. on , 2021.

In connection with the consummation of this offering, we will consummate the following Reorganization:

- we will amend and restate RGF, LLC's existing operating agreement effective as of the consummation of this offering to, among other things: (i) appoint RGF, Inc. as the Managing Member of RGF, LLC, and (ii) replace the membership interests currently held by the Members such that (a) all of the Class A Units will be owned exclusively by RGF, Inc., (b) exchange existing profits interest awards for Class B Units and our Class B common stock in relation to the agreed upon value of such profits interest awards as determined by the unanimous consent of all the Members and holders of profits interest units, and (c) all of the Class B Units will be owned exclusively by the Members in proportion to their percentage of ownership interests in RGF, LLC immediately prior to the consummation of this offering;

- we will amend and restate RGF, Inc.'s certificate of incorporation immediately prior to the consummation of this offering (the "Certificate of Incorporation") to, among other things, provide for Class A common stock and Class B common stock;
- we will issue shares of our Class B common stock to the Members on a one-to-one basis with the number of Class B Units they own, for nominal consideration;
- we will issue shares of our Class A common stock to the purchasers in this offering, or shares if the underwriters exercise in full their option to purchase additional shares of our Class A common stock;
- RGF, Inc. will use all of the net proceeds from this offering to acquire Class A Units from RGF, LLC at a purchase price per Class A Unit equal to the initial public offering price per share of Class A common stock, less underwriting discounts and commissions, collectively representing % of RGF, LLC's outstanding units, including both Class A Units and Class B Units, following this offering, or approximately % if the underwriters exercise in full their option to purchase additional shares of our Class A common stock;
- RGF, LLC intends to use the proceeds from the sale of Class A Units to RGF, Inc. as described in the section entitled "*Use of Proceeds*," including for general corporate purposes and working capital;
- the Members will hold Class B Units, which have pro rata economic interests, meaning rights to receive distributions or dividends, in whatever form, from RGF, LLC, but no voting or other control rights in RGF, LLC, which will be solely managed by RGF, Inc., and will have no economic interests in RGF, Inc. despite their ownership of Class B common stock;
- the Members will also hold Class B common stock, which will have no economic interest in RGF, Inc. but will vote together with the Class A common stock as to all matters upon which votes of RGF, Inc. stockholders are required;
- the Members will not be permitted to transfer any interest in Class B Units unless approved in writing by the Managing Member or pursuant to one of the following exceptions: (i) exchanges or redemptions permitted by an exchange agreement that RGF, Inc., RGF, LLC, and the Members will enter into (the "Exchange Agreement"), (ii) transactions that terminate the existence of a Member for income tax purposes but do not terminate the existence of such Member under applicable state law, (iii) any transfers by any Member to such Member's spouse, any lineal ascendants or descendants or trusts or other entities in which such Member or Member's spouse, lineal ascendants or descendants hold (and continue to hold while such trusts or other entities hold Class B Units) 50% or more of such entity's beneficial interests, and (iv) pursuant to the laws of descent and distribution; provided, however, that (a) such transfer restrictions will continue to apply to Class B Units after any such permitted transfer, (b) transferees must agree in writing to be bound by the provisions of the Exchange Agreement (as defined below) and the amended and restated operating agreement of RGF, LLC as adopted immediately prior to the consummation of this offering (the "Operating Agreement"), and (c) such Member (or any subsequent transferee of such Member) shall be required to also transfer the fraction of its remaining Class B common stock ownership corresponding to the proportion of such Member's (or subsequent transferee's) Class B Units that were transferred in the transaction to such transferee;
- Pursuant to the Exchange Agreement, prior to the effectiveness of the registration statement of which this prospectus forms a part, (i) the holders of Class B Units (and certain permitted transferees) may, subject to the terms of the Exchange Agreement, exchange Class B Units for shares of Class A common stock on a one-for-one basis or, at our option, cash; (ii) in connection with any such exchange, a holder of Class B Units being so exchanged would deliver to us an equivalent number of shares of Class B common stock, which would be canceled; and (iii) additional Class A Units, equivalent to the amount of Class B Units so exchanged, will then be issued to RGF, Inc. and, thus, RGF, Inc.'s interest in RGF, LLC will be proportionally increased; and
- RGF, Inc. will enter into (i) the Tax Receivable Agreement with RGF, LLC and the Members, and (ii) a registration rights agreement (the "Registration Rights Agreement") with the Members regarding the terms and conditions upon which shares of Class A common stock issued to the Members upon the

exchange of their Class B Units would be registered for future sale. Although the actual timing and amount of any payments that we make to the Members under the Tax Receivable Agreement will vary, we expect those payments will be significant.

Pursuant to the terms of the Exchange Agreement and in connection with an election by one or more Members to exchange Class B Units into shares of our Class A common stock, we will have the option to, in lieu of issuing Class A common stock, instead make a cash payment to such Member equal to a volume weighted average market price of one share of Class A common stock for each Class B Unit exchanged (subject to customary adjustments, including for stock splits, stock dividends, and reclassifications) in accordance with the terms of the Operating Agreement. Any decision to make a cash payment to a Member would not affect such Member's continuing obligation to deliver, and the subsequent cancelation of, the equivalent amount of such Member's shares of our Class B common stock. Our decision to make a cash payment upon a Member's election will be made by our independent directors (within the meaning of the Nasdaq Market ("Nasdaq")) who are disinterested.

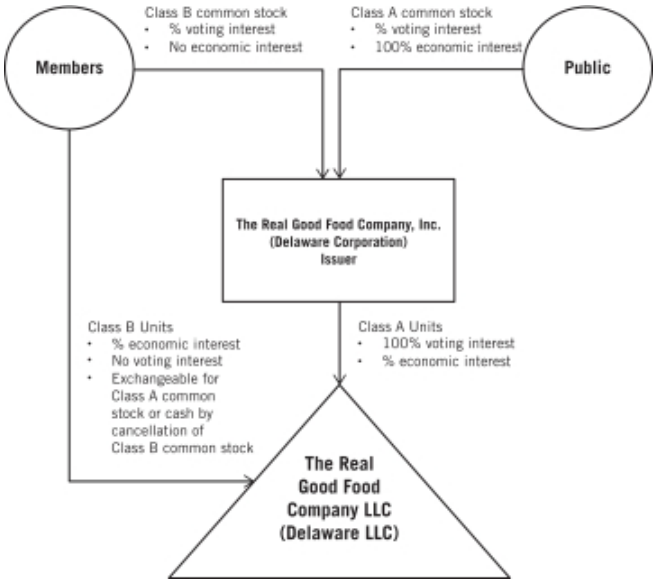
Our corporate structure following this offering, as described above, is commonly referred to as an "Up-C" structure, which is often used by partnerships and limited liability companies when they undertake an initial public offering of their business. The Up-C structure will allow the Members to continue to realize tax benefits associated with owning interests in an entity that is treated as a partnership, or "pass-through" entity, for income tax purposes following the offering. One of these benefits is that future taxable income of RGF, LLC that is allocated to the Members will be taxed on a flow-through basis and therefore will not be subject to corporate income taxes at the entity level. Additionally, because the Members may exchange their Class B Units for shares of our Class A common stock or, at our option, for cash, the Up-C structure also provides the Members with potential liquidity that holders of non-publicly traded limited liability companies are not typically afforded. For additional information, refer to the sections entitled "*The Reorganization*" and "*Description of Capital Stock*."

We will receive the same benefits as the Members on account of our ownership of Class A Units in an entity treated as a partnership, or "pass-through" entity, for income tax purposes. As we exchange our Class A common stock for additional Class B Units from the Members under the mechanism described above, we will obtain a step-up in tax basis in our share of RGF, LLC's assets. This step-up in tax basis will provide us with certain tax benefits, such as future depreciation and amortization deductions that can reduce the taxable income allocable to us. We expect that RGF, Inc. will enter into the Tax Receivable Agreement with RGF, LLC and each of the Members that will provide for the payment by us to the Members of % of the amount of tax benefits, if any, that we actually realize (or in some cases are deemed to realize) as a result of (i) increases in tax basis resulting from the exchange of Class B Units, and (ii) certain other tax benefits attributable to payments made under the Tax Receivable Agreement.

For additional information regarding our structure after the consummation of the Reorganization, including this offering, refer to the section entitled "*The Reorganization*." For certain risks related to the Reorganization, refer to the section entitled "*Risk Factors—Risks Related to Our Structure*."

Immediately following the Reorganization and the consummation of this offering, RGF, Inc. will be a holding company and its principal asset will be the Class A Units it purchases from RGF, LLC. As Managing Member, RGF, Inc. will operate and control all of the business and affairs of RGF, LLC and, through RGF, LLC, conduct its business. Although RGF, Inc. will have a minority economic interest in RGF, LLC, it will have the sole voting interest in, and control the management of, RGF, LLC, and will have the obligation to absorb losses of, and receive benefits from, RGF, LLC, which could be significant. As a result, we have determined that, after the Reorganization, RGF, LLC will be a variable interest entity ("VIE"), and that RGF, Inc. will be the primary beneficiary of RGF, LLC. Accordingly, pursuant to the VIE accounting model, RGF, Inc. will consolidate RGF, LLC in its financial statements and we will report a non-controlling interest related to the Class B Units held by the Members on our audited financial statements. RGF, Inc. will have a board of directors and executive officers, but will have no non-executive employees. The functions of all of our employees are expected to reside with RGF, LLC.

For additional information regarding our Certificate of Incorporation and the terms of our Class A common stock and Class B common stock, refer to the section entitled "*Description of Capital Stock*." For additional information regarding the Operating Agreement, including the terms of the Class A Units and Class B Units, and the exchange right of the Members, the Tax Receivable Agreement, and the Registration Rights Agreement, refer to the section entitled "*Certain Relationships and Related-Party Transactions*." The following diagram shows our organizational structure after giving effect to the Reorganization, including this offering, assuming no exercise by the underwriters of their option to purchase additional shares of our Class A common stock:



Company Information

RGF, LLC was formed in the State of California on February 3, 2016. Project Clean, Inc. was incorporated as a Delaware corporation on June 2, 2021 for the purpose of issuing the Class A common stock in this offering and acquiring Class A Units in RGF, LLC. Project Clean, Inc. changed its name to The Real Good Food Company, Inc. on , 2021. Our principal executive offices are located at 3 Executive Campus, Suite 155, Cherry Hill, NJ 08002, and our telephone number is (856) 644-5624. Our website address is www.realgoodfoods.com. The information contained on or accessible through our website is not part of this prospectus or the registration statement of which this prospectus forms a part, and potential investors should not rely on such information in making a decision to purchase our Class A common stock in this offering.

We use various trademarks, trade names, and other intellectual property in our business, including, without limitation, our corporate name and logo. We have over a dozen registered trademarks in the United States and "Realgood" and "Realgood Pizza Co." registered or pending in certain other non-U.S. jurisdictions. All other service marks, trademarks, and trade names appearing in this prospectus are the property of their respective owners. Solely for convenience, the trademarks and tradenames referred to in this prospectus appear without the ® and ™ symbols, but those references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights, or the right of the applicable licensor to these trademarks and tradenames. We believe the protection of our trademarks, trade names, copyrights, domain names, trade dress, and trade secrets are important to our success.

Implications of Being an Emerging Growth Company and a Smaller Reporting Company

We qualify as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). As an emerging growth company, we may take advantage of specified reduced disclosure and other requirements that are otherwise applicable generally to public companies, including:

- presenting only two years of audited financial statements and two years of related Management's Discussion and Analysis of Financial Condition and Results of Operations disclosure;
- reduced disclosure regarding our executive compensation arrangements;
- exemption from the requirements to hold non-binding advisory votes on executive compensation;
- exemption from the auditor attestation requirement in the assessment of our internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"); and
- exemption from complying with any requirement that may be adopted by the Public Company Accounting Oversight Board ("PCAOB"), regarding mandatory audit firm rotation.

We may take advantage of these exemptions up until the last day of the fiscal year following the fifth anniversary of our initial public offering or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company on the earliest of (i) the last day of the fiscal year in which we have more than $1.07 billion in annual revenue, (ii) the date we qualify as a "large accelerated filer," with more than $700.0 million in market value of our stock held by non-affiliates (and we have been a public company for at least 12 months and have filed one Annual Report on Form 10-K), or (iii) the date on which we have issued more than $1.0 billion of non-convertible debt securities over a three-year period. We may choose to take advantage of some, but not all, of the available exemptions. We have taken advantage of certain reduced reporting obligations in this prospectus. Accordingly, the information contained herein may be different than the information you receive from other public companies in which you hold stock. For certain risks related to our status as an emerging growth company, refer to the section entitled "*Risk Factors—We are an "emerging growth company" and the reduced disclosure requirements applicable to emerging growth companies may make our Class A common stock less attractive to investors*."

We are also a "smaller reporting company," meaning that the market value of our stock held by non-affiliates plus the proposed aggregate amount of gross proceeds to us as a result of this offering is less than $700.0 million and our annual revenue was less than $100.0 million during the most recently completed fiscal year. We may continue to be a smaller reporting company after this offering if either (i) the market value of our stock held by non-affiliates is less than $250.0 million, or (ii) our annual revenue is less than $100.0 million during the most recently completed fiscal year and the market value of our stock held by non-affiliates is less than $700.0 million. If we are a smaller reporting company at the time we cease to be an emerging growth company, we may continue to rely on exemptions from certain disclosure requirements that are available to smaller reporting companies. Specifically, as a smaller reporting company, we may choose to present only the two most recent fiscal years of audited financial statements in our Annual Report on Form 10-K and, similar to emerging growth companies, smaller reporting companies have reduced disclosure obligations regarding executive compensation.

THE OFFERING

Issuer	The Real Good Food Company, Inc.
Shares of Class A common stock offered by RGF, Inc.	shares
Underwriters' option to purchase additional shares of Class A common stock	shares
Class A common stock to be outstanding and voting interest immediately after the offering	shares, representing % of the voting interest and 100% of the economic interest in RGF, Inc., or shares, representing % of the voting interest and 100% of the economic interest in RGF, Inc., if the underwriters exercise in full their option to purchase additional shares of Class A common stock
Class B common stock to be outstanding and voting interest immediately after the offering	shares, representing % of the voting interest and none of the economic interest in RGF, Inc.
Class A Units of RGF, LLC to be held by RGF, Inc. immediately after this offering	Class A Units, representing % of the economic interest in the business of RGF, LLC, or Class A Units, representing % of the economic interest in the business of RGF, LLC, if the underwriters exercise in full their option to purchase additional shares of Class A common stock
Class B Units of RGF, LLC to be held by the Members after this offering	Class B Units, representing % of the economic interest, but none of the voting interest, in the business of RGF, LLC, or % of the economic interest, but none of the voting interest, in the business of RGF, LLC, if the underwriters exercise in full their option to purchase additional shares of Class A common stock
Ratio of shares of Class A common stock to Class A Units	Our Certificate of Incorporation and Operating Agreement will require that we at all times maintain a one-to-one ratio between the number of shares of Class A common stock issued by RGF, Inc. and the number of Class A Units owned by RGF, Inc.
Ratio of shares of Class B common stock to Class B Units	Our Certificate of Incorporation and Operating Agreement will require that we at all times maintain a one-to-one ratio between the number of shares of Class B common stock owned by the Members and the number of Class B Units owned by the Members

Voting	Immediately following this offering and the application of net proceeds from this offering, the Members, in the aggregate, will control approximately % of the combined voting power of our Class A and Class B common stock. As a result, based on their ownership of RGF, Inc. voting stock, the Members, in the aggregate, will have the collective ability to elect all of the members of the RGF, Inc. board of directors, and thereby to control RGF, Inc. management and affairs. In addition, the Members will be able to determine the outcome of all matters requiring stockholder approval, including mergers and other material transactions, and will be able to cause or prevent a change in the composition of the RGF, Inc. board of directors or a change of control of our Company that could deprive our RGF, Inc. stockholders of an opportunity to receive a premium for their Class A common stock as part of a sale of our Company and might ultimately affect the market price of Class A common stock
Management of RGF, LLC	RGF, Inc. will be the Managing Member of RGF, LLC and will operate and control all of the business and affairs of RGF, LLC
Use of proceeds	RGF, Inc. will use the proceeds from the sale of our Class A common stock to purchase Class A Units of RGF, LLC. Accordingly, RGF, Inc. will not retain any of these proceeds The principal purposes of this offering are to increase our capitalization and financial flexibility, create a public market for our Class A common stock, increase our brand awareness, and facilitate access to the public equity markets for us and our equityholders. RGF, LLC primarily intends to use the net proceeds that it receives from RGF, Inc. from this offering for working capital and other general corporate purposes, which may include research and development and marketing activities, general and administrative matters, and capital expenditures. In addition, RGF, LLC intends to use a portion of the proceeds for the repayment of debt owed to one of its lenders and may also use a portion of the proceeds for the acquisition of, or investment in, businesses or assets that complement our business. However, we do not have binding agreements or commitments for any acquisitions or investments outside the ordinary course of business at this time. Our management will have broad discretion over the use of the net proceeds from this offering. For additional information, refer to the section entitled "*Use of Proceeds*"
Tax Receivable Agreement	Future exchanges of Class B Units for shares of our Class A common stock are expected to produce favorable tax attributes for us. These tax attributes would not be available to us in the absence of those transactions. Upon the closing of this offering, we will be a party to the Tax Receivable Agreement. Under the Tax Receivable Agreement, we generally expect to retain the benefit of approximately % of the applicable tax savings after our payment obligations below are taken into account Under the Tax Receivable Agreement, we generally will be required to pay to the Members that will continue to hold Class B Units following the Reorganization approximately % of the applicable savings, if any, in income tax that we are deemed to

	realize (using the actual applicable U.S. federal income tax rate and an assumed combined state and local income tax rate) as a result of: ▪ certain tax attributes that are created as a result of the exchanges of their Class B Units for shares of our Class A common stock; ▪ any existing tax attributes associated with their Class B Units, the benefit of which is allocable to us as a result of the exchanges of their Class B Units for shares of our Class A common stock (including the portion of RGF, LLC's existing tax basis in its assets that is allocable to the LLC Units that are exchanged); ▪ tax benefits related to imputed interest; and ▪ payments under the Tax Receivable Agreement For purposes of calculating the income tax savings we are deemed to realize under the Tax Receivable Agreement, we will calculate the U.S. federal income tax savings using the actual applicable U.S. federal income tax rate and will calculate the state and local income tax savings using 5% for the assumed combined state and local tax rate, which represents an approximation of our combined state and local income tax rate, net of federal income tax benefits. For additional information, refer to the sections entitled "*The Reorganization*" and "*Certain Relationships and Related-Party Transactions—Tax Receivable Agreement*"
Exchange and conversion rights of holders of our Class B common stock	Holders of shares of our Class B common stock do not have preemptive, subscription, redemption, or conversion rights. Immediately following the consummation of this offering, the Members holding Class B common stock may exchange their Class B Units and cancel an equivalent amount of their shares of Class B common stock for newly issued shares of our Class A common stock or, at our option, cash
Risk factors	Investing in our Class A common stock involves a high degree of risk. For a discussion of factors you should consider carefully before deciding to invest in shares of our Class A common stock, refer to the section entitled "*Risk Factors*"
Proposed Nasdaq trading symbol	"RGF"

The number of shares of our Class A common stock to be outstanding immediately following the consummation of this offering excludes:

- shares of our Class A common stock reserved for future issuance as of , 2021 under our stock-based compensation plans, consisting of (i) shares of our Class A common stock reserved for future issuance under our 2021 Stock Incentive Plan (the "2021 Plan"), which will become effective on the day before the date of the effectiveness of the registration statement of which this prospectus forms a part, and (ii) shares of our Class A common stock reserved for future issuance under our 2021 Employee Stock Purchase Plan (the "ESPP"), which will become effective on the date of the effectiveness of the registration statement of which this prospectus forms a part. The 2021 Plan and ESPP also provide for automatic annual increases in the number of shares reserved under the plans each year, as described in the section entitled "*Executive Compensation—Equity Compensation Plans and Other Benefit Plans*"; and
- shares of our Class A common stock that may be issuable upon exercise of the Members' rights to exchange their Class B Units.

The shares of our Class B common stock to be outstanding immediately following this offering is based on Class B Units held by the Members as of , 2021 after taking into account the assumptions set forth below.

Except as otherwise indicated, all information in this prospectus assumes or gives effect to:

- the effectiveness of the Operating Agreement, as well as the filing of our Certificate of Incorporation, each of which will occur immediately prior to the consummation of this offering;
- the automatic conversion of all convertible promissory notes outstanding as of , 2021 into an aggregate of shares of our Class A common stock, based on an assumed initial public offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, at a 20% discount to such offering price, immediately prior to the closing of this offering;
- the Reorganization; and
- no exercise of the underwriters' option to purchase additional shares of our Class A common stock.

SUMMARY FINANCIAL AND OTHER DATA

The following tables set forth summary financial data for the periods and as of the dates indicated. The statements of operations and balance sheet data for the years ended December 31, 2019 and 2020 have been derived from our audited financial statements included elsewhere in this prospectus.

Our historical results are not necessarily indicative of the results to be expected for any future periods. You should read the following financial information together with the information included within the sections entitled "*Capitalization*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," "*Unaudited Pro Forma Combined Financial Data*," and our audited financial statements and related notes included elsewhere in this prospectus.

(In thousands, except unit and per unit data)	YEAR ENDED DECEMBER 31, 2019	2020
Statement of Operations Data:		
Net sales	$ 38,743	$ 38,984
Cost of sales	32,919	36,306
Gross profit	5,824	2,678
Operating expenses:		
Selling and distribution	8,025	7,593
Marketing	4,145	2,351
Administrative	2,409	2,592
Total operating expenses	14,579	12,536
Loss from operations	(8,755)	(9,858)
Interest expense	5,382	5,682
Other expense	51	—
Loss before income taxes	(14,188)	(15,540)
Income tax expense	—	(22)
Net loss	**$ (14,188)**	**$ (15,562)**
Preferred return on Series A preferred units	418	546
Net loss attributable to common unitholders	$ (14,606)	$ (16,108)
Net loss per common unit (basic and diluted)	$ (235.21)	$ (258.82)
Weighted-average common units outstanding (basic and diluted)	62,097	62,238

(In thousands)	AS OF DECEMBER 31, 2019	2020
Balance Sheet Data:		
Cash	$ 388	$ 28
Working capital (1)	7,093	3,409
Total assets	15,298	15,470
Long term debt, net of issuance costs, including current portion	24,950	38,699
Total liabilities	30,046	45,637
Total members' deficit	(14,748)	(30,167)

(1) Working capital is defined as current assets less current liabilities.

Non-GAAP Financial Measure

In addition to our results determined in accordance with generally accepted accounting principles in the United States ("GAAP"), we believe that Adjusted EBITDA, a non-GAAP financial measure, is a useful performance measure and metric for investors to evaluate current trends in our operations and compare the ongoing operating performance of our business from period to period. In addition, management uses this non-GAAP financial measure to assess our operating performance and for internal planning purposes. We also believe this measure is widely used by investors, securities analysts, and other parties in evaluating companies in our industry as a measure of operational performance. However, the non-GAAP financial measure included in this prospectus has limitations and should not be considered in isolation, as a substitute for, or as superior to performance measures calculated in accordance with GAAP. Other companies may calculate this measure differently, or may not calculate it at all, which limits the usefulness of this measure as a comparative measure. Because of these limitations, we consider, and you should consider, Adjusted EBITDA with other operating and financial performance measures presented in accordance with GAAP.

Adjusted EBITDA

"Adjusted EBITDA" means, for any reporting period, net income (loss) before depreciation and amortization, income taxes, and interest expense, and adjusted to exclude the impact of transaction expenses, as well as other costs and adjustments identified by management as affecting the comparability of our operating results from period to period. Adjusted EBITDA should not be considered as an alternative to net loss or any other measure of financial performance calculated and presented in accordance with GAAP. There are a number of limitations related to the use of Adjusted EBITDA rather than net loss, which is the most directly comparable GAAP measure. Some of these limitations are that our calculation of Adjusted EBITDA:

- excludes depreciation and amortization expense and, although these are non-cash expenses, the assets being depreciated may have to be replaced in the future increasing our cash requirements;
- does not reflect income tax payments that reduce cash available to us;
- does not reflect interest expense, or the cash required to service our debt, which reduces cash available to us;
- does not reflect costs related to financial hardship of our co-manufacturer;
- does not reflect costs associated with the write-down of obsolete inventory, which may need to be replenished;
- does not reflect start-up and idle capacity costs;
- does not reflect costs related to the COVID-19 pandemic;
- does not reflect the expenses associated with share-based compensation;
- does not reflect costs incurred in connection with certain strategic and financing transactions, which reduce cash available to us;
- does not reflect costs to shut down one of our facilities; and
- may differ from those of other companies, including companies in our industry, which reduces the usefulness of Adjusted EBITDA as a comparative measure.

Because of these limitations, we consider, and you should consider, Adjusted EBITDA with other operating and financial performance measures presented in accordance with GAAP.

The following table presents the reconciliation of Adjusted EBITDA to its most directly comparable GAAP measure, net loss, as reported:

(In thousands)	YEAR ENDED DECEMBER 31, 2019	2020
Net loss	$ (14,188)	$ (15,562)
Depreciation and amortization	516	590
Provision for income tax	—	22
Interest expense	5,382	5,682
Cost related to financial hardship of co-manufacturer(1)	—	967
Inventory write-down(2)	—	726
Start-up and idle capacity costs(3)	—	173
Costs related to the COVID-19 pandemic(4)	—	308
Share-based compensation(5)	—	82
Transaction expenses(6)	—	598
Costs to shut down facility(7)	125	—
Adjusted EBITDA	**$ (8,165)**	**$ (6,414)**

(1) Represents costs related to the termination of our relationship with a co-manufacturer due to its financial hardship. These costs include the non-recurring write-off of accounts receivable deemed by management to be uncollectible.
(2) Represents a non-recurring write-down of obsolete inventory related to a change in strategy for certain products and customers. The amount of the write-down reflects only that portion of obsolete inventory that management estimates to be above normalized levels.
(3) Represents start-up costs associated with commencing operations at our City of Industry Facility and other costs associated with temporary manufacturing capacity at our City of Industry Facility, including indirect labor costs, utility costs, and rent.
(4) Represents direct costs incurred in connection with the COVID-19 pandemic, including freight rush charges, tolling upcharges, and storage.
(5) Represents equity-based compensation expense related to a commercial agreement with an investor.
(6) Represents costs incurred in connection with pursuing certain strategic and financing transactions, including legal, consulting, and accounting costs.
(7) Represents non-recurring costs associated with shutting down a production and warehouse facility in Tucson, Arizona.

Adjusted EBITDA increased $1.8 million to a loss of $6.4 million for the year ended December 31, 2020, compared to a loss of $8.2 million for the year ended December 31, 2019, primarily driven by a decrease in marketing expenses and, to a lesser extent, selling and distribution expenses, and administrative expenses.

RISK FACTORS

Investing in our Class A common stock involves a high degree of risk. You should carefully consider the risk factors described below, together with all of the other information included in this prospectus, before investing in our Class A common stock. If any of the following risks are realized, our business, operating results, financial condition, and prospects could be materially and adversely affected. In that case, the trading price of our Class A common stock may decline, and you may lose all or part of your investment in our Class A common stock. The risks described below are not the only ones we face. Additional risks that we currently do not know about or that we currently believe to be immaterial may also negatively impact our business, operating results, financial condition, and prospects.

Risks Related to Our Business, Brand, Products, and Industry

We have a limited operating history and have incurred significant operating losses. As a result of continuing investments to expand our business, we may not achieve or sustain profitability.

We were formed and commenced commercial sales of our products in 2016. As a result, we have a limited operating history and limited experience manufacturing and selling our products, establishing relationships with customers and consumers, and building our brand reputation. These and other factors combine to make it more difficult for us to accurately forecast our future operating results, which in turn makes it more difficult for us to prepare accurate budgets and implement strategic plans. We expect that this uncertainty will continue to exist in our business for the foreseeable future. If we do not address these risks and uncertainties successfully, our operating results could differ materially from our estimates and forecasts, and from the expectations of investors or analysts, which could harm our business and result in a decline in the trading price of our Class A common stock.

We have experienced net losses in every period since our inception. In the years ended December 31, 2019 and 2020, we incurred net losses of $14.2 million and $15.6 million, respectively. We anticipate our operating expenses and capital expenditures will increase substantially in the foreseeable future as we seek to expand our retail distribution, invest in our approach to grow our community, leverage our product development capabilities, and invest in production capacity and automation. As a result of our continuing investments to expand our business in these and other areas, we expect our expenses to increase significantly, and we may not achieve profitability in the foreseeable future. Even if we are successful in broadening our consumer base, and increasing net sales from new and existing customers, we may not be able to generate additional net sales in amounts that are sufficient to cover our expenses. We may incur significant losses for a number of reasons, including as a result of the other risks and uncertainties described elsewhere in this prospectus. We cannot assure you that we will achieve profitability in the future or that, if we do become profitable, we will sustain profitability over any particular period of time.

To execute our growth strategy, we need to attract new customers and consumers to our brand and increase our net sales from existing customers, and we may not be successful in achieving these objectives.

Our ability to execute our growth strategy depends in part on our ability to attract new customers and consumers to our brand, retain our existing customers, and increase net sales from existing customers. However, we may not be successful in increasing our net sales as a result of a number of factors, including:

- our inability to commercialize innovative and relevant products with the taste, nutritional content, quality, and value demanded by our customers and consumers;
- changes in consumer preferences, including trends impacting the H&W industry and the frozen food category;
- introduction of competitive products by other branded food companies, retailers, restaurants, and other industry participants;
- the pricing of our products and the products of our competitors;
- any decision by customers to reduce the number of our products they sell, or to limit their shelf space available for our products;
- greater reliance by certain retailers on private label products;
- our ability to fulfill orders in a timely manner;

- perceptions regarding the taste, nutritional content, quality, and value of our products relative to those of our competitors or other food products;
- our failure to effectively engage with customers or consumers through our advertising and marketing efforts, including through our social media presence;
- factors impacting our current or target customers, including bankruptcy or financial hardship, changes in business strategy or operations, or industry consolidation;
- regulatory matters impacting our products or the products of our competitors, including product recalls or seizures;
- incidence of food-borne illnesses, contamination or other food-safety incidents caused by our products, or involving our competitors, co-manufacturers, suppliers, or other business partners;
- the impacts and disruptions caused by the COVID-19 pandemic, or any similar pandemics or incidence of disease; or
- general economic factors, including discretionary spending, consumer confidence, interest rates, and unemployment rates.

Any factors that negatively impact our ability to attract customers and consumers to our brand, retain our existing customers, or increase net sales from existing customers, or that result in sales of our products increasing at a lower rate than expected, including factors that are beyond our control, could adversely affect our business, operating results, financial condition, and prospects. If we are unable to significantly increase our net sales, we may never achieve or sustain profitability, which would negatively impact our ability to execute our strategic plan and cause the trading price of our Class A common stock to decline.

We are subject to substantial customer concentration risk and our failure to retain existing customers would have an adverse effect on our business.

We have been and continue to be subject to substantial customer concentration risk. As of December 31, 2019 and 2020, three customers, Walmart, Kroger, and Costco, collectively, accounted for approximately 66% and 57% of our net sales, respectively. These customers individually accounted for approximately 28%, 17% and 12% of our 2020 total net sales, respectively. We do not have long-term contracts with our significant customers, any of which could discontinue their relationship with us or seek to modify their commercial terms with us. In addition, our customers are typically not required to purchase any minimum amount of our products. While our growth strategy involves retaining and increasing net sales from existing customers, we cannot guarantee that we will be successful in executing this strategy. The loss of any significant customer, the reduction of purchasing levels from any such customer, or the failure of any of these customers to purchase new products from us would have a material adverse impact our business, operating results and financial condition. For example, throughout 2020, we experienced a reduction of purchasing activity from many of our significant customers, as well as a decision by many retail customers to cancel or postpone shelf-resets, as a result of the impacts of the COVID-19 pandemic, which had a material adverse impact on our net sales and resulted in a decline in our growth rate.

In addition, our customer concentration risk exposes us to product concentration risk as our significant customers may choose to only purchase and provide shelf space for a limited number of our products. If this occurs, it could result in such products representing a large percentage of our total net sales, and limit our ability to expand production of and gain market acceptance for new products. For example, we have experienced some concentration of sales of our bacon wrapped stuffed chicken and enchiladas through one of our significant retail customers. We cannot assure you that our significant customers will continue to favor these or other products they purchase from us over competitive products. Further, a significant customer may take actions that affect us for reasons that we cannot always anticipate or control, such as their financial condition, changes in business strategy or operations, introduction of competing products, or its management's perceptions regarding the quality, value, or desirability of our products. Any factor adversely affecting sales of these products to our significant customers could have a disproportionate negative impact on our business.

Consolidation of customers, or the loss of a significant customer, could negatively impact our sales and profitability.

In recent years, retailers across the United States have consolidated, including within the geographic regions in which we sell our products. This consolidation has reduced the number of our target customers, while at the same time producing larger organizations with increased negotiating power that are often able to resist price increases,

demand fixed commercial terms, operate with lower inventories, and decrease the number of branded products they carry, all of which could negatively impact our business. The consolidation of customers also increases the impact that the loss of a significant customer, or an adverse event affecting the business of a significant customer, could have on our business. Consequently, our operating results may fluctuate significantly in future periods based on the actions of one or more significant customers.

Pandemics, epidemics, or disease outbreaks, such as COVID-19, may disrupt our business, including, among other things, consumption and trade patterns, supply chain, and production processes, each of which could materially and adversely affect our business, financial condition and results of operations.

The actual or perceived effects of a pandemic, epidemic, disease outbreak, or similar widespread public health concern, such as COVID-19, could materially and adversely affect our business, financial condition, and results of operations. Pandemics, epidemics, or disease outbreaks may affect demand for our products because quarantines, or other government restrictions on movement, may cause erratic consumer purchase behavior. Governmental or societal impositions of restrictions on public gatherings, especially if prolonged, may have adverse effects on in-person traffic to retail stores. Even the perceived risk of infection or health risk may adversely affect traffic to our store-based retail customers and, in turn, our business, financial condition, and results of operations, particularly if any self-imposed or government-imposed restrictions are in place for a significant period of time.

The ongoing COVID-19 pandemic may continue to affect us and our co-manufacturers', suppliers', and customers' ability to operate in certain regions, delay the development or launch of new products, disrupt the supply chain and manufacturing or shipment of our ingredients or products, or have other adverse effects on our business, financial condition, results of operations, and prospects. In connection with the ongoing COVID-19 pandemic, many of our retail customers canceled or postponed shelf-resets, which significantly impacted our net sales in the year ended December 31, 2020. Further, one of our key co-manufacturers experienced financial hardship as a result of the impacts of the COVID-19 pandemic, which resulted in our inability to meet demand for certain products in 2020, which negatively impacted our financial condition and results of operations. Although we have taken actions to mitigate the impacts of the COVID-19 pandemic, at this time we cannot predict the specific extent, duration, or full impact that the COVID-19 pandemic will have on our business, financial condition, and operations, including our ability to successfully implement our growth strategy and obtain additional financing to achieve our strategic objectives. The impacts of the COVID-19 pandemic on our financial performance will depend on future developments, including the duration and spread of the pandemic and any variants, its impact on our business, manufacturing capacity, and other third parties with whom we do business, progress of vaccination efforts, and related governmental advisories and restrictions. These developments and the impact of the COVID-19 pandemic on the financial markets and the overall economy are highly uncertain and cannot be predicted. If the financial markets or the overall economy are impacted for an extended period, our business may be materially adversely affected.

We may not be able to compete successfully in our highly competitive market.

We are a frozen food company operating within the H&W industry, although we believe we compete with other conventional brands within the frozen food category. We operate in a highly competitive market with numerous brands and products competing for market share and limited shelf space from retail customers.

Within our market, we believe competition is primarily based on the following factors:

- product quality and taste;
- brand reputation, recognition, and loyalty;
- nutritional content and claims;
- product pricing;
- product variety;
- relationships with customers and access to retail shelf space; and
- advertising and marketing activity, including social media presence.

We compete with conventional brands within the frozen food category such as Conagra Brands, Inc., Kraft Heinz Company, Nestle S.A., and Tyson Foods, Inc., each of which have substantially greater financial and other resources, a broader assortment of product offerings, more established relationships with retailers, and products that are well-accepted in the

marketplace. We also compete with H&W brands such as Amy's Kitchen, Atkins, dr. Praeger's, EVOL, Quest Nutrition, and Saffron Road, which develop products that may include organic fruits and vegetables, antibiotic-free meat, grain-free alternatives, and natural colors and flavors. Each of these companies, as well as our other competitors, may have greater resources, longer operating histories, and greater brand visibility among consumers.

Generally, the food industry is dominated by multinational corporations and other well-established industry participants. We cannot be certain that we will successfully compete with competitors that have greater financial, marketing, product development and technical resources. Conventional food companies may acquire our competitors, or launch their own products that compete with our products, and they may be able to use their resources and scale to respond to changes in consumer preferences, address competitive pressures, reduce pricing, or increase promotional activity. Our retail customers also market competitive products under their own private labels, which are generally sold at lower prices and compete with some of our products. Similarly, retailers could change the merchandising of our products and we may be unable to retain or expand our existing shelf space.

As a result of the intense competitive pressures in our industry, we may lose shelf space and market share, which may require us to lower prices, accelerate product development efforts, increase advertising and marketing expenditures, or increase the use of promotional campaigns, any of which would adversely affect our business, operating results and financial condition.

Consumer preferences for our products could change rapidly, and, if we are unable to respond quickly to new trends, our business may be adversely affected.

Our business is focused on the development, manufacture, marketing, and sale of frozen foods. These foods are subject to the requirements of the U.S. Food and Drug Administration ("FDA") and other governmental agencies, including for claims that a product is "high in protein," has no "added sugar," and is made from nutrient-dense ingredients. Consumer preferences, and therefore demand for our products, could change rapidly as a result of a number of factors, including consumer demand for specific nutritional content, dietary habits, or restrictions, including a focus on lowering fat or sodium content, perceptions regarding food quality, concerns regarding the health effects of certain ingredients or macronutrient ratios, shifts in preferences for product attributes, laws and regulations governing product claims, brand reputation and loyalty, and product pricing. A significant shift in consumer demand away from our products, or towards competitive products, could limit our product sales, reduce our market share, and negatively impact our brand reputation, any of which could adversely affect our business, operating results, and financial condition.

Failure to introduce new products or successfully improve existing products may adversely affect our ability to execute our growth strategy.

A key element of our growth strategy depends on our ability to develop and commercialize new products and make improvements to existing products that appeal to our existing customers and consumers, attract new customers and consumers to our brand, and meet our standards for taste, nutritional content, and quality. The success of our innovation and product development efforts is affected by our ability to anticipate changes in consumer preferences, the ability of our commercialization, sales, and marketing teams to develop and test product prototypes, and our success in introducing and marketing new products. Our sales and marketing team is continuously seeking to identify and develop new products that feature high nutritional content, build upon the quality of our current products, enhance our brand reputation and loyalty, and appeal broadly to consumers. Failure to develop and commercialize new products that appeal to consumers could result in a decrease in product sales, or a failure of our product sales to increase in line with our estimates, which would negatively impact our business, operating results, and financial condition. Additionally, the development and commercialization of new products requires substantial expenditures, which we may be unable to recoup if the new products do not gain widespread market acceptance.

Our community is instrumental to our product development approach as we rely extensively on our consumers to provide feedback on our products. For example, after our marketing team formulates our product prototypes, they are run through our consumer validation process referred to as RGF Labs, which is a targeted and diverse invitation-only subset of our consumer community. However, although we intend to invest in the development of our community, including RGF Labs, we may not be able to expand our community, successfully engage with consumers, or improve our consumer validation process. In addition, we cannot be certain that the information received from consumers will allow us to improve our products or launch products with a higher confidence of market acceptance. If we are unable to solicit meaningful product feedback from our consumers, or successfully grow our community or engage with consumers, it could harm our ability to launch new products and negatively impact our net sales.

We may not be able to successfully implement our growth strategy.

We have experienced periods of rapid growth since inception and expect to experience additional growth. The anticipated future growth and expansion of our business will place additional demands on our management team and operational infrastructure, and require significant resources to meet our needs, which may not be available in a cost-effective manner, or at all.

Our growth strategy requires us to expand our retail distribution, invest in our approach to grow our community, leverage our product development capabilities, and invest in production capacity and automation. Our ability to implement this strategy depends, among other things, on our ability to:

- strengthen our relationships with existing customers, and establish and build relationships with new customers;
- increase product sales to new and existing customers;
- manage and grow relationships with various co-manufacturers, suppliers, and other business partners;
- commercialize new products that meet our expectations, and the expectations of our customers and consumers, for taste, nutritional content, value, and quality;
- increase our manufacturing and production capacity in a cost-effective manner;
- respond to competitive pressures or other industry changes or trends;
- increase brand recognition and loyalty; and
- enhance our advertising and marketing efforts, including our social media presence.

We may not be successful in implementing our growth strategy for a number of reasons, including as a result of the other risks and uncertainties described elsewhere in this prospectus. If we are unable to implement any aspect of our strategy, we may never achieve or sustain profitability, which would negatively impact our business, harm our reputation, limit our access to capital, and result in a decline in the trading price of our Class A common stock.

If we fail to effectively expand our manufacturing facilities, distribution channels, and production capabilities, our business and operating results could be harmed.

Our growth strategy requires us to invest in our manufacturing facilities, expand our distribution channels, and enhance our production capabilities, while simultaneously enhancing our operational infrastructure to support our growth. However, there are risks associated with effectively scaling manufacturing facilities, distribution channels, production processes, and supply chain requirements. For example, we may face challenges building our manufacturing infrastructure, acquiring necessary equipment, or hiring manufacturing employees, and these challenges may be exacerbated as a result of a number of factors, including our limited operating history, increasing costs and wage rates, and the impacts and disruptions caused by the COVID-19 pandemic.

Further, we must accurately forecast demand for our products, potentially over an extended period of time, in order to ensure we have adequate available manufacturing and production capacity. Our forecasts, however, will be based on multiple assumptions that may prove to be inaccurate. If we underestimate our demand, it would limit our ability to plan for and obtain adequate manufacturing capacity (whether our own manufacturing capacity or co-manufacturing capacity) in order to meet the actual demand for our products, which could result in the loss of sales and harm to our reputation. If we overestimate our demand and overbuild our capacity, we may have significantly underutilized assets and experience higher costs and reduced operating margins. If we do not accurately align our manufacturing capacity and production capabilities with our current or future demand, or if we experience disruptions or delays in scaling our manufacturing facilities, our business, operating results, and financial condition may be materially adversely affected.

Loss of one or more of our co-manufacturers, or our failure to identify new co-manufacturers, could harm our business and impede our growth.

For the year ended December 31, 2020, all of our products were manufactured at various facilities operated by our co-manufacturers located in City of Industry, California; Valencia, California; Marietta, Georgia; Manteno, Illinois; Earth City, Missouri; and Nogales, Mexico. Subsequent to December 31, 2020, we ceased manufacturing our products at the facilities located in Valencia, California and Manteno, Illinois. In addition, we entered into a series of agreements pursuant to which we agreed to operate our City of Industry Facility, including subleasing the facility, acquiring certain equipment and inventory located at the facility, and hiring certain employees. For additional information, refer to the section entitled "*Business—Facilities*."

Our growth strategy involves the enhancement of our overall manufacturing and production capabilities. While we expect to increase production at our City of Industry Facility over time, we also expect to continue to rely on our co-manufacturers to provide us with a portion of our production capacity for the foreseeable future, and we may identify new co-manufacturers to provide additional capacity or flexibility.

We do not currently have manufacturing contracts with our co-manufacturers. Because of the absence of such contracts, any of our co-manufacturers could seek to alter or terminate its relationship with us at any time, potentially leaving us with periods during which we have reduced manufacturing and production capacity. If we need to replace a co-manufacturer, there can be no assurance that additional capacity will be available in a timely manner and in the quantities required, that our quality control requirements will be met, or that the commercial terms will be favorable. If we fail to replace a co-manufacturer, we may be required to reduce our overall production, or increase our production by a smaller amount than forecasted, which could result in loss of sales and reputational harm. Further, an interruption in, or the loss of operations at, one or more of our co-manufacturing facilities, which may be caused by work stoppages, contamination, disease outbreaks, terrorism, fire, earthquakes, flooding, tornadoes, hurricanes, tsunamis, or other natural disasters, could delay, postpone, or reduce production of our products, which could have a material adverse effect on our business until such time as such interruption is resolved or an alternate source of production is secured. As an example, during the year ended December 31, 2020, the original sublessor of our City of Industry Facility, one of our largest co-manufacturers during the period, experienced financial hardship such that it was not able to secure trade credit or working capital from its suppliers or lenders, which we believe was a result of the COVID-19 pandemic. In response to these challenges, this co-manufacturer shut down its facility and was unable to fill our orders, which negatively impacted our ability to produce enough products to meet demand and resulted in lower net sales during the year ended December 31, 2020.

We believe there are a limited number of high-quality co-manufacturers that can meet our pricing requirements and quality control standards, and as we seek to obtain additional or alternative co-manufacturing arrangements in the future, there can be no assurance that we would be able to do so on satisfactory terms, in a timely manner, or at all. In the past, we have encountered difficulties identifying additional or alternative co-manufacturers who are able to meet our requirements and standards, and we may experience similar difficulties in the future. The loss of one or more co-manufacturers, any disruption or delay at a co-manufacturer, or any failure to identify and engage co-manufacturers to increase production capacity, could delay or postpone the production of our products, or reduce our overall production capacity, either of which could have a material adverse effect on our business, operating results, and financial condition.

As our business grows, we may not be able to obtain ingredients in sufficient quantities to meet the demand for our products.

Our ability to meet demand for our products and increase our net sales depends in part on our ability to arrange for the purchase of sufficient quantities of ingredients that meet our quality control and pricing requirements. We do not have long-term contracts with our suppliers, any of which could discontinue their relationship with us or seek to modify their commercial terms with us. Further, certain of the ingredients used in our products, including poultry and dairy products, are considered food commodities that are subject to fluctuations in pricing and availability. We are not assured of continued supply or current pricing of ingredients.

Events that adversely affect our suppliers could impair our ability to obtain the ingredients necessary to meet demand. Such events could include facilities disruptions, food disease, contamination, financial hardships, or work stoppages, as well as natural disasters or other catastrophic occurrences. We continuously seek alternative sources of ingredients to use in our products, but we may not be successful in these efforts. If we need to replace an existing supplier, there can be no assurance that supplies of ingredients will be available when required on acceptable terms, or at all, or that a new supplier would allocate sufficient capacity to us in order to meet our requirements, fill our orders in a timely manner, or meet our quality control standards. If we are unable to manage our supply chain effectively and ensure that our products are available to meet demand, our operating costs could increase and our net sales could decrease, which would have a material adverse impact on our operating results.

We rely on our suppliers to meet our quality standards and to supply ingredients and other products in a timely and safe manner, and in accordance with our product specifications. We have developed and implemented a series of measures to ensure the safety and quality of our third-party supplied products, including using contract

specifications, certificates of identity for some products or ingredients, sample testing by suppliers, and sensory based testing. However, no safety and quality measures can eliminate the possibility that suppliers may provide us with products that are inconsistent with our specifications, below our quality standards, improperly labeled, or unsafe for consumption. If this was to occur, in addition to the risks associated with negative customer and consumer experiences, we could face the possible seizure or recall of our products, or the imposition of civil or criminal sanctions, any of which could have an adverse impact on our business.

The price of food commodities and packaging materials is volatile and may increase significantly, which would adversely affect our operating results.

We purchase large quantities of ingredients to manufacture our products, including food commodities such as poultry and dairy products. The price of these commodities is volatile and can increase significantly based on a number of factors beyond our control, including consumer demand, harvesting decisions, incidence of disease, adverse weather conditions, natural disasters, and public sentiment. For example, at various times in the past, there has been social and political pressure to implement changes to the supply chain for certain agricultural products, including poultry, which could result in significant increases in the cost of the affected products. In addition, we purchase and use significant quantities of cardboard, film, and plastic to package our products. The costs of these products may also fluctuate based on a number of factors beyond our control, including changes in the competitive environment, availability of substitute materials, and macroeconomic conditions. Volatility in the prices of commodities and other supplies we purchase could significantly increase our cost of sales and reduce our profitability. Moreover, we may not be able to implement price increases for our products to cover some or all of the increased costs, and any price increases we do implement may result in lower sales volumes. If we are not successful in managing our commodity and packaging costs, if we are unable to increase our prices to fully or partially offset the increased costs, or if such price increases reduce our sales volumes, then such cost increases will adversely affect our operating results.

We will require additional financing to achieve our goals, and a failure to obtain this capital when needed may force us to change our strategic plans.

Since our inception, substantially all of our resources have been dedicated to the commercialization of our products, the development of our brand and social media presence, and the growth of our operational infrastructure. We anticipate that our operating expenses and capital expenditures will increase substantially in the foreseeable future as we seek to expand our retail distribution, invest in our approach to grow our community, leverage our product development capabilities, and invest in production capacity and automation.

In light of our growth strategies, and our anticipated operating expenses, and capital expenditures, we expect to require additional financing to achieve our goals. Our future capital requirements may depend on many factors, including:

- our historical and projected financial condition, operating results, and liquidity;
- our ability to increase sales to new and existing customers, and the gross margins associated with those sales;
- the loss of one or more key customers, co-manufacturers, suppliers, or other business partners;
- expenses associated with advertising and marketing activities, including the expansion of our social media presence;
- our ability to develop and commercialize new products, and market acceptance of those products;
- our ability to increase shelf space for our products;
- product pricing;
- the impact of discounts, rebates, or promotional activity;
- product mix;
- expenses associated with manufacturing, distribution, and production capabilities;
- contractual commitments and requirements for ingredients;
- expenses associated with attracting and retaining personnel;
- the costs associated with being a public company;

- the amount of indebtedness owed by RGF, LLC, and its ability to satisfy debt service obligations or refinance the indebtedness;
- the timing of, and costs associated with, any acquisitions of companies or assets; and
- the impacts and disruptions caused by the COVID-19 pandemic, or any other pandemics, epidemics, disease outbreak, or similar widespread public health concern on our business and operating results.

Additional funds may not be available when we need them, on terms that are acceptable to us, or at all. Our ability to raise additional financing may be negatively impacted by a number of factors, including our limited operating history, recent and projected financial results, perceptions about the dilutive impact of financing transactions, the competitive environment in our industry, uncertainties regarding the regulatory environment in which we operate, and conditions impacting the capital markets more generally, including economic conditions, inflation, interest rates, political instability, natural disasters, incidence of illness or disease, or other events beyond our control.

In addition, we may seek additional capital due to favorable market conditions or strategic considerations, even if we believe we have sufficient funds for our current or future operating plans. If we issue equity or debt securities to raise additional funds, our existing stockholders may experience dilution, we may incur significant financing or debt service costs, and the new equity or debt securities may have rights, preferences and privileges senior to those of our existing stockholders.

If adequate funds are not available to us on a timely basis, we may be required to change our strategic plans, including by postponing product development activities, delaying investments in our manufacturing or production facilities, and reducing capital expenditures, any of which could impede our growth and prevent us from achieving our strategic objectives.

RGF, LLC's indebtedness, and the agreements governing such indebtedness, subject it to required debt service payments, as well as financial restrictions and operating covenants, any of which may reduce our financial flexibility and affect our ability to operate our business.

From time to time, RGF, LLC has financed its liquidity needs in part from borrowings made under various credit agreements. As of December 31, 2020, RGF, LLC owed (i) $36.9 million under a revolving line of credit established pursuant to a loan and security agreement (as amended, the "PMC Loan Agreement") with PMC Financial Services Group, LLC ("PMC"), (ii) $1.5 million under a capital expenditure line of credit established pursuant to the PMC Loan Agreement, and (iii) $1.2 million under loan and security agreements (the "PPZ Loan") with PPZ, LLC ("PPZ"), which is a Member of RGF, LLC. Subsequent to December 31, 2020, RGF, LLC issued convertible promissory notes with an aggregate principal amount of $35.0 million pursuant to a note purchase agreement with various investors (the "2021 Notes"), of which $34.1 million was used to repay amounts owed pursuant to the PMC Loan Agreement. As of June 30, 2021, the PMC Loan Agreement had an outstanding balance of approximately $7.0 million.

RGF, LLC's credit agreements contain certain financial restrictions, operating covenants, and debt service requirements. Its failure to comply with obligations under these credit agreements, or inability to make required debt service payments, could result in an event of default under the agreements. A default, if not cured or waived, could permit a lender to accelerate payment of the loan, which could have a material adverse effect on our business, operations, financial condition, and liquidity. Further, if RGF, LLC's debt is accelerated, we cannot be certain that funds will be available to pay the debt or that RGF, LLC will have the ability to refinance the debt on terms satisfactory to us or at all. If RGF, LLC is unable to repay or refinance the accelerated debt, it could become insolvent and seek to file for bankruptcy protection, which would have a material adverse impact on our financial condition. Since the principal asset of RGF, Inc. is expected to be a controlling equity interest in RGF, LLC, we do not expect that RGF, Inc. will have any independent means of generating cash flow from operations sufficient to make debt service payments on behalf of RGF, LLC.

In addition, the covenants in RGF, LLC's credit agreements could limit our ability to engage in transactions that would be in our best interest, or otherwise respond to changing business and economic conditions, and may therefore have a material impact on our business. For example, RGF, LLC's borrowings will require debt service payments, which could require us to divert funds identified for other purposes, such as capital expenditures, to such debt service payments. Further, if RGF, LLC cannot generate sufficient cash flow from operations to service its debt,

it may need to refinance the debt, dispose of its assets, or reduce or delay expenditures. Alternatively, RGF, Inc. may be required to issue equity to obtain necessary funds, which would be dilutive to our stockholders. We do not know whether RGF, Inc. or RGF, LLC would be able to take any of these actions on a timely basis or at all.

RGF, LLC's current or future level of indebtedness could affect our operations in several ways, including the following:

- the covenants contained in current or future agreements governing outstanding indebtedness may limit our ability to borrow additional funds, refinance debt, dispose of assets, and make certain investments;
- debt covenants may also affect our flexibility in planning for, and reacting to, changes in the economy and in our industry;
- a high level of debt would increase our vulnerability to general adverse economic and industry conditions;
- a significant level of debt may place us at a competitive disadvantage compared to our competitors that are less leveraged and, therefore, may be able to take advantage of opportunities that our indebtedness would prevent us from pursuing; and
- a high level of debt may impair our ability to obtain additional financing in the future for working capital, capital expenditures, debt service requirements, acquisitions, or other purposes.

For additional information refer to the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Indebtedness*," as well as Note 1 to our audited financial statements included elsewhere in this prospectus.

Our recurring net losses and the significant amount of our indebtedness could raise doubts regarding our ability to continue as a going concern.

We have experienced net losses in every period since our inception. In the years ended December 31, 2019 and 2020, we incurred net losses of $14.2 million and $15.6 million, respectively. We may incur significant losses in future periods, and we cannot assure you that we will achieve or sustain profitability over any particular period of time. In addition, we have limited capital resources and a significant amount of indebtedness. As of December 31, 2020, we had $28.0 thousand in cash, aggregate current debt obligations of $2.9 million, long-term debt obligations of $36.9 million, and a working capital balance of $3.4 million. While we have taken a number of actions designed to enhance our liquidity and alleviate doubt regarding our ability to continue as a going concern, there is no guarantee that these actions, or any other actions we may pursue in the future, will be successful.

In the event we do not consummate this offering, or if this offering does not constitute a "Qualified Public Transaction" pursuant to the 2021 Notes, our ability to continue as a going concern will be contingent on our ability to repay or extend the maturity date of the 2021 Notes. While we believe, based on prior discussions, that it is probable that the various investors party to the 2021 Notes would agree to extend the maturity date of the 2021 Notes if no Qualified Public Transaction has occurred, there can be no assurance this will occur. If the maturity date of the 2021 Notes is not extended, we would be required to repay or refinance the amount owed pursuant to the notes. If we are unable to generate sufficient cash flow from operations to repay the 2021 Notes, we may need to seek to borrow additional funds, dispose of our assets, or reduce or delay capital expenditures. We may not be able to accomplish any of these alternatives on acceptable terms, or at all. There is no guarantee that we will be successful in negotiating an extension of the maturity date of the 2021 Notes and, if we fail to do so, we would be required to repay or refinance the amount owed pursuant to the 2021 Notes.

If we are unable to generate sufficient cash flow from operations to repay the 2021 Notes, we may need to seek to borrow additional funds, dispose of our assets, or reduce or delay capital expenditures. We may not be able to accomplish any of these alternatives on acceptable terms, or at all, in which case we may be unable to continue as a going concern. Further, even if we are successful in consummating this offering, we may be required to seek additional equity or debt financing in order to meet our future liquidity requirements and pursue our strategic objectives. If we are unable to raise additional capital when desired, or on terms that are acceptable to us, our business, operating results, and financial condition could be adversely affected.

For additional information refer to the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Indebtedness*," as well as Notes 1 and 13 to our audited financial statements included elsewhere in this prospectus.

Our quarterly results may fluctuate significantly, and period-to-period comparisons of our results may not be meaningful.

Our quarterly results, including our net sales, operating expenses, operating margins, and profitability, may fluctuate significantly in the future, and period-to-period comparisons of our results may not be meaningful. Accordingly, the results of any one quarter should not be viewed as a prediction or indication of our future performance. In addition, our quarterly results may not fully reflect the underlying performance of our business.

Factors that may cause fluctuations in our quarterly results include, but are not limited to:

- our ability to retain our existing customers, and expand sales of our products to our existing customers;
- our ability to attract new customers and consumers to our brand, the type and amount of products purchased, and the cost of acquisition;
- the mix of our products sold during the period, and the gross margins associated with those sales;
- changes in our pricing policies, or those of our competitors;
- the amount and timing of discounts, rebates, or promotional activity;
- the amount and timing of costs and operating expenses related to the expansion of manufacturing capacity, distribution channels, production capabilities, and operational infrastructure;
- the amount and timing of costs and operating expenses associated with developing and commercializing new products;
- the amount and timing of costs and operating expenses related to the acquisition of businesses, assets, technologies, or intellectual property rights;
- the timing and impact of any security breaches, service outages or other performance problems with our technology infrastructure and software solutions;
- the timing and costs associated with legal or regulatory actions;
- changes in the competitive dynamics of our industry, including consolidation among customers, co-manufacturers, suppliers, or competitors;
- loss of our executive officers or other key employees;
- trends and conditions impacting the H&W industry, and the frozen food category in particular;
- the impacts and disruptions caused by the COVID-19 pandemic, or any other pandemics, epidemics, disease outbreak, or similar widespread public health concern on our business and operating results, or incidence of disease; and
- general economic, political, social, and market conditions.

Fluctuations in quarterly results, or for any other period, may negatively impact the value of our Class A common stock, regardless of whether they impact or reflect the overall performance of our business. If our quarterly results, or results for any other period, fall below the expectations of investors or any securities analysts who follow our stock, or below any guidance we may provide, the trading price of our Class A common stock could decline substantially.

Food-borne illnesses or other food safety incidents, or advertising or product mislabeling, may materially adversely affect our business by exposing us to lawsuits, product recalls or regulatory enforcement actions, increasing our operating costs, and reducing demand for our product offerings.

Selling food for human consumption involves legal and other inherent risks, and there is increasing governmental scrutiny of and public awareness regarding food safety. Unexpected side effects, illness, injury, or death related to allergens, food-borne illnesses or other food safety incidents (including food tampering or contamination) caused by products we sell, or involving our co-manufacturers or suppliers, could result in the discontinuance of sales of these products, or of our relationships with such co-manufacturers or suppliers, or otherwise result in increased operating costs, regulatory enforcement actions, or harm to our reputation. Shipment of adulterated or mislabeled products, even if inadvertent, can result in criminal or civil liability. Such incidents could also expose us to product liability, negligence, or other lawsuits, including consumer class action lawsuits or lawsuits brought by states' attorneys general or other consumer protection agencies. Any claims brought against us may exceed or be outside the scope of our existing or future insurance policy coverage or limits. Any judgment against us that is more than our policy limits or not covered by our policies or not subject to insurance would have to be paid from our cash reserves, which could materially harm our liquidity.

The occurrence of food-borne illnesses or other food safety incidents could also adversely impact the availability of affected ingredients, which could result in higher costs, disruptions in supply, and loss of sales. Further, any instances of food contamination or regulatory noncompliance, whether or not caused by our actions, could compel us, our customers, our co-manufacturers, or our suppliers to conduct a recall in accordance with the FDA or U.S. Department of Agriculture ("USDA") regulations, or comparable laws in other jurisdictions where our products may be sold. Food recalls could result in significant losses due to their costs, destruction of product inventory, loss of sales, adverse impact on our brand and reputation, potential loss of existing co-manufacturers, suppliers or customers, and potential negative impact on our ability to attract new customers. The costs of a recall could exceed or be outside the scope of our existing or future insurance policy coverage or limits.

In addition, food companies have been subject to targeted, large-scale product tampering as well as to opportunistic, individual product tampering, and we, like any food company, could be a target for product tampering. Forms of tampering could include the introduction of foreign material, chemical contaminants and pathological organisms into consumer products, as well as product substitution. If we do not adequately address the possibility, or any actual instance, of product tampering, we could face possible seizure or recall of our products and the imposition of civil or criminal sanctions, which could materially adversely affect our business, operating results, and financial condition.

Our brand and reputation may be diminished due to real or perceived quality or food safety issues with our products, which could have an adverse effect on our business, operating results and financial condition.

We believe our customers and consumers rely on us to provide them with high-quality, nutrient-dense products. Therefore, real or perceived quality or food safety concerns, or failures to comply with applicable food regulations and requirements, whether or not based on fact, and whether or not involving us or our co-manufacturers or suppliers, could cause negative publicity and reduced confidence in our brand or products, which could have a material adverse effect on our business, operating results, and financial condition. Although we believe we have an appropriate quality control process, there can be no assurance that our products will always comply with the standards we set for our products or applicable food regulations. In addition, while we seek to impose quality control requirements on our co-manufacturers, we cannot guarantee that the products they produce for us will comply with our standards or applicable regulations.

We have no control over our products once purchased by consumers. Accordingly, consumers may store or prepare our products in a manner that is inconsistent with our directions or store our products for longer than approved periods of time, which may adversely affect the quality and safety of our products. If consumers do not perceive our products to be safe or of high quality, then the value of our brand would be diminished, and we could experience a reduction in product sales, either of which would have an adverse impact on our business.

Any loss of confidence on the part of customers or consumers in the ingredients used in our products, the claims we make about our products, or the safety and quality of our products, would be difficult and costly to overcome. Any such adverse effect could be exacerbated by our position in the market as an H&W brand within the frozen food category and may significantly reduce our brand value.

If we fail to grow the value and enhance the visibility of our brand, our business could suffer.

While we believe we have a strong brand reputation, a key component of our growth strategy involves growing the value and enhancing the visibility of our "Realgood Foods Co." brand. Our ability to maintain, position and enhance our brand will depend on a number of factors, including the market acceptance of our current and future product offerings, the nutritional content of our products, food quality and safety, quality assurance, our advertising and marketing efforts, and our ability to build relationships with customers and consumers. Any negative publicity, regardless of its accuracy, could materially adversely affect our business. Brand value is often based on perceptions of subjective qualities, and any incident that erodes the loyalty of our customers, co-manufacturers, suppliers, or consumers, could significantly reduce the value of our brand and harm our business.

Our success depends in part on the effectiveness of our digital marketing strategy and the expansion of our social media presence, but there are risks associated with these efforts.

Our digital marketing strategy is integral to our business, as well as to the achievement of our growth strategies. Maintaining, positioning, and enhancing our brand will depend in part on the success of our marketing efforts. As part of these efforts, we rely on social media and other digital marketing to retain customers, attract new customers

and consumers to our brand, and enhance the overall visibility of our brand in the market. However, there are a variety of risks associated with these efforts, including the potential for negative comments about or incidents involving us, whether or not accurate, as well as the potential for the improper disclosure of proprietary information about us or consumers. In addition, there is a risk of the U.S. Federal Trade Commission ("FTC"), or other government agency, or other litigation claiming that our marketing does not meet applicable legal requirements or guidance, is not truthful, is misleading, or is deceptive to consumers. Further, the growing use of social and digital media may increase the speed and extent that information, or misinformation, and opinions about us and our products can be shared. For example, many social media platforms immediately publish content created or uploaded by their participants, often without filters or checks regarding the accuracy of the content posted. Negative publicity about us, our brand or our products on social or digital media could seriously damage our brand and reputation, as well as our significant social media presence. In addition, the misuse of social media and digital marketing vehicles by us, our employees, customers, consumers, social media influencers, or business partners could increase our costs, lead to litigation, or result in negative publicity that could damage our reputation. If we do not maintain and enhance the favorable perception of our brand, we may not be able to increase product sales, which could prevent us from achieving our strategic objectives.

Our reliance on third-party warehousing and logistics companies is subject to risks, which could negatively impact our operating results.

We currently rely upon third-party warehousing and logistics companies for our product shipments. Our utilization of these services is subject to a number of risks, including facility disruptions, equipment failures, space constraints, appointment availability, work stoppages, adverse weather conditions, and natural disasters, any of which could result in delays in the delivery of our products to customers, which could result in the loss of sales or liability under our customer agreements. In addition, factors such as competitive pressures, increasing wage rates, and rising fuel costs could result in changes to existing commercial arrangements with such warehousing or logistics companies that could negatively impact our operating results. Further, we periodically change warehousing or logistics companies, which could result in logistical difficulties that could adversely affect deliveries. Moreover, if we were to change business partners, we may not be able to obtain favorable commercial terms, which could adversely affect our operating results.

Any failure to adequately store, maintain and deliver our products could materially adversely affect our business, reputation, financial condition, and operating results.

Our ability to adequately store, maintain, and deliver our products is critical to our business. Keeping our food products frozen at specific temperatures maintains food safety. In the event of extended power outages, labor disruptions, natural disasters or other catastrophic occurrences, failures of the refrigeration systems in our third-party warehouses or delivery trucks, or other circumstances, our inability to store inventory at freezing temperatures could result in significant product inventory losses, as well as increased risk of food-borne illnesses and other food safety incidents. Improper handling or storage of food by a customer, without any involvement or fault of ours or our retail customers, could result in food-borne illnesses, which could result in negative publicity and harm to our brand and reputation. Further, we contract with third-party warehousing and logistics companies to conduct certain processes and operations on our behalf. Any failure by these business partners to adequately store, maintain, or transport our products could negatively impact the safety, quality and merchantability of our products and the experience of our customers. The occurrence of any of these risks could materially adversely affect our business, reputation, financial condition, and operating results.

Our estimates of market opportunity are subject to significant uncertainty and, even if the markets in which we compete meet or exceed our size estimates, we could fail to increase our net sales or market share.

Market opportunity estimates and growth forecasts are subject to significant uncertainty and are based on assumptions and estimates. For example, some of our market opportunity estimates are based on independent industry publications and other publicly available information, as well as other information based on our internal sources. While our estimates of market opportunity and expected growth were made in good faith and are based on assumptions we believe to be reasonable in light of currently available information, these estimates may not prove to be accurate. Assessing the market for H&W brands within the frozen food category is particularly difficult due to a number of factors, including uncertainties with respect to defining clear market segmentation, limited available information, and rapid evolution of the market. If we had made different assumptions, our estimates of market opportunity could have been materially different. In addition, even if the markets in which we compete meet or

exceed the size estimates in this prospectus, our business could fail to grow in line with our forecasts, or at all, and we could fail to increase our net sales or market share. Our future growth will depend on many factors, including our success in executing our business strategies, which are subject to numerous risks and uncertainties, including the other risks and uncertainties described elsewhere in this prospectus. Accordingly, estimates of market opportunity in this prospectus should not be viewed as predictions or indications of our actual future growth.

Our net sales growth rate may slow over time and may not be indicative of future performance.

Although our business has grown rapidly since we commenced commercial sales in 2016, our historical net sales growth should not be considered to be indicative of our future performance. In future periods, our net sales growth may slow or our net sales could decline due to a number of factors, including changing consumer preferences, increased competition, reduced market growth, reduced demand for our products, failure to commercialize new products, failure to acquire new customers or consumers, and inability to capitalize on growth opportunities. If we fail to achieve net sales growth rates in line with our forecasts, it would have a negative impact on our operating results, and could prevent us from achieving our strategic objectives.

Failure to retain our senior management may adversely affect our operations.

Our success and future growth depend in part on the continued services of our senior management, including Bryan Freeman, our Executive Chairman, Gerard G. Law, our Chief Executive Officer, and Akshay Jagdale, our Chief Financial Officer. These executives are responsible for determining the strategic direction of our business and executing our growth strategy. They are also critical to our ability to attract and retain employees, including additional skilled management personnel. From time to time, there may be changes in our senior management personnel or other key employees resulting from the hiring or departure of these personnel, which may disrupt our business. Our executive officers and other key employees are generally employed on an at-will basis, which means that these personnel could terminate their employment with us at any time. The loss of the services of any of these personnel could have a material adverse effect on our business, as we may not be able to find suitable individuals to replace them on a timely basis, if at all. In addition, any such departure could be viewed negatively by employees, customers, investors or business partners, which could harm our reputation. Further, we do not currently carry key-person life insurance for our senior management personnel.

Our corporate culture has contributed to our success and, if we cannot maintain this culture as we grow, we could lose the creativity, teamwork, focus, and innovation fostered by our culture.

Our corporate culture focuses on trust and respect, relentless product innovation and improvement, as well as transparency, accountability, and ownership. We believe that our culture has been and will continue to be a key contributor to our success. If we do not continue to develop our corporate culture or maintain our core values as we grow and evolve, we may be unable to foster the creativity, teamwork, focus, and innovation we believe we need to support our growth. Any failure to preserve our culture could negatively affect our ability to recruit and retain personnel, effectively drive product innovation, and achieve our strategic objectives. Our transition from a private company to a public company may result in a change to our corporate culture, which could harm our business.

If we are unable to attract, train, and retain employees, our business may be adversely impacted.

Our ability to execute our growth plan and achieve our strategic objectives depends in part upon our ability to attract, train, and retain a sufficient number of qualified employees (including contract employees hired through professional employer organizations (“PEOs”)) who can manage our business, oversee our manufacturing operations, and establish credibility with our customers, co-manufacturers, suppliers, and other business partners. In particular, in order to increase our manufacturing and production capabilities, it will be critical for us to substantially increase the number of employees within our manufacturing operations. However, competition for qualified employees (including contract employees) is intense within our industry and the geographic regions in which we operate, and we and our co-manufacturers have experienced challenges hiring and retaining employees as a result of a number of factors, including upward pressure on wages, the increased mobility of the workforce, and the impacts of the COVID-19 pandemic. If we are unable to attract and retain the personnel necessary to execute our growth plan, we may be unable to achieve our strategic objectives.

Substantially all of the employees within our warehouse and production functions are employed by professional employer organizations, which exposes us to certain risks that could adversely affect our business.

We contract with several PEOs that administer our human resources, payroll, and employee benefits functions for substantially all of our warehouse and production employees, which we sometimes refer to as contract employees.

Our PEOs recruit and select these contract employees to fulfill our hiring needs, and each of these employees is an employee-of-record of the relevant PEO. As a result, these contract employees are compensated through the relevant PEO, are governed by the work policies created by such PEO, and receive their annual wage statements and other payroll- or labor-related reports from such PEO. This relationship permits our management to focus on operations and profitability rather than payroll administration, but it also exposes us to certain risks. For example, if a PEO fails to adequately withhold or pay employer taxes, or to comply with other laws, we may be liable for such violations, and any applicable indemnification provisions with a PEO may not be sufficient to insulate us from those liabilities. Any legal or administrative proceedings related to matters of employment tax, labor law and other laws applicable to arrangements we have with our PEOs could distract management from operating our business and cause us to incur significant expenses, either of which could adversely affect our business. In addition, our PEOs have experienced challenges attracting and retaining employees, which has limited their ability to provide us with access to the number of contract employees we require to achieve our strategic objectives.

Any disruption at one of our facilities could adversely affect our business and operating results.

Our corporate offices are located in Cherry Hill, New Jersey, and our primary manufacturing facility is located in City of Industry, California. We take precautions to safeguard our facilities, including by acquiring insurance, adopting health and safety protocols, and utilizing off-site storage of computer data. However, vandalism, power outages, terrorism or a natural disaster, such as an earthquake, fire, flood, hurricane, tsunami, or other catastrophic event, could damage or destroy our facilities and inventories, cause substantial delays in our operations, result in the loss of key information, result in reduced sales, and cause us to incur additional expenses. If our manufacturing equipment or inventories were to be damaged, we may be unable to meet our contractual obligations to customers or demand for our products, and we may not be able to predict when we could repair the equipment or replace the inventory, which could have a material adverse impact on our operating results. Further, our insurance coverage may not be sufficient to provide coverage with respect to the damages incurred in any particular case, and our insurance carrier may deny coverage with respect to all or a portion of our claims. Regardless of the level of insurance coverage or other precautions taken, damage to our facilities may have a material adverse effect on our business.

Climate change may negatively affect our business and operations.

There is concern that carbon dioxide and other greenhouse gases in the atmosphere may have an adverse impact on global temperatures, weather patterns and the frequency and severity of extreme weather and natural disasters. In the event that such climate change has a negative effect on agricultural productivity, we may be subject to decreased availability of, or increased pricing for, certain ingredients that are necessary for the manufacturing of our products. In particular, we rely heavily on the use of certain food commodities in our products, including poultry and dairy products, and climate change could exacerbate pricing volatility associated with these products, particularly with regards to impacts on farming operations. Any factors that result in decreased availability of poultry or dairy products, including as a result of changes in consumer demand, incidence of disease, adverse weather conditions, governmental regulations, or public sentiment, could result in a significant increase in the price of these products, which could have a material adverse impact on our operating results.

Future acquisitions or investments could disrupt our business and harm our financial condition.

In the future, we may pursue acquisitions of companies or assets to expand our manufacturing or production capacity, develop our supply chain, expand our distribution channels, enhance our operational infrastructure, or otherwise make investments that we believe will help us achieve our strategic objectives. We do not have significant experience negotiating or completing acquisitions or investments, or integrating acquired companies or assets and would be forced to enagage and rely upon business advisors for guidance in this area. We may not be able to find suitable acquisition candidates and, even if we do, we may not be able to complete acquisitions on favorable terms, in a timely manner, or at all. If we do complete acquisitions, we may not achieve our intended goals or realize anticipated benefits. Pursuing acquisitions and any related integration process will require significant time and resources and could divert management time and focus from operation of our business, and we may not be able to manage the process successfully. Any acquisitions we complete could be viewed negatively by our customers, co-manufacturers, suppliers or other business partners. In addition, an acquisition, investment, or business relationship may result in unforeseen operating difficulties and expenditures, including disrupting ongoing operations and subjecting us to increased expenses or other liabilities, any of which would adversely impact our business. Moreover, we may be exposed to unknown liabilities related to the acquired company or assets, and the

anticipated benefits of any acquisition, investment, or business relationship may not be sufficient to offset the impact of these liabilities. To pay for any such acquisitions or investments, we would have to use cash, incur debt, or issue equity securities, each of which may negatively affect our financial condition or value. If we incur debt, it would result in debt-service obligations and could also subject us to covenants or other restrictions that would impede our ability to manage our operations. If we issue equity, it would result in dilution to our existing stockholders, and the securities we issue could have rights that are superior to our Class A common stock. Our acquisition strategy could require significant management attention, disrupt our business, and cause us to incur significant costs, any of which would negatively impact our operating results and financial condition.

We may experience difficulties with our new enterprise resource planning system.

We are in the process of implementing a new ERP system that will be used to manage our business and summarize our operating results. The implementation of the new ERP system has required, and will continue to require, the investment of significant financial and human capital resources. We may not be able to successfully complete the full implementation of the ERP system without experiencing difficulties, in particular as a result of our limited experience implementing such systems and limited access to qualified information technology personnel. Any disruptions, delays, or deficiencies in the design and implementation of the new ERP system could adversely affect our ability to manufacture products, process orders, deliver products, provide customer support, fulfill contractual obligations, track inventories, or otherwise operate our business. It is also possible that the migration to a new ERP system could adversely impact the effectiveness of our internal control over financial reporting, which could lead to material weaknesses or significant deficiencies in our controls.

Claims, legal proceedings, and other disputes could divert our management's attention, have a negative impact on our reputation, expose us to significant liabilities, and make it more difficult to obtain insurance coverage.

From time to time, we may be party to various claims, legal proceedings, and other disputes. We evaluate these matters to assess the likelihood of unfavorable outcomes and to estimate, if possible, the amount of potential losses. Based on these assessments and estimates, we may establish reserves, as appropriate. These assessments and estimates are based on the information available to management at the time and involve a significant amount of management judgment. Actual outcomes or losses may differ materially from our assessments and estimates.

Even when not merited, the defense of legal proceedings may divert our management's attention, and we may incur significant expenses in defending these matters. The results of legal proceedings are inherently uncertain, and adverse judgments or settlements in some of these proceedings may result in adverse monetary damages, penalties, or injunctive relief against us, which could have a material adverse effect on our operating results, financial condition, and liquidity. Any legal proceedings or other disputes, even if fully indemnified or insured, could have a negative impact on our reputation, and make it more difficult to compete effectively or to obtain adequate insurance in the future.

Further, while we maintain insurance for certain potential liabilities, such insurance does not cover all types and amounts of potential liabilities and is subject to various exclusions and caps on amounts recoverable. Even if we believe a claim is covered by insurance, insurers may dispute our entitlement to recovery for a variety of potential reasons, which may affect the timing and amount of our recovery.

We are subject to anti-corruption, anti-bribery, and similar laws, and non-compliance with such laws can subject us to criminal penalties or significant fines and harm our business and reputation.

We are subject to anti-corruption and anti-bribery and similar laws, such as the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "FCPA"), the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act, and, to the extent we ever expand our operations internationally, we will become subject to similar foreign anti-corruption and anti-bribery laws. Anti-corruption and anti-bribery laws have been enforced aggressively in recent years and are interpreted broadly and prohibit companies, their employees and third-party business partners, representatives, and agents from promising, authorizing, making or offering improper payments or other benefits, directly or indirectly, to government officials and others in the private sector in order to influence official action, direct business to any person, gain any improper advantage, or obtain or retain business. Any violation of the FCPA, or other applicable anti-corruption laws and anti-bribery laws, even if inadvertent, could result in whistleblower complaints, regulatory investigations, severe criminal or civil sanctions, significant legal fees and fines, and other sanctions and remedial measures, and prohibitions on the conduct of our business, any of which could harm our business, operating results, and financial condition.

The failure to comply with economic sanctions laws can subject us to substantial negative consequences.

Economic sanction laws in the United States and other jurisdictions may prohibit us from transacting with or in certain countries and with certain individuals and companies. In the United States, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") administers and enforces laws, executive orders and regulations establishing U.S. economic and trade sanctions. Such sanctions prohibit, among other things, transactions with, and the provision of services to, certain foreign countries, territories, entities, and individuals identified by OFAC. In addition, certain programs administered by OFAC prohibit dealing with individuals or entities in certain countries regardless of whether such individuals or entities have been specifically identified by OFAC. Any violation of U.S. economic sanctions laws could result in regulatory investigations, severe criminal or civil sanctions, significant legal fees and fines, and other sanctions and remedial measures, any of which could harm our business operations and financial condition.

Risks Related to Our Structure

Our ability to pay taxes and expenses, including payments under the Tax Receivable Agreement, may be limited by our structure.

Upon the consummation of this offering, the principal asset of RGF, Inc. will be a controlling equity interest in RGF, LLC. As such, RGF, Inc. is not expected to have any independent means of generating net sales. RGF, LLC will continue to be treated as a partnership for U.S. federal income tax purposes and, as such, will not be subject to U.S. federal income tax. Instead, taxable income will be allocated to holders of the RGF, LLC Units, including RGF, Inc. Accordingly, RGF, Inc. will incur income taxes on RGF, Inc.'s allocable share of any net taxable income of RGF, LLC and incur expenses related to our operations. Pursuant to the Operating Agreement, RGF, LLC will make cash distributions to the holders of RGF, LLC Units in an amount intended to be sufficient to fund their tax obligations in respect of the cumulative taxable income in excess of cumulative taxable losses of RGF, LLC that is allocated to them, to the extent previous tax distributions from RGF, LLC have been insufficient. In addition to tax expenses, we also will incur expenses related to our operations, plus payments under the Tax Receivable Agreement, which we expect will be significant. We intend to cause RGF, LLC to make distributions or, in the case of certain expenses, payments in an amount sufficient to allow us to pay our taxes and operating expenses, including distributions to fund any ordinary course payments due under the Tax Receivable Agreement. RGF, LLC's ability to make such distributions may be subject to various limitations and restrictions. RGF, Inc. is expected to be a holding company with no operations and will rely on RGF, LLC to provide it with funds necessary to meet any financial obligations. If we do not have sufficient funds to pay tax or other liabilities, or to fund our operations (as a result of RGF, LLC's inability to make distributions due to various limitations and restrictions or as a result of the acceleration of our obligations under the Tax Receivable Agreement), we may need to borrow funds, which could have a material adverse impact on our business, operating results, financial condition, and liquidity. To the extent we are unable to make payments under the Tax Receivable Agreement for any reason, such payments will be deferred and will accrue interest at a rate equal to plus basis points until paid.

Under the Tax Receivable Agreement, we will be required to pay certain of our existing owners for certain tax benefits we may claim, and we expect that the payments we will be required to make will be substantial.

Future exchanges of Class B Units for shares of our Class A common stock are expected to produce favorable tax attributes for us. Upon the exchange of such Class B Units for Class A common stock, both the existing tax basis and anticipated tax basis adjustments are likely to increase (for tax purposes) our depreciation and amortization deductions and therefore reduce the amount of income tax we would be required to pay in the future in the absence of this existing and increased basis. This existing and increased tax basis may also decrease gain (or increase loss) on future dispositions of certain assets to the extent the tax basis is allocated to those assets. Under the Tax Receivable Agreement, we generally expect to retain the benefit of approximately % of the applicable tax savings after our payment obligations below are taken into account.

Upon the closing of this offering, RGF, Inc. will be a party to the Tax Receivable Agreement. Under that agreement, we generally will be required to pay to the existing owners of RGF, LLC approximately % of the applicable savings, if any, in income tax that we are deemed to realize (using the actual applicable U.S. federal income tax rate and an assumed combined state and local income tax rate) as a result of (i) certain tax attributes that are created as a result of the exchanges of their Class B Units for shares of our Class A common stock, (ii) any existing tax

attributes associated with their LLC Units, the benefit of which is allocable to us as a result of the exchanges of their Class B Units for shares of our Class A common stock (including the portion of RGF, LLC's existing tax basis in its assets that is allocable to the Class B Units that are exchanged), (iii) tax benefits related to imputed interest, and (iv) payments under the Tax Receivable Agreement.

The payment obligations under the Tax Receivable Agreement are our obligations, and we expect that the payments we will be required to make under the Tax Receivable Agreement will be substantial. Assuming no material changes in the relevant tax law and that we earn sufficient taxable income to realize all tax benefits that are subject to the Tax Receivable Agreement, we expect that the tax savings associated with future exchanges of Class B Units as described above would aggregate to approximately $ over years from the date of this offering based on an assumed initial public offering price of $ per share of our Class A common stock, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and assuming all future exchanges would occur on the date of the consummation of this offering at such initial public offering price. Under such scenario, we would be required to pay the other parties to the Tax Receivable Agreement approximately % of such amount, or $, over the year period from the date of this offering. The actual amounts may materially differ from these hypothetical amounts, as potential future tax savings that we will be deemed to realize, and Tax Receivable Agreement payments by us, will be calculated based in part on the market value of our Class A common stock at the time of exchange and the prevailing applicable federal tax rate (plus the assumed combined state and local tax rate) applicable to us over the life of the Tax Receivable Agreement, and will be dependent on our generating sufficient future taxable income to realize the benefit. Payments under the Tax Receivable Agreement are not conditioned on RGF, LLC's existing owners' continued ownership of us after this offering. For additional information, refer to the section entitled "*Certain Relationships and Related-Party Transactions—Tax Receivable Agreement*."

The actual existing tax basis and increase in tax basis, as well as the amount and timing of any payments under the Tax Receivable Agreement, will vary depending upon a number of factors, including the timing of exchanges by the holders of Class B Units, the price of our Class A common stock at the time of the exchange, whether such exchanges are taxable, the amount and timing of the taxable income we generate in the future, the federal tax rate then applicable, the portion of our payments under the Tax Receivable Agreement constituting imputed interest and any changes in the relevant tax law. Payments under the Tax Receivable Agreement are expected to give rise to certain additional tax benefits attributable to either further increases in basis or in the form of deductions for imputed interest, depending on the Tax Receivable Agreement and the circumstances. Any such benefits are covered by the Tax Receivable Agreement and will increase the amounts due thereunder. In addition, the Tax Receivable Agreement will provide for interest, at a rate equal to plus basis points, accrued from the due date (without extensions) of the corresponding tax return to the date of payment specified by the Tax Receivable Agreement.

Payments under the Tax Receivable Agreement will be based on the tax reporting positions that we determine. Although we are not aware of any issue that would cause the Internal Revenue Service ("IRS") to challenge our existing tax basis, a tax basis increase or other tax attributes subject to the Tax Receivable Agreement, if any, or if subsequent disallowance of tax basis or other benefits were so determined by the IRS, we would not be reimbursed for any payments previously made under the Tax Receivable Agreement (although we would reduce future amounts otherwise payable under the Tax Receivable Agreement). In addition, the actual state or local tax savings we realize may be different than the amount of such tax savings we are deemed to realize under the Tax Receivable Agreement, which will be based on an assumed combined state and local tax rate applied to our reduction in taxable income as determined for U.S. federal income tax purposes as a result of the tax attributes subject to the Tax Receivable Agreement. As a result, payments could be made under the Tax Receivable Agreement in excess of the tax savings that we realize in respect of the attributes to which the Tax Receivable Agreement relate.

In certain cases, payments under the Tax Receivable Agreement to our existing owners may be accelerated or significantly exceed the actual benefits we realize in respect of the tax attributes subject to the Tax Receivable Agreement.

The Tax Receivable Agreement provides that (i) in the event that we materially breach any of our material obligations under the agreement, whether as a result of failure to make any payment within of when due (provided we have sufficient funds to make such payment), failure to honor any other material obligation required thereunder or by operation of law as a result of the rejection of the agreement in a bankruptcy or otherwise, or (ii) if, at any time, we

elect an early termination of the agreement, our (or our successor's) obligations under the agreement (whether or not Class B Units have been exchanged or acquired before or after such transaction) would accelerate and become payable in a lump sum amount equal to the present value of the anticipated future tax benefits calculated based on certain assumptions, including that we would have sufficient taxable income to fully utilize the benefits arising from the tax deductions, tax basis and other tax attributes subject to the Tax Receivable Agreement.

Additionally, the Tax Receivable Agreement provides that upon certain mergers, asset sales, other forms of business combinations or other changes of control, our (or our successor's) tax savings under the applicable agreements for each taxable year after any such event would be based on certain assumptions, including that we would have sufficient taxable income to fully utilize the benefits arising from the tax deductions, tax basis, and other tax attributes subject to the Tax Receivable Agreement. Furthermore, the Tax Receivable Agreement will determine the tax savings by excluding certain tax attributes the use of which we obtain after the closing date of this offering as a result of acquiring other entities to the extent such tax attributes are the subject of tax receivable agreements that we enter into in connection with such acquisitions.

As a result of the foregoing, (i) we could be required to make payments under the Tax Receivable Agreement that are greater or less than the specified percentage of the actual tax savings we realize in respect of the tax attributes subject to the agreement, and (ii) if we materially breach a material obligation under the agreement or if we elect to terminate the agreement early, we would be required to make an immediate lump sum payment equal to the present value of the anticipated future tax savings, which payment may be made significantly in advance of the actual realization of such future tax savings. In these situations, our obligations under the Tax Receivable Agreement could have a substantial negative impact on our liquidity and could have the effect of delaying, deferring or preventing certain mergers, asset sales, other forms of business combinations, or other changes of control. There can be no assurance that we will be able to fund or finance our obligations under the Tax Receivable Agreement. If we were to elect to terminate the Tax Receivable Agreement immediately after this offering, based on an assumed initial public offering price of $ per share of our Class A common stock, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and a discount rate equal to plus basis points, we estimate that we would be required to pay $ in the aggregate under the Tax Receivable Agreement. For additional information, refer to the section entitled "*Certain Relationships and Related-Party Transactions—Tax Receivable Agreement*."

In certain circumstances, RGF, LLC will be required to make distributions to RGF, Inc. and the existing owners of RGF, LLC and the distributions that RGF, LLC will be required to make may be substantial.

RGF, LLC will be treated as a partnership for U.S. federal income tax purposes and, as such, will not be subject to U.S. federal income tax. Instead, taxable income will be allocated to holders of its Class A Units and Class B Units, including RGF, Inc. Pursuant to the Operating Agreement, RGF, LLC will make pro rata cash distributions, or tax distributions, to the owners of Class A Units and Class B Units in an amount intended to be sufficient to allow each of the LLC Unit holders to pay taxes on such holder's allocable share of the cumulative taxable income, reduced by cumulative taxable losses, to the extent previous tax distributions from RGF, LLC have been insufficient.

Funds used by RGF, LLC to satisfy its tax distribution obligations will not be available for reinvestment in our business. Moreover, the tax distributions that RGF, LLC will be required to make may be substantial, and will likely exceed (as a percentage of RGF, LLC's income) the overall effective tax rate applicable to a similarly situated corporate taxpayer.

As a result of potential differences in the amount of net taxable income allocable to us and to the existing owners of RGF, LLC, as well as the use of an assumed tax rate in calculating RGF, LLC's distribution obligations, we may receive distributions significantly in excess of our tax liabilities and obligations to make payments under the Tax Receivable Agreement. To the extent, as currently expected, we do not distribute such cash balances as dividends on our Class A common stock and instead, for example, hold such cash balances or lend them to RGF, LLC, the existing owners of RGF, LLC would benefit from any value attributable to such accumulated cash balances as a result of their ownership of our Class A common stock following an exchange of their Class B Units. For additional information, refer to the section entitled "*The Reorganization*."

We will not be reimbursed for any payments made to our existing investors under the Tax Receivable Agreement in the event that any tax benefits are disallowed.

If the IRS challenges the tax basis that give rise to payments under the Tax Receivable Agreement and the tax basis is subsequently disallowed, the recipients of payments under that agreement will not reimburse us for any payments we previously made to them. Instead, any such disallowance would be taken into account in determining future payments under the Tax Receivable Agreement and would, therefore, reduce the amount of any such future payments. Nevertheless, if the claimed tax benefits from the tax basis are disallowed, our payments under the Tax Receivable Agreement could exceed our actual tax savings, and we may not be able to recoup payments under the Tax Receivable Agreement that were calculated on the assumption that the disallowed tax savings were available.

We are controlled by our existing owners, whose interests may differ from those of our public stockholders.

Immediately following this offering and the application of the net proceeds from this offering, the Members (our existing owners), in the aggregate, will control approximately % of the combined voting power of our Class A common stock and Class B common stock. As a result, based on their ownership of RGF, Inc. voting stock, such existing owners, in the aggregate, will have the collective ability to elect all of the members of the RGF, Inc. board of directors, and thereby to control RGF, Inc.'s management and affairs. In addition, they will be able to determine the outcome of all matters requiring stockholder approval, including mergers and other material transactions, and will be able to cause or prevent a change in the composition of the RGF, Inc. board of directors or a change of control of our Company that could deprive our RGF, Inc. stockholders of an opportunity to receive a premium for their Class A common stock as part of a sale of our Company and might ultimately affect the trading price of Class A common stock.

In addition, immediately following the consummation of this offering and the application of the net proceeds from this offering, the Members will own % of the LLC Units, taking into account the Class A Units and Class B Units together. Because they hold their ownership interest in our business through RGF, LLC rather than through the public company, these existing owners may have conflicting interests with RGF, Inc. public stockholders. For example, RGF, LLC's existing owners may have different tax positions from RGF, Inc., which could influence their decisions regarding whether and when to dispose of assets, whether and when to incur new indebtedness or refinance existing indebtedness, especially in light of the existence of the Tax Receivable Agreement that we entered in connection with this offering, and whether and when we should terminate the Tax Receivable Agreement and accelerate its obligations thereunder. In addition, the structuring of future transactions may take into consideration these existing owners' tax or other considerations even where no similar benefit would accrue to us. For additional information, refer to the section entitled "*Certain Relationships and Related-Party Transactions—Tax Receivable Agreement*."

Risks Related to Our Regulatory Environment

Our operations are subject to regulation by the FDA, USDA, and other federal, state, and local authorities in the U.S., and in any other jurisdictions in which we may sell our products, and there is no assurance that we will be in compliance with all laws and regulations.

Our operations are subject to extensive regulation by the FDA, USDA, and other federal, state, and local authorities in the U.S. and in any other jurisdictions in which we may sell our products. Specifically, for products manufactured or sold in the U.S., we are subject to the requirements of the Federal Food, Drug, and Cosmetic Act ("FDCA") and regulations promulgated thereunder by the FDA. This comprehensive regulatory program governs, among other things, the manufacturing, nutritional value, composition and ingredients, packaging, labeling, and safety of food. Under this program, the FDA requires that facilities that manufacture food products comply with a range of requirements, including hazard analysis and preventative controls regulations, current good manufacturing practices ("GMPs"), and supplier verification requirements. Our processing facilities, including those of our co-manufacturers, are subject to periodic inspection by foreign, federal, state, and local authorities. We do not control the manufacturing processes of, and rely upon our co-manufacturers for compliance with, GMPs for the manufacturing of our products that they conduct. If we or our co-manufacturers cannot successfully manufacture products that conform to our specifications and the strict regulatory requirements of the FDA, USDA, or other regulatory authorities, we or they may be subject to adverse inspectional findings or enforcement actions, which could materially impact our ability to market our products, result in our co-manufacturers' inability to continue

manufacturing for us, or result in a recall of our product, that have already been distributed. In addition, we rely upon our co-manufacturers to maintain adequate quality control, quality assurance, and qualified personnel. If the FDA, USDA, or another regulatory authority determines that we or our co-manufacturers, suppliers, or other business partners have not complied with applicable regulatory requirements, our business may be adversely impacted.

We seek to comply with applicable laws and regulations through expert personnel with experience to ensure quality-assurance compliance and contracting with third-party laboratories that conduct analyses of new products to establish nutrition labeling information and to help identify certain potential contaminants before distribution. Our existing compliance structures may be insufficient to address the current or changing regulatory environment. This may result in gaps in compliance coverage or the omission of necessary new compliance activity. Failure by us or our co-manufacturers to comply with applicable laws and regulations, or maintain permits, licenses, or registrations relating to our or their operations, could subject us to civil remedies or penalties, including fines, injunctions, product recalls, warning letters, or restrictions on the marketing or manufacturing of products, as well as potential criminal sanctions, any of which could result in increased operating costs and reputational harm. In addition, changes to laws, regulations, or policies applicable to foods could leave us vulnerable to adverse governmental action and materially adversely affect our business, operating results, and financial condition.

The manufacture, labeling, distribution, and marketing of food products is highly regulated, and any changes in existing laws or regulations, or failure to comply with such laws and regulations, could increase our costs and otherwise adversely affect our business.

The manufacture and marketing of food products is highly regulated. We, our co-manufacturers, and our suppliers are subject to a variety of laws and regulations. These laws and regulations apply to many aspects of our business, including the manufacture, packaging, labeling, distribution, advertising, sale, quality, and safety of our products, as well as the health and safety of our employees and the protection of the environment.

In the U.S., we are subject to regulation by various governmental agencies, including the FDA, USDA, FTC, Occupational Safety and Health Administration, and Environmental Protection Agency, as well as various state and local agencies. For example, California currently enforces legislation commonly referred to as “Proposition 65” that requires that “clear and reasonable” warnings be given to consumers who are exposed to chemicals known to the State of California to cause cancer or reproductive toxicity. We may be adversely impacted by litigation or other actions relating to Proposition 65 or future legislation that is similar. We are also regulated outside the U.S. by various international regulatory bodies. In addition, we are subject to certain standards, such as Global Food Safety Initiative standards. We could incur costs, including fines, penalties, and third-party claims, because of any actual or alleged violations of such requirements.

We are subject to detailed and complex requirements for how our products may be labeled and advertised, which may also be supplemented by guidance from governmental agencies. Generally speaking, these requirements divide information into mandatory information that we must present to consumers and voluntary information that we may present to consumers. Packaging, labeling, disclosure, and advertising regulations may describe what mandatory information must be provided to consumers, where and how that information is to be displayed physically on our products or elsewhere, the terms, words or phrases in which it must be disclosed, and the penalties for non-compliance. Voluntary statements made by us or by certain third parties, whether on package labels or otherwise, can be subject to FDA regulation, FTC regulation, USDA regulation, state and local regulation, foreign regulation, or any combination of the foregoing. These statements may be subject to specific requirements, subjective regulatory evaluation, and legal challenges by plaintiffs. These regulations can be confusing and subject to conflicting interpretations. Guidelines, standards and market practice for, and consumer understanding of, certain types of voluntary statements, such as those characterizing the nutritional and other attributes of food products, continue to evolve rapidly, and regulators may attempt to impose civil or criminal penalties against us if they disagree with our approach to using voluntary statements. Governmental entities, including the FDA and USDA, may disagree with our use of “low carbohydrate” claims on our website, may determine such claims are impermissible, and may determine that our website’s general use of the terms “high in protein,” “grain-free,” and “gluten-free” for our products generally, rather than for the specific products to which they apply, requires revisions to our website and related enforcement actions. Furthermore, in recent years the FDA has increased enforcement of its regulations with respect to nutritional, health, and other claims related to food products, and plaintiffs have commenced legal

actions against a number of companies that market food products positioned as “natural” or “healthy,” asserting false, misleading and deceptive advertising and labeling claims, including claims related to such food being “all natural” or claiming that they lack any genetically modified ingredients. We have been subject to at least one such claim, and could become subject to future similar claims and lawsuits. Should we become subject to additional similar claims or actions, consumers may avoid purchasing products from us or seek alternatives and our management may have to devote significant time on the defense of such claims, even if the basis for any such claim is unfounded, and the cost of defending against any such claims could be significant. If the basis for any claim is founded, we may update our packaging labels and materials, which would require us to incur significant cost. The occurrence of any of the foregoing risks could materially adversely affect our business, operating results, and financial condition.

The regulatory environment in which we operate could change significantly and adversely in the future. For example, any change in manufacturing, labeling or packaging requirements for our products may lead to an increase in costs or interruptions in production, either of which could adversely affect our operations and financial condition. Any changes in existing laws or regulations, the adoption of new laws or regulations, or evolving interpretations of existing laws or regulations, could increase our costs and, in the event of non-compliance, result in civil remedies, including fines, injunctions, or product recalls, as well as potential criminal sanctions, any of which may adversely affect our business, reputation, operating results, and financial condition.

Even inadvertent, non-negligent or unknowing violations of federal, state, or local regulatory requirements could expose us to adverse governmental action and materially adversely affect our business, operating results, and financial condition.

The FDCA, which governs the shipment of foods in interstate commerce, generally does not distinguish between intentional and unknowing, non-negligent violations of the law’s requirements. Most state and local laws operate similarly. Consequently, almost any deviation from subjective or objective requirements of the FDCA, or applicable state or local laws, leaves us vulnerable to a variety of civil and criminal penalties. Failure to comply with laws and regulations could materially adversely affect our business, operating results, and financial condition.

Failure by our co-manufacturers or suppliers of ingredients to comply with food safety laws, or other laws and regulations, or with the specifications and requirements of our products, may disrupt our supply of products and adversely affect our business.

If our co-manufacturers or suppliers fail to comply with food safety laws, or other laws and regulations, or face allegations of non-compliance, their operations may be disrupted. Additionally, our co-manufacturers are required to maintain the quality of our products and comply with our product specifications. In the event of actual or alleged non-compliance, we may be forced to find alternative co-manufacturers or suppliers and we may be subject to lawsuits or other disputes related to such non-compliance by our co-manufacturers and suppliers. As a result, our finished products or supply of ingredients could be disrupted, or our costs could increase, either of which would adversely affect our operating results. The failure of our co-manufacturers to produce products that conform to our quality standards or product specifications could adversely affect our reputation, and result in product recalls, product liability claims, and reduced product sales. Additionally, actions we may take to mitigate the impact of any disruption or potential disruption in our supply of ingredients or product inventory, including increasing inventory in anticipation of a potential supply or production interruption, may adversely affect our business.

In some instances we may be responsible or held liable for the activities and compliance of our co-manufacturers and suppliers, despite having limited visibility into their operations. Although we seek to appropriately select our co-manufacturers and suppliers, they may fail to adhere to regulatory standards, our safety and quality standards, our product specifications, or labor and employment practices, and we may fail to identify deficiencies or violations.

We are subject to international laws and regulations that could adversely affect our business.

We are currently subject to international laws and regulations where we manufacture our products, and to the extent we commence selling and distributing our products internationally, we will become subject to additional laws and regulations. Our products are subject to numerous food safety and other laws and regulations relating to the sourcing, manufacturing, storing, labeling, marketing, advertising, and distribution of these products. If regulators determine that the labeling or composition of any of our products is not in compliance with applicable laws or regulations, or if we or our co-manufacturers otherwise fail to comply with applicable laws and regulations, we could

be subject to civil remedies or penalties, such as fines, injunctions, product recalls, warning letters, restrictions on the marketing or manufacturing of the products, as well as potential criminal sanctions, which would harm our business, operating results, financial condition, and reputation. In addition, enforcement of existing laws and regulations, and changes to existing legal or regulatory requirements, may result in increased compliance costs that could adversely affect our business.

Legal claims, government investigations or other regulatory enforcement actions could subject us to civil and criminal penalties.
We operate in a highly regulated environment with constantly evolving legal and regulatory frameworks. Consequently, we are subject to heightened risk of legal claims, government investigations, or other regulatory enforcement actions. Although we have implemented policies and procedures designed to ensure compliance with existing laws and regulations, there can be no assurance that our employees (including our employees that are employed through our PEOs), consultants, or independent contractors will not violate our policies and procedures. Moreover, a failure to maintain effective control processes could lead to violations of laws and regulations. Legal claims, government investigations, or regulatory enforcement actions arising out of our failure or alleged failure to comply with applicable laws and regulations could subject us to civil and criminal penalties that could materially and adversely affect our product sales, reputation, financial condition, and operating results.

Risks Related to Our Intellectual Property, Information Technology, and Privacy

We may not be able to protect our intellectual property and proprietary technology adequately, which may impact our commercial success.
We believe that our intellectual property and proprietary technology has substantial value and has contributed significantly to the success of our business. We rely on a combination of copyrights, trademarks, trade dress, trade secrets, and trademarks laws, as well as confidentiality agreements and other contractual restrictions, to protect our intellectual property. However, these legal means afford only limited protection and may not adequately protect our intellectual property or permit us to gain or keep any competitive advantage.

Our trademarks, including our Realgood Foods Co. logo, are valuable assets that reinforce our brand and consumers' favorable perception of our products. We also rely on unpatented proprietary expertise, recipes and formulations, and other trade secrets and copyright protection to develop and maintain our competitive position. Our continued success depends in part upon our ability to protect and preserve our intellectual property.

Our confidentiality agreements with our employees, consultants, independent contractors, co-manufacturers, and suppliers, including some of our co-manufacturers who use our formulations to manufacture our products, generally require that all information made known to them be kept strictly confidential. Nevertheless, trade secrets are difficult to protect. Our confidentiality agreements may not effectively prevent disclosure of our proprietary information and may not provide an adequate remedy in the event of unauthorized disclosure of such information. In addition, others may independently discover our trade secrets, in which case we would not be able to assert trade secret rights against such parties. Further, some of our formulations have been developed by or with our co-manufacturers and suppliers. As a result, we may not be able to prevent others from using similar formulations, which could adversely affect our business.

We cannot assure you that the steps we have taken to protect our intellectual property rights are adequate, that our intellectual property rights can be successfully defended and asserted in the future, or that third parties will not infringe upon or misappropriate any such rights. In addition, our trademark rights and related registrations may be challenged in the future and could be canceled or narrowed. Failure to protect our trademark rights could prevent us in the future from challenging third parties who use names and logos similar to our trademarks, which may in turn cause consumer confusion or negatively affect customers' or consumers' perception of our brand and products. In addition, if we do not keep our trade secrets confidential, others may produce products with our recipes or formulations. Moreover, intellectual property disputes and proceedings and infringement claims may result in a significant distraction for management and significant expense, which may not be recoverable regardless of whether we are successful. Such proceedings may be protracted with no certainty of success, and an adverse outcome could subject us to liability, force us to cease use of certain trademarks or other intellectual property, or force us to enter into licenses with others.

We rely on information technology systems and any damage to, or failure or interruption of, those systems could have a material adverse effect on our business.

We are dependent on various information technology systems, including, but not limited to, networks, applications, and outsourced services in connection with the operation of our business. A failure of our information technology systems to perform as we anticipate could disrupt our business and result in transaction errors, processing inefficiencies, and loss of sales, any of which could harm our business. In addition, our information technology systems may be vulnerable to damage or interruption from circumstances, some of which are beyond our control, including fire, natural disasters, systems failures, viruses, and security breaches. Any such failure, damage, or interruption could have a material adverse effect on our business.

Cybersecurity incidents, or real or perceived errors, failures, or bugs in our systems or other technology disruptions or failure to comply with laws and regulations relating to privacy and the protection of data relating to our confidential information or our customers' and consumers' personal information could negatively impact our business, our reputation and our relationships with customers.

Our continued success depends in part on our systems, applications, and software continuing to operate to meet the changing needs of our customers. We rely on our technology for substantially all aspects of our business operations. We use mobile applications, social networking, and other online activities to connect with our customers, consumers, co-manufacturers, suppliers, and employees. Our business involves the storage and transmission of numerous classes of sensitive or confidential information and intellectual property, including customers', consumers', and suppliers' information, private information about employees, and financial and strategic information about us and our business partners. Further, as we pursue new initiatives that enhance our operations and cost structure, potentially including acquisitions, we may also be required to expand and improve our information technologies, resulting in a larger technological presence and corresponding exposure to cybersecurity risk. Like all technology and information systems, such use gives rise to cybersecurity risks, including security breaches, espionage, system disruption through material errors, failures, vulnerabilities, or bugs, particularly when new features or capabilities are released, theft, and inadvertent release of information. Our technology and information systems may be subject to computer viruses or malicious code, break-ins, phishing impersonation attacks, attempts to overload our servers with denial-of-service or other attacks, ransomware, and similar incidents or disruptions from unauthorized use of our computer systems, as well as unintentional incidents causing data leakage, any of which could lead to interruptions, delays, or website or mobile app shutdowns. For example, in 2018 we were subject to a phishing attack, which resulted in an unauthorized third party accessing our servers, and we could experience similar incidents in the future, particularly as hackers utilize increasingly sophisticated measures to bypass information security systems. Electronic security attacks designed to gain access to personal, sensitive, or confidential data are constantly evolving, and such attacks continue to grow in sophistication. If we fail to assess and identify cybersecurity risks associated with new initiatives or acquisitions, we may become increasingly vulnerable to such risks. While we have implemented measures to prevent such security breaches and cyber incidents, our preventative measures and incident response efforts may not be effective. The theft, destruction, loss, misappropriation, or release of sensitive or confidential information or intellectual property, or interference with our information technology systems or the technology systems of third parties on which we rely, could result in business disruption, negative publicity, reputational harm, violation of privacy laws, loss of customers, and liability, all of which could have a material adverse effect on our business, operating results, and financial condition. Additionally, as a result of a breach or other security incident, we could be subject to demands, claims, and litigation by private parties and investigations, related actions, and penalties by regulatory authorities. Moreover, we could incur significant costs in notifying affected persons and entities and otherwise complying with the multitude of foreign, federal, state, and local laws and regulations relating to the unauthorized access to, or use or disclosure of, personal information.

In addition, we are subject to numerous federal, state, local and foreign laws, rules, and regulations relating to the collection, processing, storing, sharing, disclosure, use, and security of personal information and other data. We are also potentially subject to specific contractual requirements contained in agreements with third parties governing our use and protection of personal information and other data. We strive to comply with applicable laws, policies, legal, and contractual obligations and industry standards relating to privacy and data protection, to the extent possible. Nevertheless, such laws, regulations, and other obligations may require us to change our business practices and may negatively impact our ability to expand our business and pursue business opportunities. We may incur significant expenses to comply with the laws, regulations, and other obligations that apply to us. Additionally, the privacy- and

data protection-related laws, rules, and regulations applicable to us may be interpreted and applied in new ways or in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or our practices. Further, new laws, rules, and regulations could be enacted with which we are not familiar or with which our practices do not comply.

Several jurisdictions have passed new laws and regulations in this area that apply to us now or may apply in the future as we grow and expand, and other jurisdictions are considering imposing additional restrictions. Examples include the California Consumer Privacy Act (the "CCPA"), which came into effect on January 1, 2020, and the recently passed California Privacy Rights Act (the "CPRA"), which amends the CCPA and has many provisions that will go into effect on January 1, 2023. The CPRA will impose additional obligations on companies covered by the legislation and will significantly modify the CCPA, including through expanding consumers' rights with respect to sensitive personal information. The CPRA also creates a new state agency that will be vested with authority to implement and enforce the CCPA and CPRA. Further, we must also comply with laws on advertising, including the Telephone Consumer Protection Act and the Telemarketing Sales Rule and the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003.

In addition to privacy and data security requirements under applicable laws, we are subject to the Payment Card Industry Data Security Standard ("PCI-DSS"), a self-regulatory standard that requires companies that process payment card data to implement certain data security measures. If we or our payment processors fail to comply with the PCI-DSS, we may incur significant fines or liability and lose access to major payment card systems. Industry groups may in the future adopt additional self-regulatory standards by which we are legally or contractually bound.

Further, if we expand into Europe, we may also face additional particular privacy, data security, and data protection risks in connection with requirements of the General Data Protection Regulation (E.U.) 2016/679 (the "GDPR"), and other data protection regulations. Among other stringent requirements, the GDPR restricts transfers of personal data outside of the E.U. to countries deemed to lack adequate privacy protections (such as the United States), unless an appropriate safeguard specified by the GDPR is implemented. Currently, there is considerable uncertainty as to how to comply with the GDPR with respect to cross-border transfers.

Any failure, or perceived failure, by us to comply with any federal, state, local, or foreign privacy or consumer protection-related laws, rules, regulations or other principles or orders to which we may be subject, or other legal obligations relating to privacy or consumer protection, could adversely affect our reputation, brand, and business, and may result in claims, investigations, proceedings, or actions against us by governmental entities or others or other penalties or liabilities or require us to change our operations or cease using certain data sets.

Risks Related to Being a Public Company

The requirements of being a public company will increase our expenses, strain our resources, divert management's attention, and affect our ability to attract and retain qualified board members and skilled employees.

As a public company, we will be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, Nasdaq listing standards, as well as other applicable securities rules and regulations. The Securities and Exchange Commission (the "SEC"), Nasdaq, and other regulators continue to adopt new rules and regulations, and make changes to existing rules and regulations, that will require our compliance. Further, factors such as increased stockholder activism, the rising prominence of stockholder rights groups, the current volatile political environment, and the current high level of government intervention and regulatory reform, may lead to new laws or regulations, new interpretations of existing laws or regulations, and additional governance obligations, all of which may lead to additional compliance costs, disclosure requirements and management oversight.

Compliance with these rules and regulations may cause us to incur additional accounting, legal, and other expenses that we did not incur as a private company. We also anticipate that we will incur costs associated with corporate governance requirements, including requirements under securities laws, as well as rules and regulations implemented by the SEC and Nasdaq, particularly after we are no longer an "emerging growth company" or a "smaller reporting company." We expect these rules and regulations to increase our legal and financial compliance costs and make some activities more time-consuming and costly, while also diverting management's time and attention from executing our growth strategies.

Further, these rules and regulations could make it more difficult or more costly for us to obtain certain types of insurance, including director and officer liability insurance, and we may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. The impact of these requirements could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees, or as executive officers or other key employees.

Our management team has limited experience managing a public company.

Most members of our management team have limited experience managing a publicly traded company, interacting with public company investors, and complying with the increasingly complex laws pertaining to public companies. Our management team may not successfully or efficiently manage our transition to being a public company that is subject to significant reporting obligations and regulatory oversight, and the continuous scrutiny of investors and analysts. These new obligations and constituents will require significant attention from our senior management and could divert their attention away from the day-to-day management of our business, which could harm our business, operating results and financial condition.

We are an "emerging growth company" and the reduced disclosure requirements applicable to emerging growth companies may make our Class A common stock less attractive to investors.

We are an "emerging growth company" as defined in the JOBS Act. As an emerging growth company, we may take advantage of specified reduced disclosure and other requirements that are otherwise applicable generally to public companies, including:

- presenting only two years of audited financial statements and only two years of related Management's Discussion and Analysis of Financial Condition and Results of Operations disclosure;
- reduced disclosure about our executive compensation arrangements;
- exemption from the requirements to hold non-binding advisory votes on executive compensation;
- exemption from the auditor attestation requirement in the assessment of our internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act; and
- exemption from complying with any requirement that may be adopted by the PCAOB regarding mandatory audit firm rotation.

We may take advantage of these exemptions up until the last day of the fiscal year following the fifth anniversary of this offering or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company on the earliest of (i) the last day of the fiscal year in which we have more than $1.07 billion in annual revenue, (ii) the date we qualify as a "large accelerated filer," with more than $700.0 million in market value of our stock held by non-affiliates (and we have been a public company for at least 12 months and have filed one Annual Report on Form 10-K), or (iii) the date on which we have issued more than $1.0 billion of non-convertible debt securities over a three-year period. We may choose to take advantage of some, but not all, of the available exemptions. We have taken advantage of certain reduced reporting obligations in this prospectus. Accordingly, the information contained herein may be different than the information you receive from other public companies in which you hold stock.

We cannot predict if investors will find our Class A common stock less attractive because we rely on these reduced reporting obligations. If some investors find our Class A common stock less attractive, there may be a less active trading market for our Class A common stock, which could have an adverse impact on the trading price of our Class A common stock and cause the trading price to be more volatile.

We are a "smaller reporting company," and the reduced disclosure requirements applicable to smaller reporting companies may make our Class A common stock less attractive to investors.

We are also a "smaller reporting company" under applicable SEC rules, meaning that the market value of our Class A common stock held by non-affiliates plus the proposed aggregate amount of gross proceeds to us as a result of this offering is less than $700.0 million and our annual revenue was less than $100.0 million during the most recently completed fiscal year. We may continue to be a smaller reporting company after this offering if either (i) the market value of our stock held by non-affiliates is less than $250.0 million, or (ii) our annual revenue was less than $100.0 million during the most recently completed fiscal year and the market value of our stock held by non-affiliates was less than $700.0 million. If we are a smaller reporting company at the time we cease to be an

emerging growth company, we may continue to rely on exemptions from certain disclosure requirements that are available to smaller reporting companies. Specifically, as a smaller reporting company we may choose to present only the two most recent years of audited financial statements and only two years of related Management's Discussion and Analysis of Financial Condition and Results of Operations disclosure in our Annual Report on Form 10-K, and we may take advantage of reduced disclosure obligations regarding executive compensation.

If we fail to maintain proper and effective internal controls, our ability to produce accurate financial statements on a timely basis could be impaired and investors may lose confidence in our financial reporting, which could cause the trading price of our Class A common stock to decline.

Ensuring that we have adequate internal financial and accounting controls and procedures in place to produce accurate financial statements on a timely basis is a costly and time-consuming effort. We are in the process of upgrading our information technology systems and implementing additional financial and management controls, reporting systems and procedures in order to improve our control environment and comply with the public reporting requirements under the Exchange Act. Additionally, the rapid growth of our operations and this offering have created a need for additional resources within our accounting and finance functions due to the increasing need to produce timely financial information and to ensure the level of segregation of duties customary for a public company. While we have hired additional resources in the accounting and finance functions and have started implementing our ERP system, we continue to assess the sufficiency of existing personnel in response to these increasing demands and expectations, and we expect to incur significant expenses to hire additional personnel. If any of these new or improved controls and systems do not perform as expected, we may experience material weaknesses in our controls, which may cause us to fail to timely and accurately report our financial results or result in a material misstatement of our financial statements.

Commencing with our second Annual Report on Form 10-K that we will file after becoming a public company, we must perform system and process evaluation and testing of our internal control over financial reporting to allow management to report on the effectiveness of our internal controls over financial reporting in our Annual Report on Form 10-K filing for that year, as required by Section 404 of the Sarbanes-Oxley Act. The rules governing the standards that must be met for management to assess our internal controls over financial reporting are complex and require significant documentation, testing and possible remediation. We expect to expend significant resources to develop the necessary documentation and testing procedures required by Section 404. We cannot be certain that the actions we will take to improve our internal controls over financial reporting will be sufficient, or that we will be able to implement our planned processes and procedures in a timely manner.

Further, our independent registered public accounting firm will not be required to attest to the effectiveness of our internal control over financial reporting until our first Annual Report on Form 10-K required to be filed with the SEC following the later of the date we are deemed to be an "accelerated filer" or a "large accelerated filer," each as defined in the Exchange Act, or the date we are no longer an emerging growth company. An independent assessment of the effectiveness of our internal controls could detect problems that our management's assessment might not.

Any failure to maintain internal control over financial reporting could inhibit our ability to accurately report our financial condition, operating results, or liquidity. If we are unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm determines that we have material weaknesses or significant deficiencies in our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports, the trading price of our Class A common stock could decline, and we could be subject to sanctions or investigations by Nasdaq, the SEC or other regulatory authorities. Failure to remedy any material weaknesses, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets.

Our disclosure controls and procedures may not prevent or detect all errors or acts of fraud.

Our disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by us in reports we file or submit under the Exchange Act is accumulated and communicated to management, recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. We believe that any disclosure controls and procedures or internal controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. These inherent limitations include the realities that judgments in decision-making can

be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements or insufficient disclosures due to error or fraud may occur and not be detected.

Risks Related to this Offering and Ownership of Our Class A Common Stock

No public market for our Class A common stock currently exists, and an active trading market may not develop or be sustained following this offering.

Prior to this offering, there has been no public market for our Class A common stock. Although we intend to apply to list our Class A common stock on Nasdaq, an active trading market may not develop following the closing of this offering or, if developed, may not be sustained. The lack of an active market may impair your ability to sell your shares at the time you wish to sell them, and may reduce the trading price of your shares. An inactive market may also impair our ability to raise capital to continue to fund operations by selling shares, and may impair our ability to acquire other companies or assets by using our shares as consideration. The initial public offering price was determined by negotiations between us and the underwriters for this offering and may not be indicative of the future trading price of our Class A common stock.

The trading price of our Class A common stock may be volatile, and you may be unable to sell your shares at or above the offering price.

The trading prices of the securities of other newly public companies, including companies in the food industry, have historically been volatile. The trading price of our Class A common stock is likely to be volatile and could be subject to wide fluctuations as a result of numerous factors, including:

- actual or anticipated fluctuations in our financial condition, operating results, and liquidity;
- any guidance we may provide to the public, any changes in this guidance, or our failure to meet this guidance;
- announcements of new products by us or our competitors, and competition from new or existing products;
- market conditions or trends in the H&W industry, and in the frozen food category in particular;
- economic conditions and trends in the geographic locations in which we operate and where our products are sold;
- addition or loss of significant customers, co-manufacturers, suppliers or other business partners;
- new laws or regulations applicable to our business or products, or changes to the interpretation of existing laws or regulations;
- actual or anticipated changes in our growth rate and financial performance relative to our competitors;
- announcements of significant acquisitions, strategic partnerships, or joint ventures by us or our competitors;
- announcement or expectation of additional financing efforts;
- additions or departures of executive officers or other key personnel;
- operating results relative to the expectations of securities analysts and other market participants, and the issuance of new or updated research or reports by such parties;
- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- outcome of litigation, regulatory matters, enforcement actions, or other disputes that may arise;
- the expiration of contractual lock-up agreements with our executive officers, directors, and equity holders;
- sales of our Class A common stock, including by our executive officers, directors, or large stockholders;
- the size of our public float and factors impacting the trading volume of our Class A common stock;
- the impacts and disruptions caused by the COVID-19 pandemic, or any other pandemics, epidemics, disease outbreak, or similar widespread public health concern on our business and operating results; and
- general economic, industry, and market conditions.

The trading price of our Class A common stock may also fluctuate as a result of the other risks and uncertainties described elsewhere in this prospectus, and other factors beyond our control.

Further, the stock markets have experienced price and volume fluctuations that have affected and continue to affect the trading prices of equity securities of many companies. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations may negatively impact the trading price of our Class A common stock. If the trading price of our Class A common stock after this offering does not exceed the initial public offering price, you may not realize any return on your investment in us and may lose some or all of your investment.

In the past, companies that have experienced volatility in the trading of their securities have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert our management's attention from other business concerns, which could harm our business.

Substantial future sales of our Class A common stock, or the perception in the public markets that these sales may occur, could cause our share price to fall.

Sales of a substantial number of shares of our Class A common stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares of our Class A common stock intend to sell shares, could reduce the trading price of our Class A common stock. Upon the closing of this offering, we will have shares of our Class A common stock outstanding (or shares, if the underwriters exercise in full their option to purchase additional shares of our Class A common stock) and authorized but unissued shares of our Class A common stock that would be issuable upon redemption or exchange of Class B Units. The shares of Class A common stock offered in this offering will be freely tradable without restriction under the Securities Act of 1933, as amended ("Securities Act"), except for any shares of our Class A common stock that may be held or acquired by our directors, executive officers and other affiliates, as that term is defined in the Securities Act, which will be restricted securities under the Securities Act. Restricted securities may not be sold in the public market unless the sale is registered under the Securities Act or an exemption from registration is available.

Subject to the restrictions set forth in the lock-up agreements entered into by each of our directors and officers and substantially all of our equity holders in connection with this offering, as described elsewhere in this prospectus, outstanding shares of our Class A common stock may be freely sold in the public market at any time to the extent permitted by Rules 144 and 701 under the Securities Act, or to the extent that such shares have already been registered under the Securities Act and are held by non-affiliates.

We intend to enter into the Registration Rights Agreement pursuant to which the shares of Class A common stock issued upon redemption or exchange of Class B Units held by the Members will be eligible for resale, subject to certain requirements and limitations set forth therein. For additional information, refer to the section entitled "*Certain Relationships and Related-Party Transactions—Registration Rights Agreement*."

We also intend to file one or more registration statements on Form S-8 under the Securities Act to register all shares of our Class A common stock issued or issuable under the 2021 Plan and the ESPP. Any such Form S-8 registration statements will automatically become effective upon filing. Accordingly, shares registered under such registration statements will be available for sale in the open market following the expiration of the applicable lock-up period.

If any of these additional shares are sold, or if it is perceived that they will be sold, in the public market, the trading price of our Class A common stock could decline.

Future sales and issuances of our Class A common stock, or securities convertible into or exercisable for our Class A common stock, including pursuant to our equity incentive plans, could result in additional dilution of the percentage ownership of our stockholders and could cause the trading price of our Class A common stock to decline.

We may issue additional securities following the closing of this offering. In the future, we may sell shares of our Class A common stock, or securities convertible into or exercisable for our Class A common stock, in one or more transactions at prices and in a manner we determine from time to time. We also expect to issue shares of our Class A common stock to directors, officers, employees, and consultants pursuant to our equity incentive plans. If we sell shares of our Class A common stock, or securities convertible into or exercisable for our Class A common stock, in subsequent transactions, or if shares of our Class A common stock are issued pursuant to our equity incentive plans, investors may be materially diluted. In addition, new investors in such subsequent transactions could receive securities with rights senior to those of holders of our Class A common stock.

Our management has broad discretion in the use of the net proceeds received by the Company in this offering and may not use the net proceeds effectively.

RGF, Inc. will use the proceeds from the sale of its Class A common stock in this offering to purchase the Class A Units. Accordingly, we will not retain any of these proceeds. The principal purposes of this offering are to increase our capitalization and financial flexibility, create a public market for our Class A common stock, increase our brand awareness, and facilitate access to the public equity markets for us and our equity holders. RGF, LLC primarily intends to use the net proceeds that it receives from RGF, Inc. from this offering for working capital and other general corporate purposes, which may include research and development and marketing activities, general and administrative matters, and capital expenditures. In addition, RGF, LLC intends to use the net proceeds for the repayment of the full amount owed pursuant to the PPZ Loan, and may use a portion of the proceeds for the acquisition of, or investment in, businesses or assets that complement our business. However, we do not have binding agreements or commitments for any acquisitions or investments outside the ordinary course of business at this time.

Our management will have broad discretion over the use of the net proceeds from this offering. Investors in this offering will need to rely upon the judgment of our management with respect to the use of proceeds. If we do not use the net proceeds that we receive in this offering effectively, our business, operating results, and financial condition will be adversely impacted, and we may not be able to achieve our strategic objectives.

If you purchase shares of our Class A common stock in this offering, you will incur immediate and substantial dilution.

The offering price of our Class A common stock is substantially higher than the net tangible book value per share of our Class A common stock, which on an adjusted basis was $ per share of our Class A common stock as of December 31, 2020. As a result, you will incur immediate and substantial dilution in net tangible book value when you buy our Class A common stock in this offering. This means that you will pay a higher price per share than the amount of our total tangible assets, less our total liabilities, divided by the number of shares of our Class A common stock outstanding. In addition, you may also experience additional dilution if options or other rights to purchase our Class A common stock that are outstanding or that we may issue in the future are exercised, converted, or exchanged, or we issue additional shares of our Class A common stock at prices lower than our net tangible book value at such time. For additional information, refer to the section entitled "*Dilution*."

Our charter documents and Delaware law could prevent a takeover that stockholders consider favorable and cause the trading price of our Class A common stock to decline.

Our Certificate of Incorporation and our amended and restated bylaws ("Bylaws") will contain provisions that could delay or prevent a change of control of our Company. These provisions could also make it more difficult for stockholders to elect directors and take other corporate actions. These provisions include:

- providing for a classified board of directors with staggered, three-year terms;
- authorizing our board of directors to issue preferred stock with voting or other rights or preferences that could discourage a takeover attempt or delay a change of control;
- prohibiting cumulative voting in the election of directors;
- providing that vacancies on our board of directors may be filled only by a majority of directors then in office, even though less than a quorum;
- prohibiting the adoption, amendment or repeal of our Bylaws or the repeal of the provisions of our Certificate of Incorporation regarding the election and removal of directors without the required approval of at least 66-2/3% of the shares entitled to vote at an election of directors;
- prohibiting stockholder action by written consent;
- limiting the persons who may call special meetings of stockholders; and
- requiring advance notification of stockholder nominations and proposals.

These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, which is responsible for appointing the members of our management. In addition, the provisions of Section 203 of the

Delaware General Corporation Law ("DGCL") govern us. These provisions may prohibit large stockholders, in particular those owning 15% or more of our outstanding voting stock, from merging or combining with us for a certain period of time without the consent of our board of directors.

These and other provisions in our Certificate of Incorporation and Bylaws and under the DGCL could discourage potential takeover attempts, reduce the price investors might be willing to pay in the future for shares of our Class A common stock, and result in the trading price of our Class A common stock being lower than it would be without these provisions.

Our Certificate of Incorporation provides that the Court of Chancery of the State of Delaware and federal district courts of the United States of America will be the exclusive forums for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our Certificate of Incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for:

- any derivative action or proceeding brought on our behalf;
- any action asserting a claim of breach of a fiduciary duty owed by, or other wrongdoing by, any of our directors, officers, employees, or agents to us or our stockholders;
- any action asserting a claim against us arising pursuant to any provision of the DGCL, our Certificate of Incorporation, or our Bylaws;
- any action to interpret, apply, enforce, or determine the validity of our Certificate of Incorporation or Bylaws; and
- any action asserting a claim against us that is governed by the internal affairs doctrine;

provided, that with respect to any derivative action or proceeding brought on our behalf to enforce any liability or duty created by the Securities Act or the rules and regulations thereunder, the exclusive forum will be the federal district courts of the United States of America. Our Certificate of Incorporation further provides that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act.

These exclusive forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers, and other employees.

We have never paid dividends on our Class A common stock and we do not intend to pay dividends for the foreseeable future.

We have never declared or paid any dividends on our Class A common stock and do not intend to pay any dividends in the foreseeable future. We anticipate that we will retain all of our future earnings if any, to service debt, fund over growth, develop our business, fund working capital needs, and for general corporate purposes. Any determination to pay dividends in the future will be at the discretion of our board of directors. Accordingly, investors should rely on sales of their Class A common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investment in our Class A common stock. Further, the PMC Loan Agreement contains negative covenants that limit the ability of RGF, LLC to make distributions to RGF, Inc., which limits the ability of RGF, Inc. to declare or pay dividends to its stockholders. Any future loan agreements entered into by RGF, LLC may contain similar restrictions that may have the effect of limiting or preventing RGF, Inc. from declaring or paying dividends. For additional information, refer to the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources*."

If securities or industry analysts do not initiate coverage over us, ceases coverage of us, or issues an adverse or misleading opinion regarding us or our business, the trading price and trading volume of our Class A common stock could decline.

The trading market for our Class A common stock will be influenced by the research and reports that industry or securities analysts publish about our business. If one or more of these analysts does not initiate coverage over us, ceases coverage of us, or fails to regularly publish reports on us, we could lose visibility in the financial markets,

which in turn could cause the trading price and trading volume of our Class A common stock to decline. Moreover, if any of the analysts who cover us issues an adverse or misleading opinion regarding our business, or our stock performance, or if our operating results fail to meet the expectations of analysts or the investor community, one or more of the analysts who cover us may change their recommendations regarding our business, and the trading price of our Class A common stock could decline.

Risks Related to Accounting and Tax Matters

Changes in tax laws or regulations that are applied adversely to us in the various tax jurisdictions to which we are subject could increase the costs of our products and harm our operating results.

New income, sales, use, or other tax laws, statutes, rules, regulations, or ordinances could be enacted at any time. Those enactments could harm our business, operating results, and financial condition. Further, existing tax laws, statutes, rules, regulations, or ordinances could be interpreted, changed, modified, or applied adversely to us. These events could require us to pay additional tax amounts on a prospective or retroactive basis, as well as require us to pay fines, and penalties, and interest for past amounts deemed to be due, any of which would harm our operating results.

Changes in existing financial accounting standards or practices may require us to restate our reported financial results or harm our operating results.

GAAP is subject to interpretation by the Financial Accounting Standards Board, the SEC and various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our reported financial results and could affect the reporting of transactions completed before the announcement of a change. Adoption of such new standards and any difficulties in the implementation of changes in accounting principles, including the ability to modify our accounting systems, could cause us to fail to meet our financial reporting obligations, which could lead to regulatory enforcement actions, cause investors to lose confidence in our financial reports, and result in a decline in the trading price of our Class A common stock.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements within the meaning of the federal securities laws. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends affecting the operating results and financial condition of our business. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward-looking statements are based on information available at the time those statements are made and/or management's good faith belief as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors that could cause such differences include, but are not limited to, statements regarding:

- our limited operating history and significant operating losses;
- our ability to (i) increase our net sales from existing customers and acquire new customers; (ii) retain our customers; (iii) compete successfully in our industry; (iv) respond to new trends and changes in consumer preferences; (v) introduce new products or successfully improve existing products; (vi) implement our growth strategy; (vii) effectively expand our manufacturing and production capacity; (viii) retain our co-manufacturers and identify new co-manufacturers; (ix) obtain ingredients in sufficient quantities to meet demand for our products; or (x) obtain financing to achieve our goals to develop and commercialize new products, invest in our manufacturing facilities, and expand our product offerings;
- the impact of the COVID-19 pandemic on our supply chain and consumer behaviors;
- the requirements of becoming a public company;
- failure or interruption of our data systems; and
- cybersecurity incidents, or real or perceived errors, failures, or bugs in our systems or other technology disruptions or failure to comply with laws and regulations relating to privacy and the protection of data relating to our confidential information or our customers' personal information.

In addition, in this prospectus, the words "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "will continue," "will likely result," "will," and similar expressions, as they relate to our Company, our business and our management, are intended to identify forward-looking statements. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this prospectus may not occur and actual results could differ materially from those anticipated in or implied by the forward-looking statements.

These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in the section entitled "*Risk Factors*" and elsewhere in this prospectus. Moreover, we operate in a competitive and rapidly changing environment, and new risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus may not occur and actual results could differ materially and adversely from those anticipated in or implied by in the forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur. We undertake no obligation to update publicly any forward-looking statements for any reason after the date of this prospectus to conform these statements to actual results or to changes in our expectations, except as required by law.

You should read this prospectus and the documents that we reference in this prospectus and have filed with the SEC as exhibits to the registration statement of which this prospectus is a part with the understanding that our actual future results, levels of activity, performance, and events and circumstances may be materially different from what we expect.

In addition, the words “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this prospectus, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and you are cautioned not to unduly rely upon these statements.

THE REORGANIZATION

Reorganization

In connection with the consummation of this offering, we will consummate the following reorganization, which we refer to as the Reorganization:

- we will amend and restate RGF, LLC's existing operating agreement effective as of the consummation of this offering to, among other things: (i) appoint RGF, Inc. as the Managing Member and, (ii) replace the membership interests currently held by the Members such that (a) all of the Class A Units will be owned exclusively by RGF, Inc., (b) exchange existing profits interest awards for Class B Units and Class B common stock in relation to the agreed upon value of such profits interest awards as determined by the unanimous written consent of all the Members and holders of profits interest units, and (c) all of the Class B Units will be owned exclusively by the Members in proportion to their percentage of ownership interests in RGF, LLC immediately prior to the consummation of this offering;
- we will amend and restate our Certificate of Incorporation to, among other things, provide for Class A common stock and Class B common stock;
- we will issue shares of Class B common stock to the Members on a one-to-one basis with the number of Class B Units they own, for nominal consideration;
- we will issue shares of our Class A common stock to the purchasers in this offering, or shares if the underwriters exercise in full their option to purchase additional shares of Class A common stock;
- RGF, Inc. will use all of the net proceeds from this offering to acquire Class A Units from RGF, LLC at a purchase price per Class A Unit equal to the initial public offering price per share of Class A common stock, less underwriting discounts and commissions, collectively representing % of RGF, LLC's outstanding units, including both Class A Units and Class B Units, following this offering, or approximately % if the underwriters exercise in full their option to purchase additional shares of Class A common stock;
- RGF, LLC intends to use the proceeds from the sale of Class A Units to RGF, Inc. as described in the section entitled "*Use of Proceeds*," including for general corporate purposes and working capital;
- the Members will hold Class B Units, which have pro rata economic interests, meaning rights to receive distributions or dividends, in whatever form, from RGF, LLC, but no voting or other control rights in RGF, LLC, which will be solely managed by RGF, Inc., and will have no economic interests in RGF, Inc. despite their ownership of Class B common stock;
- the Members will also hold Class B common stock, which will have no economic interests in RGF, Inc. but will vote together with the Class A common stock as to all matters upon which votes of RGF, Inc. stockholders are required;
- the Members will not be permitted to transfer any interest in Class B Units unless approved in writing by the Managing Member or pursuant to one of the following exceptions: (i) exchanges or redemptions permitted by the Exchange Agreement, (ii) transactions that terminate the existence of a Member for income tax purposes but do not terminate the existence of such Member under applicable state law, (iii) a transfers by any Member to such Member's spouse, any lineal ascendants or descendants or trusts or other entities in which such Member or Member's spouse, lineal ascendants or descendants hold (and continue to hold while such trusts or other entities hold Class B Units) 50% or more of such entity's beneficial interests, and (iv) pursuant to the laws of descent and distribution; provided, however, that (a) such transfer restrictions will continue to apply to Class B Units after any such permitted transfer, (b) transferees must agree in writing to be bound by the provisions of the Exchange Agreement and the Operating Agreement, and (c) such Member (or any subsequent transferee of such Member) shall be required to also transfer the fraction of its remaining Class B common stock ownership corresponding to the proportion of such Member's (or subsequent transferee's) Class B Units that were transferred in the transaction to such transferee;
- Pursuant to the Exchange Agreement, prior to the effectiveness of the registration statement of which this prospectus forms a part, (i) the holders of Class B Units (and certain permitted transferees) may, subject to the terms of the Exchange Agreement, exchange Class B Units for shares of Class A common stock on a one-for-one basis or, at our option, cash;

(ii) in connection with any such exchange, a holder of Class B Units being so exchanged would deliver to us an equivalent number of shares of Class B common stock, which would be canceled; and

(iii) additional Class A Units, equivalent to the amount of Class B Units so exchanged, will then be issued to RGF, Inc. and, thus, RGF, Inc.'s interest in RGF, LLC will be proportionally increased; and

- RGF, Inc. will enter into (i) the Tax Receivable Agreement with RGF, LLC and the Members and (ii) the Registration Rights Agreement with the Members regarding the terms and conditions upon which shares of Class A common stock issued to the Members upon the exchange of their Class B Units would be registered for future sale. Although the actual timing and amount of any payments that we make to the Members under the Tax Receivable Agreement will vary, we expect those payments will be significant.

Pursuant to the terms of the Exchange Agreement and in connection with an election by one or more Members to exchange Class B Units into shares of our Class A common stock, we will also have the option to, in lieu of issuing Class A common stock, instead make a cash payment to such Member equal to a volume weighted average market price of one share of Class A common stock for each Class B Unit exchanged (subject to customary adjustments, including for stock splits, stock dividends, and reclassifications) in accordance with the terms of the Operating Agreement. Any decision to make a cash payment to a Member would not affect such Member's continuing obligation to deliver, and the subsequent cancelation of, the equivalent amount of such Member's shares of Class B common stock. Our decision to make a cash payment upon a Member's election will be made by our independent directors (within the meaning of Nasdaq listing standards) who are disinterested.

Our corporate structure following this offering, as described above, is commonly referred to as an "Up-C" structure, which is often used by partnerships and limited liability companies when they undertake an initial public offering of their business. The Up-C structure will allow the Members to continue to realize tax benefits associated with owning interests in an entity that is treated as a partnership, or "pass-through" entity, for income tax purposes following the offering. One of these benefits is that future taxable income of RGF, LLC that is allocated to the Members will be taxed on a flow-through basis and therefore will not be subject to corporate income taxes at the entity level. Additionally, because the Members may exchange their Class B Units for shares of our Class A common stock or, at our option, for cash, the Up-C structure also provides the Members with potential liquidity that holders of non-publicly traded limited liability companies are not typically afforded. For additional information, refer to the section entitled "*Description of Capital Stock*." For a discussion of certain risks related to the Reorganization, refer to the section entitled "*Risk Factors—Risks Related to Our Structure*."

We will receive the same benefits as the Members on account of our ownership of Class A Units in an entity treated as a partnership, or "pass-through" entity, for income tax purposes. As we exchange our Class A common stock for additional Class B Units from the Members under the mechanism described above, we will obtain a step-up in tax basis in our share of RGF, LLC's assets. This step-up in tax basis will provide us with certain tax benefits, such as future depreciation and amortization deductions that can reduce the taxable income allocable to us. We expect that RGF, Inc. will enter into the Tax Receivable Agreement with RGF, LLC and each of the Members that will provide for the payment by us to the Members of % of the amount of tax benefits, if any, that we actually realize (or in some cases are deemed to realize) as a result of (i) increases in tax basis resulting from the exchange of Class B Units, and (ii) certain other tax benefits attributable to payments made under the Tax Receivable Agreement.

For a description of the terms of the Registration Rights Agreement and the Tax Receivable Agreement, refer to the section entitled "*Certain Relationships and Related-Party Transactions*."

Organizational Structure Following this Offering

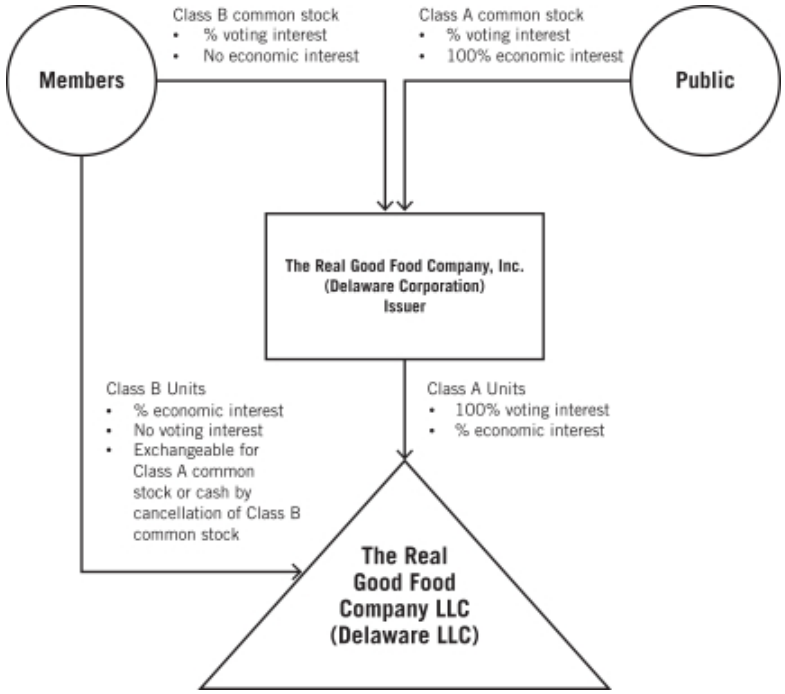
Immediately following the consummation of the Reorganization, including this offering:

- RGF, Inc. will be a holding company and its principal asset will be Class A Units it purchases from RGF, LLC;
- RGF, Inc. will be the Managing Member and will operate and control all of the business and affairs of RGF, LLC;

- our Certificate of Incorporation and Operating Agreement will require that we at all times maintain a one-to-one ratio between the number of shares of Class A common stock issued by RGF, Inc. and the number of Class A Units owned by RGF, Inc.;
- RGF, Inc. will hold Class A Units representing % of the economic interest in RGF, LLC, or % if the underwriters exercise in full their option to purchase additional shares of Class A common stock, where "economic interests" means the right to receive any distributions, whether cash, property or securities of RGF, LLC, in connection with Class A Units;
- the purchasers in this offering (i) will hold shares of Class A common stock, representing approximately % of the combined voting power of all of our common stock, or approximately % if the underwriters exercise in full their option to purchase additional shares of Class A common stock, (ii) will hold 100% of the economic interest in RGF, Inc. and (iii) through RGF, Inc.'s ownership of Class A Units, indirectly will hold approximately % of the economic interest in RGF, LLC, or % if the underwriters exercise in full their option to purchase additional shares of Class A common stock;
- the Members will hold (i) Class B Units, representing % of the economic interest in RGF, LLC, or % if the underwriters exercise in full their option to purchase additional shares of Class A common stock, and (ii) through their ownership of Class B common stock, approximately % of the voting power in RGF, Inc., or approximately % if the underwriters exercise in full their option to purchase additional shares of Class A common stock; and
- following the consummation of the Reorganization and this offering, each Class B Unit held by the Members will be exchangeable, at the election of such Members, for newly issued shares of Class A common stock on a one-for-one basis or, at our option, a cash payment equal to a volume weighted average market price of one share of Class A common stock for each Class B Unit exchanged (subject to customary adjustments, including for stock splits, stock dividends, and reclassifications) in accordance with the terms of the Operating Agreement and Exchange Agreement. For additional information, refer to the section entitled "*Certain Relationships and Related-Party Transactions—Operating Agreement*." Our decision to make a cash payment upon a Member's election will be made by our independent directors (within the meaning of Nasdaq listing standards) who are disinterested. Shares of our Class B common stock will be canceled on a one-to-one basis if we, at the election of a Member, exchange Class B Units of such Member as described above.

As the Managing Member, RGF, Inc. will operate and control all of the business and affairs of RGF, LLC and, through RGF, LLC, conduct our business. Although RGF, Inc. will have a minority economic interest in RGF, LLC, it will have the sole voting interest in, and control the management of, RGF, LLC, and will have the obligation to absorb losses of, and receive benefits from, RGF, LLC that could be significant. As a result, we have determined that, after the Reorganization, RGF, LLC will be a VIE, and that RGF, Inc. will be the primary beneficiary of RGF, LLC. Accordingly, pursuant to the VIE accounting model, RGF, Inc. will consolidate RGF, LLC in its audited financial statements and will report a non-controlling interest related to the Class B Units held by the Members on our audited financial statements. RGF, Inc. will have a board of directors and executive officers, but will have no non-executive employees. The functions of all of our employees are expected to reside at RGF, LLC.

The following diagram shows our organizational structure after giving effect to the Reorganization, including this offering, assuming no exercise by the underwriters of their option to purchase additional shares of Class A common stock:



USE OF PROCEEDS

We estimate that we will receive net proceeds of approximately $ million from the issuance and sale of shares of Class A common stock in this offering, or approximately $ million if the underwriters exercise in full their option to purchase additional shares, assuming an initial public offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, the net proceeds to us from this offering by $ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase or decrease of 1.0 million shares in the number of shares of Class A common stock offered by us would increase or decrease, as applicable, the net proceeds that we receive from this offering by $ million, assuming no change in the assumed initial public offering price per share and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

RGF, Inc. will use the proceeds from the sale of our Class A common stock to purchase Class A Units of RGF, LLC. Accordingly, RGF, Inc. will not retain any of these proceeds. The principal purposes of this offering are to increase our capitalization and financial flexibility, create a public market for our Class A common stock, increase our brand awareness, and facilitate access to the public equity markets for us and our equity holders. RGF, LLC primarily intends to use the net proceeds that it receives from RGF, Inc. from this offering for working capital and other general corporate purposes, which may include research and development and marketing activities, general and administrative matters, and capital expenditures. In addition, RGF, LLC intends to use the net proceeds from this offering for the repayment of debt to PPZ and may also use a portion of the proceeds for the acquisition of, or investment in, businesses or assets that complement our business. However, we do not have binding agreements or commitments for any acquisitions or investments outside the ordinary course of business at this time.

With respect to the repayment of debt, RGF, LLC plans to use a portion of the proceeds to pay all of the principal balance and interest of its outstanding notes due to PPZ. PPZ holds three notes issued by RGF, LLC in the following principal amounts, each with a maturity date of December 31, 2021: (i) a $40.0 thousand note with an interest rate of 8.0% per annum; (ii) a $400.0 thousand note with an interest rate of 9.0% per annum; and (iii) a $500.0 thousand note with an interest rate of 9.0% per annum. For additional information, refer to the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Indebtedness*."

As of the date of this prospectus, we cannot specify with certainty the specific allocations or all of the particular uses for the net proceeds to be received upon the consummation of this offering. The expected use of net proceeds from this offering represents our intentions based upon our present plans and business conditions, which could change in the future as our plans and business conditions evolve. We may find it necessary or advisable to use the net proceeds for other purposes, and we will have broad discretion in the application and specific allocations of the net proceeds of this offering. Pending the uses described above, we intend to invest the net proceeds from this offering in short- and intermediate-term, interest-bearing obligations, investment-grade instruments, or other securities.

DIVIDEND POLICY

We have never declared or paid any dividends on our Class A common stock and do not currently expect to declare or pay dividends for the foreseeable future. Instead, we intend to use our future earnings, if any, to service debt, fund our growth, develop our business, fund working capital needs, and for general corporate purposes. Any future determination to pay dividends on our Class A common stock will be subject to the discretion of our board of directors and depend upon various factors, including our operating results, financial condition, liquidity requirements, capital requirements, level of indebtedness, contractual restrictions with respect to payment of dividends, restrictions imposed by applicable law, general business conditions, and other factors that our board of directors may deem relevant. Accordingly, investors should rely on sales of their Class A common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investment in our Class A common stock.

Furthermore, RGF, Inc. is a holding company and will have no material assets other than our direct and indirect ownership of RGF, LLC. Our ability to pay cash dividends will depend on the payment of distributions by our current and future subsidiaries, including RGF, LLC. Such distributions may be restricted as a result of state law regarding distributions by a limited partnership to its partners or contractual agreements, including any future agreements governing their indebtedness.

Our ability to pay dividends to holders of our Class A common stock is significantly limited as a practical matter insofar as we may seek to pay dividends out of funds made available to us by RGF, LLC because certain loan agreements restrict the ability of RGF, LLC to make distributions to RGF, Inc. For additional information, refer to the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Indebtedness*" and Note 8 of our audited financial statements included in this prospectus. Any financing arrangements that we enter into in the future may include restrictive covenants that limit our ability to pay dividends.

Holders of our Class B common stock do not have any right to receive dividends, or to receive a distribution upon our liquidation, dissolution, or winding-up, with respect to their Class B common stock.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of December 31, 2020 as follows:

- of RGF, LLC on an actual basis;
- of RGF, Inc. on a pro forma basis, giving effect to:
  - (i) the Reorganization described in the section entitled "*The Reorganization*";
  - (ii) the initial vesting of the stock options our board of directors has approved in connection with this offering, based on an assumed initial offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus;
  - (iii) the automatic conversion of all convertible promissory notes outstanding as of December 31, 2020 held by the various Fidelity Investment funds outstanding immediately prior to the consummation of this offering into an aggregate of shares of our Class A common stock, based on an assumed initial public offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, at a 20% discount to such offering price, immediately prior to the consummation of this offering; and
  - (iv) the filing and effectiveness of our Certificate of Incorporation upon the consummation of this offering;
- of RGF, Inc. on a pro forma as-adjusted basis, giving effect to:
  - (i) the pro forma adjustments described above;
  - (ii) the sale of shares of our Class A common stock in this offering, at the assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us; and
  - (iii) the repayment of our all of the principal and interest outstanding from RGF, LLC's notes with PPZ out of the proceedings of this offering.

The pro forma as-adjusted information set forth in the table below is illustrative only and will be adjusted based on the actual initial public offering price and other terms of this offering as determined at pricing.

You should read this table together with the sections entitled "*The Reorganization*," "*Unaudited Pro Forma Combined Financial Data*," and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," in addition to our audited financial statements and related notes included in this prospectus.

	AS OF DECEMBER 31, 2020		
	ACTUAL	PRO FORMA	PRO FORMA AS ADJUSTED[1]
(In thousands, except share and per share data)			
Cash and cash equivalents	$	$	$
Debt:			
Convertible promissory notes			
Notes payable			
Redeemable convertible non-controlling interest			
Members' equity (deficit):			
Class A Units: units authorized, and units issued and outstanding, actual, and no shares authorized, issued and outstanding, pro forma and pro forma as adjusted			
Class B Units: units authorized and units issued and outstanding, actual, and no shares authorized, issued and outstanding, pro forma and pro forma as adjusted			
Stockholders' equity (deficit)			
Preferred stock, $0.0001 par value: no shares authorized, issued or outstanding, actual; no shares authorized and no shares issued or outstanding, pro forma; shares authorized and no shares issued or outstanding, pro forma as adjusted			
Class A common stock, $0.0001 par value: no shares issued and outstanding, actual; shares authorized, shares issued and shares outstanding, pro forma; shares authorized, shares issued and outstanding, pro forma as adjusted			
Class B common stock, $0.0001 par value: no shares issued and outstanding, actual; shares authorized, shares issued and shares outstanding, pro forma; shares authorized, shares issued and outstanding, pro forma as adjusted			
Additional paid-in capital			
Members' equity (deficit)			
Accumulated deficit			
Total Members'/stockholders equity (deficit) attributable to RGF, Inc.			
Non-controlling interest			
Total Members'/stockholders' (deficit) equity			
Total capitalization	$	$	$

(1) The pro forma as-adjusted information is illustrative only and will change based on the actual initial public offering price and other terms of this offering as determined at pricing. Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover of this prospectus, would increase or decrease, as applicable, each of our pro forma as-adjusted cash and cash equivalents, total Members'/stockholders' equity (deficit) and total capitalization by approximately $ million, assuming that the number of shares offered remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase or decrease of 1.0 million shares in the number of shares of our Class A common stock offered would increase or decrease, as applicable, each of our pro forma as-adjusted cash and cash equivalents, total Members'/shareholders' (deficit) equity and total capitalization by approximately $ million, assuming the assumed initial public offering price remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

In the table above, the number of shares of our Class A common stock outstanding as of December 31, 2020 on a pro forma as-adjusted basis excludes:

- shares of our Class A common stock reserved for future issuance as of , 2021 under our equity-based compensation plans, consisting of (i) shares of our Class A common stock reserved for future

issuance under the 2021 Plan, which will become effective on the day before the date of the effectiveness of the registration statement of which this prospectus forms a part, and (ii) shares of our Class A common stock reserved for future issuance under the ESPP, which will become effective on the date of the effectiveness of the registration statement of which this prospectus forms a part. The 2021 Plan and ESPP also provide for automatic annual increases in the number of shares reserved under the plans each year, as described in the section entitled "*Executive Compensation—Equity Compensation Plans and Other Benefit Plans*"; and

- shares of our Class A common stock that may be issuable upon exercise of the Members' rights to exchange their Class B Units.

UNAUDITED PRO FORMA COMBINED FINANCIAL DATA

The following unaudited pro forma combined financial information has been prepared in accordance with Article 11 of Regulation S-X as amended by the final rule, Release 33-10786 "Amendments to Financial Disclosures about Acquired and Disposed Businesses" (the "Final Rule"). The Final Rule became effective on January 1, 2021 and the unaudited pro forma combined financial information herein is presented in accordance therewith. The unaudited pro forma combined balance sheet has been adjusted to include transaction accounting adjustments, which reflect the application of the accounting required by GAAP, linking the effects of the events listed below to our historical financial statements. The unaudited pro forma income statement has been adjusted to include transaction accounting adjustments, which reflects the pro forma balance sheet adjustments assuming such adjustments were made as of the beginning of the fiscal year presented.

The unaudited combined financial information presents our financial position and results of operations after giving pro forma effect to:

(1) The Reorganization transactions described within the section entitled "*The Reorganization*," (not including this offering) as if such transactions occurred on June 30, 2021 for the unaudited pro forma combined balance sheet and on January 1, 2020 for the unaudited pro forma combined statements of operations;

(2) The effects of the Tax Receivable Agreement, as described within the section entitled "*Certain Relationships and Related-Party Transactions—Tax Receivable Agreement*";

(3) The provision for corporate income taxes on the income attributable to RGF, Inc. at a tax rate of %, inclusive of all U.S. federal, state, and local income taxes; and

(4) The offering and the application of the estimated net proceeds from this offering as described within the section entitled "*Use of Proceeds*."

The historical financial information of RGF, LLC was derived from the audited financial statements and unaudited interim financial statements of RGF, LLC as of year ended December 31, 2020 and for the six months ended June 30, 2021, respectively. RGF, Inc. was formed on June 2, 2021 and will have no material assets or results of operations prior to the consummation of this offering. Therefore, its historical financial information is not included in the unaudited pro forma combined financial information.

The unaudited pro forma combined balance sheet as of June 30, 2021 assumes that the Reorganization, together with the other transactions referred to in numbered items (1) through (4) above, occurred on June 30, 2021. The unaudited pro forma combined statement of operations for the year ended December 31, 2020 and the unaudited pro forma combined statement of operations for the six months ended June 30, 2021 present the pro forma effect of the Reorganization and the other transactions referred to in numbered items (1) through (4) above as they had occurred on January 1, 2020.

The unaudited pro forma combined financial information is included for informational purposes only and does not purport to reflect the results of operations or financial position of RGF, Inc. that would have occurred had the Reorganization occurred on the dates assumed. The unaudited pro forma combined financial information does not purport to be indicative of our results of operations or financial position had the Reorganization occurred on the dates assumed. The unaudited pro forma combined financial information also does not project our results of operations or financial position for any future period or date. In addition, the unaudited pro forma combined financial information does not reflect any cost savings, operating synergies, or revenue enhancements that may be achieved as a result of the Reorganization.

As a public company, we will implement additional procedures and processes for the purpose of addressing the standards and requirements applicable to public companies. We expect to incur additional annual expenses related to these steps including, among other things, additional directors' and officers' liability insurance, director fees, costs to comply with the reporting requirements of the SEC, transfer agent fees, hiring of additional accounting, legal and administrative personnel, and increased auditing and legal fees and similar expenses. Due to the scope and complexity of these activities, the amount of these costs could increase or decrease materially and would be based on subjective estimates and assumptions that could not be factually supported. We have not included any pro forma adjustments relating to these costs.

Prior to the consummation of this offering and the Reorganization transactions described within the section entitled "*The Reorganization*," RGF, LLC was owned entirely by its Members and operated its business through itself and no other entities. Project Clean, Inc. was incorporated as a Delaware corporation on June 2, 2021 to serve as the issuer of the Class A common stock offered in this offering and to acquire Class A Units of RGF, LLC. Project Clean, Inc. changed its name to The Real Good Food Company, Inc. on , 2021. Following the Reorganization, RGF, Inc. will be a holding company with no operations and the sole Managing Member of RGF, LLC, which will continue to operate the Company's business.

For purposes of the unaudited pro forma combined financial information presented in this prospectus, we have assumed that RGF, Inc. will receive net proceeds of approximately $ from the issuance and sale of shares of our Class A common stock at a price per share equal to the midpoint of the estimated price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by RGF, Inc. The unaudited pro forma combined financial information presented assumes no exercise by the underwriters of their option to purchase additional shares of our Class A common stock in this offering.

As described within the section entitled "*Certain Relationships and Related-Party Transactions—Tax Receivable Agreement*," in connection with the consummation of this offering, we will enter into the Tax Receivable Agreement with RGF, LLC that will provide for the payment by us to the Members of % of the amount of tax benefit, if any, that we actually realize (or in some cases are deemed to realize) as a result of (i) increases in tax basis resulting from the exchange of Class B Units of RGF, LLC owned by the Members for shares of our Class A common stock, (ii) increases (for tax purposes) to our depreciation and amortization tax deductions, and (iii) certain other tax benefits attributable to payments made under the Tax Receivable Agreement.

We expect to benefit from the remaining % of cash savings, if any, that we realize. As a result of the Reorganization, we expect to record a liability under the Tax Receivable Agreement of $ as described in more detail below. Due to the uncertainty in the amount and timing of future exchanges of Class B Units by the Members for shares of our Class A common stock, or redemption of such Class B Units, the unaudited pro forma combined financial information assumes that no future exchanges or redemptions of Class B Units have occurred and, therefore, no increases in tax basis in the RGF, LLC assets or other tax benefits that may be realized thereunder have been assumed in the unaudited pro forma combined financial information. However, if all of the Members were to exchange their Class B Units or such Class B Units were redeemed by us, we would recognize a deferred tax asset of approximately $ and a liability under the Tax Receivable Agreement of approximately $, assuming: (i) all exchanges or redemptions occurred on the same day, (ii) a price of $ per share of our Class A common stock (which is the midpoint of the price range set forth on the cover page of this prospectus), (iii) a constant corporate tax rate of %, (iv) we will have sufficient taxable income to fully utilize the tax benefits, and (v) no material changes in tax law. These amounts are estimates and have been prepared for illustrative purposes only. The actual amount of deferred tax assets and related liabilities that we will recognize will differ based on, among other things, the timing of the exchanges or redemptions, the price per share of our Class A common stock at the time of the exchange or redemption, and the tax rates then in effect.

The unaudited pro forma combined financial information should be read together with the sections entitled "*Basis of Presentation*," "*Capitalization*," "*Summary Financial and Other Data*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," the audited financial statements for the years ended December 31, 2019 and 2020, the unaudited interim combined financial statements for the six months ended June 30, 2021 of RGF, LLC, and related notes thereto included elsewhere in this prospectus.

The Real Good Food Company, Inc.

UNAUDITED PRO FORMA COMBINED BALANCE SHEET
As of June 30, 2021
(In thousands)

	AS OF JUNE 30, 2021	TRANSACTION ACCOUNTING ADJUSTMENTS-ORGANIZATION	TRANSACTION ACCOUNTING ADJUSTMENTS-OFFERING	PRO FORMA AS OF JUNE 30, 2021
Assets				
Current assets:				
Cash and cash equivalents	$ —	$ —	$ —(a) (c)	$ —
Accounts Receivable	—	—	—	—
Inventory	—	—	—	—
Prepaid slotting fees	—	—	—	—
Other current assets	—	—	—	—
Total current assets	—	—	—	—
Non-current assets:				
Property and equipment, net	—	—	—	—
Operating lease right of use assets	—	—	—	—
Other noncurrent assets	—	—	—	—
Deferred Loan Cost	—	—	—(c)	—
Total non-current assets	—	—	—	—
Total Assets	**$ —**	**$ —**	**$ —**	**$ —**
Liabilities and Stockholders' Equity				
Current liabilities:				
Accounts payable	—	—	—	—
Customer deposit liability	—	—	—	—
Operating lease liabilities	—	—	—	—
Finance lease liabilities	—	—	—	—
Accrued and other current liabilities	—	—	—(b)	—
Loan with related party	—	—	—	—
Current portion of long-term debt	—	—	—(c)	—
Total current liabilities	—	—	—	—
Non-current liabilities:				
Long-term debt	—	—	—(c)	—
Long-term operating lease liabilities	—	—	—	—
Long-term finance lease liabilities	—	—	—	—
Deferred tax liability	—	—(f)	—	—
Payable to related parties pursuant to the Tax Receivable	—	—(f)	—	—
Total non-current liabilities	—	—	—	—
Total Liabilities	**—**	**—**	**—**	**—**
Members' Equity (Deficit)				
Members' investment	—	—(g)	—	—
Class A common stock, $0.0001 par value	—	—	—(a) (d)	—
Class B common stock, $0.0001 par value	—	—(g)	—(b) (e)	—
Additional paid-in capital	—	—(i)	—(d) (e)	—
Noncontrolling interests	—	—(h)	—(e)	—
Accumulated deficit	—	—	—(c)	—
Total Members' Equity (Deficit)	**—**	**—**	**—**	**—**
Total Liabilities and Members' Equity (Deficit)	**$ —**	**$ —**	**$ —**	**$ —**

The Real Good Food Company, Inc.

UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS
For the six months ended June 30, 2021
(In thousands, except share and per share data)

	SIX MONTHS ENDED JUNE 30, 2021	TRANSACTION ACCOUNTING ADJUSTMENTS-OFFERING	TRANSACTION ACCOUNTING ADJUSTMENTS-ORGANIZATION	PRO FORMA CONSOLIDATED SIX MONTHS ENDED JUNE 30, 2021
Revenues				
Net Sales	$ —	$ —	$ —	$ —
Cost of Sales	—	—	—	$ —
Gross Profit	—	—	—	—
Operating Expenses				
Selling and Distribution	—	—	—	—
Marketing	—	—	—	—
Administrative	—	—	—(k)(l)	—
Total operating costs and expenses	—	—	—	—
Income (loss) from operations	—	—	—	—
Interest expense	—	—(j)(n)	—	—
Other expense	—	—	—	—
Income (loss) before income taxes	—	—	—	—
Income Tax Expense	—	—(m)	—(m)	—
Net income (loss)	—	—	—	—
Net income (loss) Attributable to Noncontrolling Interests	—	—(o)	—(o)	—
Net income (loss) Attributable to RGF, Inc.	—	—	—	—
Net loss per common unit (basic and diluted)	—			
Weighted-average common units outstanding (basic and diluted)	—			

The Real Good Food Company, Inc.

UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS
For the year ended December 31, 2020
(In thousands, except share and per share data)

	YEAR ENDED DECEMBER 31, 2020	TRANSACTION ACCOUNTING ADJUSTMENTS-OFFERING	TRANSACTION ACCOUNTING ADJUSTMENTS-ORGANIZATION	PRO FORMA COMBINED YEAR ENDED DECEMBER 31, 2020
Revenues				
Net Sales	$ 38,984	$ —	$ —	
Cost of Sales	36,306	—	—	
Gross Profit	2,678	—	—	
Operating Expenses				
Selling and Distribution	7,593	—	—	
Marketing	2,351	—	—	
Administrative	2,592	—	—(k)(l)	
Total operating costs and expenses	12,536	—	—	
Income (loss) from operations	(9,858)	—	—	
Interest expense	5,682	—(j)(n)	—	
Other expense	—	—	—	
Income (loss) before income taxes	(15,540)	—	—	
Income Tax Expense	(22)	—(m)	—(m)	
Net income (loss)	(15,562)	—	—	
Net income (loss) Attributable to Noncontrolling Interests	—	—(o)	—(o)	
Net income (loss) Attributable to RGF, Inc.	(15,562)	—	—	
Net loss per common unit (basic and diluted)	(258.82)			
Weighted-average common units outstanding (basic and diluted)	62,238			

NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

1. Description of the Reorganization

Offering and Reorganization

RGF, Inc., the issuer in this offering, was incorporated in connection with this offering to serve as a holding company that will hold the sole controlling interest in RGF, LLC as the Managing Member and own all of the Class A Units of RGF, LLC. RGF, Inc. has not engaged in any business or other activities other than those incidental to its formation, the Reorganization transactions described within the section entitled "*The Reorganization*" and the preparation of this prospectus and the registration statement of which this prospectus forms a part.

Effective as of the consummation of this offering, the existing operating agreement of RGF, LLC will be amended to, among other things: (i) appoint RGF, Inc. as the Managing Member of RGF, LLC, and (ii) replace the membership interests currently held by the Members such that (a) all of the Class A Units will be owned exclusively by RGF, Inc., (b) exchange existing profits interest awards for Class B Units and our Class B common stock in relation to the agreed upon value of such profits interest awards as determined by the unanimous written consent of all the Members and holders of profits interest units, and (c) all of the Class B Units will be owned exclusively by the Members in proportion to their percentage of ownership interests in RGF, LLC immediately prior to the consummation of this offering.

RGF, Inc. will use all of the net proceeds from this offering of our Class A common stock to acquire Class A Units from RGF, LLC at a purchase price per Class A Unit equal to the initial public offering price per share of our Class A common stock, less underwriting discounts and commissions.

RGF, Inc. will issue shares of our Class B common stock to the Members on a one-to-one basis with the number of Class B Units owned by such Members for nominal consideration. Holders of Class B common stock will have no economic interests in RGF, Inc. but will vote together with the holders of our Class A common stock as to all matters upon which votes of RGF, Inc. stockholders are required. Upon an exchange of Class B Units for shares of our Class A common stock by a Member, an equivalent amount of shares of our Class B common stock owned by such Member shall be canceled.

Following this offering, RGF, Inc. will remain a holding company, its principal asset will be the Class A Units of RGF, LLC, and it will control all of the business and affairs of RGF, LLC as the Managing Member, and it will consolidate the financial results of RGF, LLC.

For a description of the Reorganization and diagram depicting our structure after giving effect to the Reorganization and this offering, refer to the section entitled "*The Reorganization*."

2. Adjustments to Unaudited Pro Forma Combined Financial Information

Adjustments included in the unaudited pro forma combined balance sheet as of June 30, 2021 are as follows:

Adjustments Related to the Offering

a) Represents the net proceeds of approximately $ million based on an assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Additionally, the unaudited pro forma combined financial information presented assumes no exercise by the underwriters of their option to purchase additional shares of our Class A common stock in this offering.

b) We are deferring certain costs associated with this offering. These costs primarily represent legal, accounting, and other direct costs, and are recorded in other noncurrent assets on our unaudited pro forma combined balance sheet. Upon the consummation of this offering, these capitalized costs will be offset against the proceeds raised from this offering as a reduction of additional paid-in capital. There were initially $ thousand of deferred offering costs recorded as other noncurrent assets as of June 30, 2021, and $ thousand of additional deferred offering costs that were incurred and recorded in accrued and other current liabilities with a corresponding reduction to additional paid-in capital.

c) Represents the use of $ million of the proceeds from this offering to repay outstanding indebtedness to PPZ and PMC as will be determined prior to the consummation of this offering. Unamortized debt issuance costs and debt discount of $ and $ related to the indebtedness to PPZ, and PMC have been written off through accumulated deficit.

d) Represents the impact the conversion of outstanding convertible promissory notes issued pursuant to a Note Purchase Agreement dated May 7, 2021 in the aggregate principal amount of $35.0 million into an aggregate of shares of our Class A common stock, based on an assumed initial public offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, at a 20% discount to such offering price, immediately prior to the consummation of this offering.

e) Represents that holders of profits interests and membership units in RGF, LLC have been exchanged or converted into Class B Units and our Class B common stock pursuant to the Exchange Agreement and all holders of profits interest units and the Members. The Class B Units of RGF, LLC held by the Members will hold economic rights but are non-controlling interests.

Adjustments Related to the Reorganization

f) Prior to the consummation of this offering, RGF, Inc. will enter into the Tax Receivable Agreement. The Tax Receivable Agreement will be accounted for as a contingent liability, with amounts accrued when considered probable and reasonably estimable. The following are the deferred tax and Tax Receivable Agreement adjustments:

(i) We have recorded a pro forma deferred tax liability adjustment of $ thousand. The deferred tax liability includes (a) $ thousand related to temporary differences in the book basis as compared to the tax basis of RGF, Inc.'s investment in RGF, LLC, which is offset by (b) $ thousand related to tax benefits from future deductions attributable to payments under the Tax Receivable Agreement.

(ii) We have recorded a $ thousand liability based on RGF, Inc.'s estimate of the aggregate amount that it will pay RGF, LLC under the Tax Receivable Agreement as a result of the Reorganization.

(iii) We have recorded a net decrease to additional paid-in capital of $ thousand, which is equal to the total increase in deferred tax liability and the increase in liabilities due to existing owners under the Tax Receivable Agreement as a result of the Reorganization described within the section entitled "*The Reorganization*."

g) Represents the issuance of our Class B common stock to the Members for nominal consideration and a reclassification of the remaining balance of the members' investment to additional paid-in capital.

h) As a result of the Reorganization, the operating agreement of RGF, LLC will be amended and restated to, among other things, designate RGF, Inc. as the Managing Member of RGF, LLC. As the Managing Member, RGF, Inc. will exclusively operate and control the business and affairs of RGF, LLC, with its economic ownership reflected in Class A Units. The Class B Units of RGF, LLC held by the Members will hold economic rights and are considered non-controlling interests in the combined financial statements of RGF, Inc. The adjustment to non-controlling interest of $ reflects the proportional interest in the pro forma combined total equity of RGF, Inc. held by the Members.

i) The following table is a reconciliation of the adjustments impacting additional paid-in-capital:

	SIX MONTHS ENDED JUNE 30, 2021	
Net proceeds from offering of Class A common stock		(a)
Reclassification of costs incurred in this offering to additional paid in capital		(b)
Net adjustment from recognition of deferred tax asset and Tax Receivable Agreement liability		(f)
Issuance of Class B common stock to holders of Class B Units in RGF, LLC		(g)
Adjustment for non-controlling interest		(h)
Net additional paid-in capital pro forma adjustment		

Adjustments included in the unaudited pro forma combined statement of operations for the year ended December 31, 2020 and the six months ended June 30, 2021 are as follows:

Adjustments Related to the Offering and Reorganization

j) Reflects the reduction in interest expense of $ thousand and $ thousand for the year ended December 31, 2020 and $ million and $ million for the six months ended June 30, 2021, as a result of the repayment of all of the outstanding indebtedness to PPZ, LLC, as described within the section entitled "*Use of Proceeds*," as if such repayment occurred on January 1, 2020. Adjustment for the year ended December 31, 2020 is net of $ thousand in accelerated interest expense related to write-off of unamortized debt issuance costs and debt discount on the retired credit facilities.

k) Represents the impact of compensation to our board of directors, including (i) an annual cash retainer of $75.0 thousand payable to each non-employee director, and (ii) the initial vesting of RSUs that our board of directors have approved subject to the consummation this offering, based on an assumed initial offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus.

l) Reflects incremental compensation expense of $ thousand for the year ended December 31, 2020 and $ for the six months ended June 30, 2021 related to the achievement of certain performance conditions associated with profits interest units issued to a provider of marketing services and certain members of RGF, LLC management. The incremental compensation expense has been reflected as an increase to selling, general, and administrative within the unaudited pro forma combined statements of operations.

m) Following the Reorganization and the offering, RGF, Inc. will be subject to U.S. federal income taxes, in addition to state and local taxes. As a result, the pro forma combined statements of operations reflect an adjustment to our provision for corporate income taxes to reflect a pro forma tax rate, which includes a provision for U.S. federal income taxes and assumes the highest statutory rates apportioned to each state and local jurisdiction. RGF, LLC has been, and will continue to be, treated as a partnership for U.S. federal and state income tax purposes. As such, RGF, LLC's profits and losses will flow through to its partners, including RGF, Inc., and are generally not subject to tax at the RGF, LLC level.

n) Represents a reduction of $0.0 and $ thousand in interest expense for the year ended December 31, 2020 and six months ended June 30, 2021, respectively, related to the conversion of outstanding convertible promissory notes into shares of our Class A common stock, as discussed in (d).

o) Following the Reorganization and the consummation of this offering, RGF, Inc. will become the Managing Member of RGF, LLC, and will initially own approximately % of the economic interest in RGF, LLC through its ownership of Class A Units. The ownership percentage held by the non-controlling interests will be approximately %. Net income attributable to the non-controlling interests represents approximately % of net earnings before income taxes.

3. Loss per Share

The basic and diluted pro forma net loss per share of our common stock represents net loss attributable to RGF, Inc. divided by the combination of the shares of our Class A common stock held by existing stockholders and the shares of our Class A common stock issued in this offering, the proceeds of which are expected to equal $ million (based on the midpoint of the price range shown on the cover of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us). For additional information, refer to the section entitled "*Use of Proceeds*."

The outstanding shares of our Class B common stock are not considered participating securities as they have no right to receive dividends or a distribution on liquidation or winding up of RGF, Inc., and no earnings are allocable to such class. Accordingly, basic and diluted pro forma net loss per share of our Class B common stock has not been presented.

The tables below presents the computation of pro forma basic and dilutive loss per share of Class A common stock for RGF, Inc. for the year ended December 31, 2020 and the six months ended June 30, 2021 (in thousands, except share and per share amounts):

	YEAR ENDED DECEMBER 31, 2020
Numerator:	
Net loss	$ (15,562)
Loss allocated to non-controlling interests	
Net loss attributable to RGF, Inc.—Basic loss per share	$ (15,562)
Denominator:	
Weighted average common shares outstanding—Basic loss per share	
Denominator adjustments—Diluted loss per share	
Incremental common shares attributable to dilutive instruments (1)	
Assumed conversion of Class B Units to shares of Class A common stock (2)	
Weighted average common shares outstanding—Diluted loss per share	
Pro Forma Loss Per Share:	
Basic	$ —
Diluted	$ —

(1) For the year ended December 31, 2020, the dilutive effects of RGF, LLC's unvested profits interest units are not included in the computation of pro forma diluted loss per share as the effect would be anti-dilutive.

(2) The non-controlling interest holders have exchange rights that enable them to exchange their Class B Units for shares of our Class A common stock on a one-for-one basis. The non-controlling interest holders exchange rights cause the Class B Units to be considered potentially dilutive shares for purposes of pro forma dilutive loss per share calculations. For the year ended December 31, 2020, these exchange rights were not included in the computation of pro forma diluted loss per share as the effect would be anti-dilutive.

	SIX MONTHS ENDED JUNE 30, 2021
Numerator:	
Net loss	$ —
Loss allocated to non-controlling interests	
Net loss attributable to RGF, Inc.—Basic loss per share	$ —
Denominator:	
Weighted average common shares outstanding—Basic loss per share	
Denominator adjustments—Diluted loss per share	
Incremental common shares attributable to dilutive instruments (1)	
Assumed conversion of Class B Units to shares of our Class A common stock (2)	
Weighted average common shares outstanding—Diluted loss per share	
Pro Forma Loss Per Share:	
Basic	$ —
Diluted	$ —

(1) For the six months ended June 30, 2021, the dilutive effects of RGF, LLC's unvested profits interest units are not included in the computation of pro forma diluted loss per share as the effect would be anti-dilutive.

(2) The non-controlling interest holders have exchange rights that enable them to exchange their Class B Units for shares of our Class A common stock on a one-for-one basis. The non-controlling interest holders exchange rights cause the Class B Units to be considered potentially dilutive shares for purposes of pro forma dilutive loss per share calculations. For the year ended December 31, 2020, these exchange rights were not included in the computation of pro forma diluted loss per share as the effect would be anti-dilutive.

DILUTION

The Members will maintain their holdings of Class B Units in RGF, LLC after the Reorganization. Because the Members will not hold any of our Class A common stock immediately following the consummation of this offering or have any right to receive distributions from RGF, Inc., we have presented dilution in pro forma net tangible book value per share both before and after this offering assuming that all of the Members, as holders of Class B Units had their Class B Units exchanged for newly issued shares of our Class A common stock on a one-to-one basis (rather than for cash) and the cancelation for no consideration of all of their shares of our Class B common stock (which is not entitled to receive distributions or dividends, whether cash or stock, from RGF, Inc.) in order to more meaningfully present the potential dilutive impact on the investors in this offering. We refer to the assumed exchange of all Class B Units for shares of our Class A common stock as described in the previous sentence as the "Assumed Exchange."

If you invest in our Class A common stock in this offering, your interest will be diluted to the extent of the difference between the public offering price per share of our Class A common stock and the pro forma as-adjusted net tangible book value per share of our Class A common stock immediately following the consummation of this offering.

Pro forma net tangible book value per share of RGF, Inc. is determined by dividing our total tangible assets less our total liabilities by the number of shares of our Class A common stock outstanding, including the Assumed Exchange. RGF, LLC's historical net tangible book value as of December 31, 2020 was $ million, or $ per unit. After giving effect to the Reorganization, the Assumed Exchange, and the automatic conversion of all convertible promissory notes outstanding as of December 31, 2020 into an aggregate of shares of our Class A common stock, based on an assumed initial public offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, each of which will occur immediately prior to the consummation of this offering, our pro forma net tangible book value as of December 31, 2020 was $ million, or $ per share, based on the total number of shares of our Class A common stock deemed to be outstanding as of December 31, 2020.

After giving effect to our sale of shares of our Class A common stock in this offering at an assumed public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as-adjusted net tangible book value as of December 31, 2020 would have been approximately $ million, or approximately $ per share.

This represents an immediate increase in net tangible book value of $ per share to our existing stockholders, the Members, and an immediate dilution in pro forma net tangible book value of $ per share to new investors purchasing shares of our Class A common stock in this offering. The following table illustrates this dilution on a per share basis:

Assumed public offering price per share of our Class A common stock		$
Pro forma net tangible book value per share as of December 31, 2020	$	
Increase in pro forma net tangible book value per share attributable to new investors purchasing shares of our Class A common stock in this offering		
Increase in pro forma net tangible book value per share of our Class A common stock attributable to automatic conversion of all outstanding convertible promissory notes		
Pro forma as-adjusted net tangible book value per share of our Class A common stock to investors immediately following the consummation of this offering		
Dilution in pro forma net tangible book value per share of our Class A common stock to new investors purchasing shares of our Class A common stock in this offering		$

The dilution information discussed above is illustrative only and will change based on the actual initial public offering price and other terms of this offering determined at pricing.

Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, our pro forma as-adjusted net tangible book value per share after this offering by $ and dilution per share to new investors purchasing shares of our Class A common stock in this offering by $, assuming that the number of shares of our Class A common stock offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase of 1.0 million shares in the number of shares offered by us, as set forth on the cover page of this prospectus, would increase our pro forma as-adjusted net tangible book value per share of our Class A common stock after this offering by $ and decrease the dilution per share to new investors purchasing shares of our Class A common stock in this offering by $, assuming no change in the assumed initial public offering price per share and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. A decrease of 1.0 million shares in the number of shares of our Class A common stock offered by us, as set forth on the cover page of this prospectus, would decrease our pro forma as-adjusted net tangible book value per share after this offering by $ and increase the dilution per share to new investors purchasing shares of our Class A common stock in this offering by $, assuming no change in the assumed initial public offering price and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

If the underwriters exercise their option to purchase additional shares in full, our pro forma as adjusted net tangible book value per share after this offering would be $, representing an immediate increase in pro forma as-adjusted net tangible book value per share of $ to existing stockholders, the Members, and immediate dilution in pro forma as adjusted net tangible book value per share of $ to new investors purchasing shares of our Class A common stock in this offering, assuming an initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The following table presents, as of December 31, 2020, after giving effect to the Assumed Exchange and the sale by us of shares of our Class A common stock in this offering at the assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, the difference between the existing stockholders, the Members, and the investors purchasing shares of our Class A common stock in this offering, with respect to the number of shares of our Class A common stock purchased from us, the total consideration paid or to be paid to us, and the average price per share paid or to be paid to us, before deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

As the table shows, new investors purchasing shares of our Class A common stock in this offering will pay an average price per share substantially higher than our existing stockholders, the Members, paid.

	SHARES PURCHASED		TOTAL CONSIDERATION		WEIGHTED AVERAGE PRICE PER SHARE
(In thousands, except shares, per share amounts and percentages)	**NUMBER**	**PERCENT**	**AMOUNT**	**PERCENT**	
Existing stockholders before this offering (the Members)			$	%	$
New investors purchasing shares in this offering					
Total		%	$	%	

Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, the total consideration paid by new investors by $ million and, in the case of an increase, would increase the percentage of total consideration paid by new investors by percentage points and, in the case of a decrease, would decrease the percentage of total consideration paid by new investors by percentage points, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same. Similarly, each increase or decrease of 1.0 million shares in the number of shares

offered by us, as set forth on the cover page of this prospectus, would increase or decrease, as applicable, the total consideration paid by new investors by $ million and, in the case of an increase, would increase the percentage of total consideration paid by new investors by percentage points and, in the case of a decrease, would decrease the percentage of total consideration paid by new investors by percentage points, assuming no change in the assumed initial public offering price.

The table above assumes no exercise of the underwriters' option to purchase additional shares in this offering. If the underwriters exercise their option to purchase additional shares in full, the number of shares of our Class A common stock held by the existing stockholders, the Members, would be reduced to % of the total number of shares of our Class A common stock outstanding after this offering, and the number of shares of our Class A common stock held by new investors purchasing shares of our Class A common stock in this offering would be increased to % of the total number of shares of our Class A common stock outstanding after this offering.

The dilution information discussed above is illustrative only and will change based on the actual offering price, the number of shares we sell and other terms of this offering that will be determined at pricing.

The total number of shares of our Class A common stock reflected in the discussion and table above excludes (except to the extent of the options to be exercised in connection with this offering):

- shares of our Class A common stock reserved for future issuance as of , 2021 under our equity-based compensation plans, consisting of (i) shares of Class A common stock reserved for future issuance under the 2021 Plan, which will become effective on the day before the date of the effectiveness of the registration statement of which this prospectus forms a part, and (ii) shares of our Class A common stock reserved for future issuance under the ESPP, which will become effective on the date of the effectiveness of the registration statement of which this prospectus forms a part; and
- shares of our Class A common stock that may be issuable upon exercise of the Members' rights to exchange their Class B Units.

The 2021 Plan and ESPP also provide for automatic annual increases in the number of shares reserved under the plans each year, as described in the section entitled "*Executive Compensation—Equity Compensation Plans and Other Benefit Plans*." To the extent any outstanding options described above are exercised, new options are issued under our equity-based compensation plans, or we issue additional shares of our Class A common stock or other equity or convertible debt securities in the future, there will be further dilution to investors participating in this offering. If all of the outstanding options described above had been exercised as of December 31, 2020, the pro forma as-adjusted net tangible book value per share after this offering would be $, and dilution in net tangible book value per share to new investors would be $.

- the automatic conversion of all convertible promissory notes outstanding as of December 31, 2020 into an aggregate of shares of our Class A common stock, based on an assumed initial public offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, at a 20% discount to such offering price, immediately prior to the closing of this offering.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the section entitled "Summary Financial and Other Data," our audited financial statements, the accompanying notes, and the other financial information included within this prospectus. The following discussion below contains forward-looking statements that involve risks and uncertainties such as our plans, estimates, hopes, beliefs, intentions, and strategies regarding the future. Our actual results could differ materially from those in the forward-looking statements below. Factors that could cause or contribute to such differences in our actual results include, but are not limited to, those discussed below and in the sections entitled "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors." Our historical results are not necessarily indicative of the results that may be expected for any period in the future.

Overview

We are an innovative, high-growth, branded, health- and wellness-focused frozen food company. We develop, market, and manufacture delicious and convenient comfort foods designed to be high in protein, low in sugar, and made from gluten- and grain-free ingredients that are intended to be sold in the health and wellness ("H&W") segment of the frozen food category. Our brand commitment, "*Real Food You Feel Good About Eating*," represents our strong belief that, by eating our food, consumers can enjoy more of their favorite foods, and, by doing so, live better lives as part of a healthier lifestyle. Our mission is to make our craveable, nutritious foods accessible to everyone across the United States and, eventually, throughout the world. Our mission is important to us because we believe an increasing number of consumers are seeking to make healthier food choices, yet face limited options when it comes to the convenience of products found in the frozen food aisle.

Since our inception, we have focused on creating H&W products for the frozen food aisle, where we believe H&W brands are underrepresented compared to other categories. We compete in multiple large subcategories within the U.S. frozen food category, including frozen entrée and breakfast, which we consider our two core, strategic growth subcategories. According to SPINS, during the 52 weeks ended December 27, 2020, the two core subcategories in which we operate comprised 48% of the approximately $58 billion U.S. frozen food category excluding frozen and refrigerated meat. Currently, we sell comfort foods such as our bacon wrapped stuffed chicken, chicken enchiladas, grain-free cheesy bread breakfast sandwiches, and various entrée bowls. All of our products are prepared with our proprietary ingredient systems and recipes, allowing us to provide consumers with delicious meals designed to be high in protein, low in sugar, and gluten and grain free.

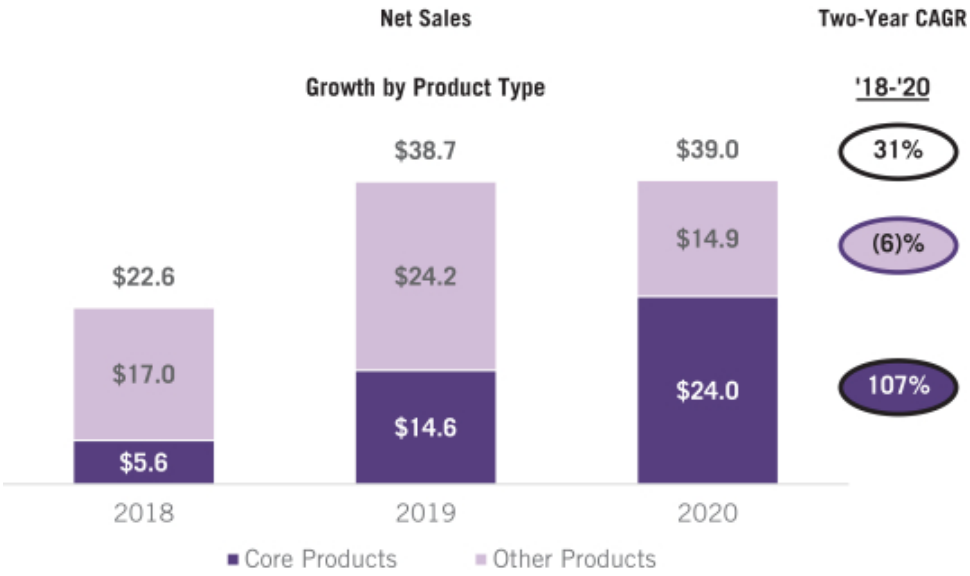
Our base ingredient systems, which include (i) chicken and parmesan cheese, and (ii) plant-based proteins and fibers, are composed of simple ingredients to which our consumers are accustomed. These ingredient systems are critical to our success because they are a large part of what makes our products craveable while allowing us to capture the macronutrient ratios favored by H&W consumers. To support these ingredient systems, we source widely available high-quality ingredients from a network of suppliers with whom we have strong relationships.

During the year ended December 31, 2020, substantially all of our products were manufactured at various facilities operated by our co-manufacturers. During the three months ended March 31, 2021, we took over operations at our U.S. Department of Agriculture-certified manufacturing facility located in City of Industry, California (our "City of Industry Facility"), which included leasing the facility, acquiring certain equipment and inventory, and hiring certain employees. The products we manufacture at our City of Industry Facility are certified by the Gluten-Free Certification Organization ("GFCO") to be labeled for sale as "gluten free." Operating our City of Industry Facility has allowed us to self-manufacture more than 70% of our products during June 2021. In the future, we plan to continue to increase the percentage of our self-manufactured products. We also expect we will continue to rely on our network of experienced co-manufacturers to produce the remaining portion our products as we seek to further expand our production capacity and execute our growth strategy.

Our branded products are sold to consumers through an increasing number of locations within retail channels, primarily in natural and conventional grocery, drug, club, and mass merchandise stores. During the years ended December 31, 2019 and 2020, Walmart, Kroger, and Costco collectively accounted for 66% and 57% our net sales,

respectively. These three customers individually accounted for approximately 28%, 17%, and 12% of our net sales during the year ended December 31, 2020, respectively. Historically, we have sold the vast majority of our products under our "Realgood Foods Co." brand. We also sell a limited number of private-label products to select retail customers.

The following chart sets forth our net sales from the years ended December 31, 2018 to December 31, 2020 for our products in our two core subcategories, frozen entrée, and frozen breakfast, and our other products in other subcategories such as frozen pizza and ice cream.



Our net sales information for the year ended December 31, 2018 is unaudited and our independent registered public accounting firm has not audited, reviewed, compiled, or performed any procedures on such 2018 information. Such 2018 information is based on management's internal estimates.

During the years ended December 31, 2018, 2019, and 2020, we had net sales of $22.6 million, $38.7 million, and $39.0 million, respectively. While our total net sales increased by 72.4% from the year ended December 31, 2018 to December 31, 2020, our core products' sales grew 327.5% during the same period. Our core products' growth was driven primarily by the success of our breakfast sandwiches and raw stuffed chicken entrées as well as an increase in distribution points during the period. During the year ended December 31, 2019, we also experienced growth in our other products, which slowed during the year ended December 31, 2020 as our frozen pizza products had relatively weaker sales owing primarily to declines in the pizza subcategory of the H&W industry as a whole, resulting in lower overall sales for our non-core products during the year ended December 31, 2020.

We have experienced net losses in every period since our inception. During the years ended December 31, 2019 and 2020, we incurred net losses of $14.2 million and $15.6 million, respectively. We anticipate our operating expenses and capital expenditures will increase substantially in the foreseeable future as we seek to grow our distribution footprint with our retail customers, increase the number of our customer relationships, develop additional base ingredient systems, introduce new products, expand our consumer community, hire additional employees, and invest in manufacturing capabilities.

We expect we will be able to execute our business strategy and achieve our mission by expanding our retail distribution, investing in our modern approach to grow our community, and leveraging our innovative product development capabilities to develop new base ingredient systems and expand our product offerings. We also believe the direct operation of our City of Industry Facility provides us with the opportunity to significantly expand production capacity, increase automation, improve gross margins, and enhance quality control processes. However, we cannot assure you that we will achieve profitability in the future or that, if we do become profitable, we will sustain profitability over any particular period of time.

Key Factors and Trends Impacting Our Business and Industry

We believe the growth of our business and our future success is dependent upon many factors. While the factors and trends described below present significant opportunities for us, they also pose important challenges that we must successfully address to enable us to sustain the growth of our business and improve our results of operations. These factors and trends in our business have driven fluctuations in net sales over the periods presented and are expected to be key drivers of our net sales growth for the foreseeable future.

Continued Expansion of and Penetration Within Our Retail Distribution Footprint

We expect H&W brand growth within the frozen food category to continue to outpace that of conventional brands for the foreseeable future. According to SPINS, during the 52 weeks ended December 27, 2020, the U.S. frozen food category excluding frozen and refrigerated meat generated retail sales of approximately $58 billion, with a two-year compound annual growth rate ("CAGR") of approximately 11%. Within this category, H&W brands generated approximately $9 billion in retail sales during the same period, with a two-year CAGR of approximately 15%. These H&W brands represented approximately 16% of frozen food category sales excluding frozen and refrigerated meat during the same period, or 16% "penetration," which is less than the 23% penetration of H&W brands within the grocery category, including all retail food and beverage sales. We expect H&W brand penetration to continue to increase in the frozen food category as consumers increasingly seek to make healthier food choices.

One of our goals is to become a leading H&W brand. In order to do so, we intend to leverage our strong relationships with prominent retail customers and to develop relationships with new customers and consumers. By focusing on developing innovative products and building brand equity, we believe we can achieve or exceed retail penetration levels similar to those of other leading H&W brands in the frozen food category. During the 12 weeks ended June 13, 2021, our branded products had an average of approximately 170 thousand "total distribution points" across the United States, in addition to Washington, DC and the Commonwealth of Puerto Rico. The term "total distribution points" is calculated as the sum of the number of stores selling each branded stock keeping unit ("SKU"). For perspective, leading H&W brands within the frozen food category achieved total distribution points in excess of 930 thousand during the same period.

We have experienced success increasing our distribution footprint and believe there is further opportunity for organic growth. For example, our total distribution points increased from an average of approximately 94 thousand during the 12 weeks ended December 30, 2018 to an average of approximately 170 thousand during the 12 weeks ended December 27, 2020, representing a two-year CAGR of approximately 34%. We believe we have been able to meaningfully increase our distribution in part because we represent an opportunity for retailers to drive traffic into their stores, grow their frozen food category, and drive their omni-channel growth efforts. Retailers tend to favor brands that bring new consumers to categories and, as such, we believe the incremental sales growth opportunity provided by our products has helped us grow our distribution and strengthen our relationships with retail customers. As an example, according to the 2021 Brand Switching Analysis we commissioned by SPINS, 90% of our sales gains in single-serve frozen breakfast entrée, 82% of our sales gains in single-serve frozen prepared poultry (with regards to our frozen chicken entrées), and 46% of our sales gains in single-serve frozen entrée bowls were a result of new consumers to these subcategories, or were "incremental" sales, for the 52 weeks ended February 7, 2021. We believe there is a significant opportunity for additional growth of our total distribution points within our established retail channels, including natural and conventional grocery, drug, club, and mass merchandise stores, by increasing our distribution footprint with our retail customers, increasing the number of our retail customer relationships, introducing new products, and expanding our consumer community.

Growing total distribution points is also a function of expanding our product offerings, and we have demonstrated our ability to achieve a strong presence in multiple subcategories within the frozen food category. However, there is significant white space to expand distribution of our products. During the four weeks ended June 13, 2021, our branded products had an average SKU-level all-commodity volume ("ACV") of 20%. The term "ACV" refers to the measurement of a product's distribution, weighted by the overall retail sales dollars attributable to the retail location distributing such product, where a retail location determined to have sold a product if at least one unit of the product was scanned for sale within the relevant time period. We believe we have the opportunity to significantly increase our ACV by executing on our growth strategy.

Expansion of Our Innovative Product Offerings

We are uncompromising on taste in our approach to product development, which we believe helps consumers meet their preferences for increasing protein intake while reducing carbohydrate, sugar, grain, and gluten intake. Our entrées, breakfast sandwiches, and other products are craveable while maintaining macronutrient ratios we believe are difficult to find within the frozen food category, even among other H&W brands.

Our primary strategic focus is growing our net sales in frozen entrée and breakfast, our core subcategories within the frozen food category, while maintaining a strong presence in multiple other subcategories of frozen food. We believe these subcategories offer significant opportunity to increase our penetration as an H&W brand. However, we see additional opportunities as an H&W brand in other frozen subcategories, in addition to other categories. Based on consumer feedback, we believe our brand has permission to extend into multiple adjacent food categories within and outside of frozen foods. We plan to invest in research and development to develop innovative and competitive products for those categories.

We also intend to expand our product portfolio by developing new base ingredient systems, creating new and innovative recipes, and improving our packaging, while maintaining a focus on macronutrient-balanced foods that have broad consumer appeal and are competitive among other H&W brands. We believe the commercialization of these products will require us to hire additional employees within our product design and commercialization team, thereby increasing our marketing expense, as well as research and development costs within our administrative expense. We anticipate our marketing expense and research and development costs will increase in absolute dollars and as a percentage of net sales in the short term.

Consumer Trends

We compete within the $170 billion U.S. H&W industry, as measured by SPINS during the 52 weeks ended June 13, 2021. SPINS defines the H&W industry to include natural, specialty, and wellness products. We see significant opportunity within this industry, which had a CAGR of 10.7% during the two years ended December 27, 2020, and where favorable consumer trends, such as a greater focus on healthy lifestyle and macronutrient content and increased consumption of meals at home, have led to growth of H&W brands within retail across multiple categories.

We believe an increasing number of consumers are seeking to make healthier food choices yet face limited options when it comes to the convenience of products found in the frozen food aisle. These consumers include the U.S. population seeking to reduce sugar in their diets, the U.S. population seeking to reduce their carbohydrate intake, the 42% of the adult U.S. population suffering from obesity, the 34.5% of the U.S. adult population with prediabetes, and the 13% of the adult U.S. population suffering from the health effects of diabetes. We believe the needs of these consumers are currently underserved, particularly by products in the frozen food aisle. While we believe our products are designed to provide alternatives for these consumers, we also believe our products have broad appeal due to our uncompromising approach to developing products suited to a wide base of consumer tastes and dietary preferences.

We believe preference for H&W brands, and specifically food products that are designed to be high protein with limited sugar, grain, and gluten, has not reached its peak. We believe our ability to attract the robust and growing consumer base seeking the macronutrient and nutritional content of our products will allow us to add distribution points with our retail customers and increase our net sales, which we believe will help us scale and increase our gross margin from sales of our products.

Growth of Our Team

As of June 30, 2021, we had approximately 260 full-time personnel, of whom approximately 200 were contract personnel working at our City of Industry Facility. Our remaining personnel work across various functional areas within our business, including manufacturing, sales, marketing, and administration.

We have significantly expanded our manufacturing, marketing, and accounting functions, as well as our executive team, to support our rapid growth, particularly since September 2020. Growing our manufacturing function has accounted for a majority of the increase in employee headcount over that period, as we scale our self-manufacturing capacity at our City of Industry Facility. Additionally, we have increased our sales and marketing headcount to support the growth of our business and have increased our accounting headcount in preparation for being a public reporting company.

We intend to further increase our manufacturing headcount over time as we experience net sales growth; however, in light of our expected investments in automation and production efficiency at our City of Industry Facility, we expect our manufacturing headcount related expenses to increase at a lower rate than net sales. We also expect to increase our headcount across various other functional areas as we expand our business operations, which could substantially increase our selling and distribution expense, marketing expense, and administrative expense. The anticipated increase in the size of our workforce may also require us to expand our current facilities or obtain new facilities, which will in turn necessitate additional capital expenditures and further increase our operational expense. However, while we expect to grow our headcount over time, we may experience challenges hiring and retaining a sufficient number of employees.

Ability to Leverage and Grow Our Digital Community

We believe our modern approach to engaging with our vast consumer community has been a key component of our success and driven the growth of our brand and distribution footprint. Further, we have leveraged our consumer community through RGF Labs, which is a targeted and diverse invitation-only subset of our consumers, as well as our e-commerce platform, to solicit feedback, which enables us to market our products with added confidence of their retail success. We continue to focus on our modern approach to marketing, targeting consumers within the health-conscious community and promoting products that are desirable based on current consumer preferences and diet and lifestyle choices. In future periods, we expect to significantly expand our marketing efforts to achieve greater brand awareness, increase consumer acquisition and retention rates, and increase market penetration, which we believe will collectively drive increases to net sales. We believe our marketing expense will increase both in absolute dollars and as a percentage of net sales as we continue to grow our social media following and enhance our digital marketing strategy.

Self-Manufacture of Our Products

During the three months ended March 31, 2021, we took over operations at our City of Industry Facility, which included leasing the facility, acquiring certain equipment and inventory, and hiring certain employees. Our City of Industry Facility contains four flexible production lines that are U.S. Food and Drug Administration (“FDA”) and U.S. Department of Agriculture (“USDA”) registered. In addition, the products we manufacture at our City of Industry Facility are certified by GFCO to be labeled for sale as “gluten free” (to 10ppm gluten or less), in accordance with the standards set by the GFCO, when bearing the GFCO-certification mark. For additional information regarding our acquisition of the City of Industry Facility, refer to our audited statement of assets acquired and liabilities assumed included elsewhere in this prospectus.

By streamlining operations throughout our City of Industry Facility, we believe we can continue to deliver quality products while improving our financial performance. Our City of Industry Facility has enabled us to self-manufacture more than 70% of our products during June 2021, thereby significantly reducing our reliance on co-manufacturers; substantially all of our products were prepared by our co-manufacturers during the same period in 2020. Our City of Industry Facility provides us with the opportunity to continue to expand our self-manufacturing capacity while improving production efficiencies. For example, we plan to implement our growth strategy by investing in new production lines, implementing new manufacturing automation technology designed to significantly increase productivity while reducing direct labor costs through the automation of certain manual labor tasks, and adopting a continuous improvement cost savings program that focuses on process improvements throughout our supply chain and manufacturing operations to mitigate costs. We are also in the process of implementing a new enterprise resource planning (“ERP”) system that will be used to manage our business, streamline operations, and provide additional opportunities to enhance operations at our facility, including through process automation.

We plan to continue to increase the percentage of our self-manufactured products, which would require additional investment in facilities, capital expenditures, and human capital expenditures. We believe these investments will not only allow us to expand our distribution footprint and product offerings, but also allow us to increase our gross profit margin. Our capital expenditure investments are likely to increase significantly as we increase and optimize our self-manufacturing capabilities. We also expect to incur additional costs in connection with implementing the ERP system. Further, our self-manufacturing workforce is largely variable and will grow as we scale our business and increase net sales, but we anticipate that human capital expenditures will be mitigated as we continue to invest in technology and automation to reduce manual labor tasks and improve efficiency. We expect our cost of goods sold will increase in absolute dollars but decrease as a percentage of net sales as we improve our product mix, increase our manufacturing output, and leverage plant overhead costs, thereby reducing per-unit costs.

E-Commerce Business

Although our e-commerce sales significantly over-index relative to our frozen food peers, we believe there is potential to increase our net sales through e-commerce. We sell a limited percentage of our products to consumers through “click-and-collect” e-commerce transactions, where consumers pick up their product at a retailer following an online sale, and traditional direct-to-consumer “deliver-to-me” e-commerce transactions through our own website and third-party websites. We manage our e-commerce business through various third-party websites and platforms in addition to our own, which have remained operational and experienced increased consumer traffic throughout the duration of the COVID-19 pandemic in 2020 in comparison to the year ended December 31, 2019.

We believe the key factors impacting the growth rate of our e-commerce business will include consumer demand for our products, shifting purchasing habits of consumers with respect to in-person retail sales channels, our ability to innovate to create new products and timely manufacture products at the quantities necessary, and the scope and duration of the COVID-19 pandemic. We believe there is significant opportunity to drive growth through our e-commerce channels by partnering with our retail customers to leverage their digital and physical infrastructure. As a result of changes in consumer purchasing behavior, as well as a shift in how consumers engage with brands, we intend to bolster our e-commerce capabilities, understanding that we may experience less e-commerce demand in the foreseeable future as a result of consumer purchasing habits preferring in-person shopping.

As our brand continues to amplify its audience with consumers, it has been critical to continue our development of our brand’s e-commerce engine and expansion of our digital marketing presence. Our e-commerce platform has continued to evolve as part of our digital marketing strategy and has become a strategic driver of our product development process through the launch of new products. We expect our marketing expense will increase in absolute dollars and increase as a percentage of net sales as we make additional investment in developing our e-commerce capabilities. We anticipate our e-commerce business will continue to be a driver of long-term growth, although the growth rate is unpredictable and may not be in line with our historical experience, particularly given the unusual market and consumer dynamics presented during the COVID-19 pandemic.

Indebtedness

Since our inception, we have financed our liquidity needs in part from borrowings made under various credit agreements and other forms of indebtedness, and continue to be subject to certain financial restrictions, operating covenants, and debt service requirements set forth in these agreements. During the six months ended June 30, 2021, we took certain actions designed to enhance our liquidity and improve our financial condition, including adopting cost-reduction measures, extending the maturity date of certain indebtedness, acquiring additional borrowing capacity, and issuing the convertible promissory notes with an aggregate principal amount of $35.0 million pursuant to a note purchase agreement with various investors. We believe that these actions, together with the net proceeds from the offering contemplated by this prospectus, will generate sufficient liquidity to fund our working capital requirements, pursue our business plan, and continue scaling our production capabilities and digital marketing strategy, which will help us effectively execute our growth strategy. However, there can be no assurance that we will be able to satisfy our debt payment obligations, including by generating sufficient cash flows from our operations or otherwise to satisfy our debt service, and it is possible that we may be required to divert funds identified for other purposes to satisfy such payment obligations, which could negatively impact our business and results of operations.

Impacts of the COVID-19 Pandemic on Our Business

Throughout the year ended December 31, 2020 and continuing through June 30, 2021, the COVID-19 pandemic spread globally, causing government intervention and changes in consumer behavior and resulting in business interruptions and closures, as well as travel bans and stay-at-home orders. These effects of the COVID-19 pandemic impacted the regions in which we operate our business and in which our suppliers, co-manufacturers, retail customers, and consumers are located. The overall impact of the COVID-19 pandemic continues to be highly uncertain and subject to change. Although certain governmental restrictions imposed as a result of the COVID-19 pandemic have begun to be lifted, given the global economic slowdown, the disruption of global supply chains and distribution systems, and other risks and uncertainties associated with the COVID-19 pandemic, our business, financial condition, results of operations, and growth prospects have been, and could continue to be, materially adversely affected. While we believe the impacts of the COVID-19 pandemic materially negatively impacted our net

sales and results of operations during the year ended December 31, 2020, we believe the actions we have taken to respond to the COVID-19 pandemic, combined with our strong brand and diversified product portfolio, position us to emerge from the pandemic poised for long-term growth. For additional information, refer to the risk factor captioned "*Pandemics, epidemics or disease outbreaks, such as COVID-19, may disrupt our business, including, among other things, consumption and trade patterns, supply chain, and production processes, each of which could materially and adversely affect our business, financial condition and results of operations*" in the section entitled "*Risk Factors*," and Note 1 to our audited financial statements located elsewhere in this prospectus.

Supply Chain Disruptions

We, our suppliers, and our co-manufacturers modified operations during the year ended December 31, 2020 and through the six months ended June 30, 2021 in response to the COVID-19 pandemic. Our suppliers and co-manufacturers operated at reduced hours and implemented social-distancing measures, which limited the number of personnel that could be working in their facilities at any given time. We also adopted and implemented social-distancing and safety practices at our City of Industry Facility. The measures we have all taken have resulted, and may continue to result, in increases to our short- and long-term cost of goods sold. If we or our business partners need to further modify operations in response to the COVID-19 pandemic, we expect our business, financial condition, and results of operations would be materially adversely affected.

During the year ended December 31, 2020, the original sublessor of our City of Industry Facility, one of our largest co-manufacturers during the period, experienced financial hardship such that it was not able to secure trade credit or working capital from its suppliers or lenders. As a result of these challenges, this co-manufacturer shut down its facility and was unable to fill our orders, which negatively impacted our ability to produce enough products to meet demand and resulted in lower net sales during the year ended December 31, 2020. We do not believe that any of our other co-manufacturers or suppliers closed their facilities or materially limited their operations in response to the impacts of the COVID-19 pandemic. However, our co-manufacturers and suppliers may in the future experience closures, operating limitations, or financial difficulties as a result of the ongoing impacts of the COVID-19 pandemic. For additional information on our manufacturing and facilities, refer to the section entitled "*Business—Facilities*."

In addition, we, along with our co-manufacturers and suppliers, have experienced, and continue to experience, labor shortages since March 2020, which we believe is a result of indirect impacts of the COVID-19 pandemic. The ability of our business partners to attract and retain employees may continue to result in disruptions to our supply chain and impact our net sales, cost of goods sold, and gross margin.

Shelf Reset Disruptions

During the year ended December 31, 2020, the impacts of the COVID-19 pandemic resulted in many of our retail customers canceling or postponing repurchase orders, or "shelf resets," to restock our products in their stores, which had a significant negative impact on our net sales. Many of these customers resumed regular shelf reset activity beginning in the three months ended June 30, 2021. We expect the resumption of shelf reset activity with our retail customers to result in an acceleration in our total distribution point growth in the second half of 2021.

Employee Health and Safety

The health and safety of our employees is our highest priority. Throughout the COVID-19 pandemic, we have remained operational as an "essential business" while focusing on safeguarding the well-being of our employees. In an effort to protect the health and safety of our employees, we have limited the number of employees on-site relative to our typical personnel capacity, adopted remote work and flexible scheduling policies, and implemented enhanced safety measures and protocols at our facilities in accordance with U.S. Department of Health and Human Services Centers for Disease Control and Prevention guidelines. Further, we have installed clear plastic barriers to separate employees and provided personal protective equipment to help ensure employee safety and limit potential exposure to COVID-19.

Operating Expense Reduction

To mitigate the adverse impacts the COVID-19 pandemic has had, or may have, on our business and operations, we have implemented a number of temporary measures to reduce our operating expenses and preserve liquidity, including restricting employee travel, canceling or postponing events, transitioning meetings with current and prospective customers to a virtual platform, suspending hiring of non-essential employees, eliminating or deferring discretionary expenditures, seeking payment accommodations or deferrals, and reducing ingredient, packaging, and

finished goods inventories. We also reduced our discretionary spending, including product promotions, marketing expense, and travel expense, lowering our marketing expense by 43% during the year ended December 31, 2020 compared to the year ended December 31, 2019. Additionally, we temporarily reduced our overall headcount across all departments, including marketing, accounting, and operations, by ten employees, or 40%, from March 2020 to August 2020. From August 2020 through June 2021, we increased our headcount by 45 employees.

Although such measures were implemented on a temporary basis, management continues to evaluate whether certain of these policies would be appropriate to extend. While these measures enabled us to preserve liquidity, we believe these temporary changes in operations had a negative impact on our ability to grow our net sales during the year ended December 31, 2020.

Paycheck Protection Program Loan

In May 2020, we received loan proceeds in the amount of $309.0 thousand under the Paycheck Protection Program ("PPP") from Carter Federal Credit Union (the "PPP Loan"), which we used for permitted general and corporate purposes. As of December 31, 2020, the outstanding balance on the PPP Loan was $309.0 thousand. The unforgiven portion of the PPP Loan, if any, is payable over two years at an interest rate of 1.0% per annum, with a payment deferral for the first six months, and fully repayable on May 9, 2022. For additional information, refer to the section entitled "*—Liquidity*."

Non-GAAP Financial Measure

In addition to our results determined in accordance with generally accepted accounting principles in the United States ("GAAP"), we believe that Adjusted EBITDA, a non-GAAP financial measure, is a useful performance measure and metric for investors to evaluate current trends in our operations and compare the ongoing operating performance of our business from period to period. In addition, management uses this non-GAAP financial measure to assess our operating performance and for internal planning purposes. We also believe this measure is widely used by investors, securities analysts, and other parties in evaluating companies in our industry as a measure of operational performance. However, the non-GAAP financial measure included in this prospectus has limitations and should not be considered in isolation, as a substitute for, or as superior to performance measures calculated in accordance with GAAP. Other companies may calculate this measure differently, or may not calculate it at all, which limits the usefulness of this measure as a comparative measure. Because of these limitations, we consider, and you should consider, Adjusted EBITDA with our other operating and financial performance measures presented in accordance with GAAP.

Adjusted EBITDA

Adjusted EBITDA increased $1.8 million to a loss of $6.4 million for the year ended December 31, 2020, compared to a loss of $8.2 million for the year ended December 31, 2019, primarily driven by a decrease in marketing expenses and, to a lesser extent, selling and distribution and administrative expenses. For additional information, including the definition and a reconciliation of Adjusted EBITDA to net income, the most directly comparable financial measure calculated and presented in accordance with GAAP, refer to the section entitled "*Summary Financial and Other Data—Non-GAAP Financial Measures*."

Components of Our Results of Operations

Net Sales

Our net sales are primarily derived from the sale of our products directly to our retail customers. Our products are sold to consumers through an increasing number of locations in retail channels, primarily in natural and conventional grocery, drug, club and mass merchandise stores. We sell a limited percentage of our products to consumers through "click-and-collect" e-commerce transactions, where consumers pick up their product at a retailer following an online sale, and traditional direct-to-consumer "deliver-to-me" e-commerce transactions through our own website and third-party websites.

Historically, we have sold the vast majority of our products under our "Realgood Foods Co." brand. We also sell a limited number of private label products to select retail customers.

We expect our net sales growth will be driven by a number of factors, including the following:

- increased penetration as an H&W brand within our existing retail channels, as well as expansion into other distribution channels;

- the impact of our marketing efforts as we continue to expand our consumer community, build our brand, and drive consumer adoption of our products, including through e-commerce channels;
- continued product innovation through our modern approach to our product development, including enhancing existing products and introducing new products in the frozen food category and adjacent categories that appeal to a broad range of consumers;
- sustained market share gain by H&W brands generally in the large and growing U.S. frozen food industry;
- consumer trends, including a greater focus on H&W, increased consumption of meals at home, and a preference for convenient H&W products; and
- our ability to increase manufacturing capacity to meet demand, including hiring a sufficient number of qualified manufacturing personnel and investing in technology to automate certain manual labor tasks.

We record net sales as gross sales net of discounts, allowances, coupons, slotting fees, and trade advertising that we offer our customers. Such amounts are estimated and recorded as a reduction in total gross sales in order to arrive at reported net sales. Our net sales are periodically influenced by the introduction and discontinuance of sales and promotion incentives. We anticipate that promotional activities will continue to impact our net sales, which will continue to impact period-over-period results.

Our three largest retail customers during the year ended December 31, 2020 were Walmart, Kroger, and Costco, and represented approximately 28%, 17%, and 12% of our net sales for the period, respectively. We believe our relationships with these prominent retailers have helped us increase consumer awareness of our brand and thereby enabled incremental sales within our category to new and existing customers. In addition, we do not have purchase commitments from or minimum volume requirements with any of our customers. The loss of any significant customer, or the reduction of purchasing levels from any such customer, may cause our net sales to fluctuate significantly from period to period. Our customer concentration also potentially exposes us to product concentration risk, as our significant customers may choose to only purchase and provide shelf space for a limited number of our products. For example, we have experienced some concentration of sales of our bacon wrapped stuffed chicken and enchiladas through one of our significant retail customers.

Our primary strategic focus is growing our net sales in the frozen entrée and breakfast subcategories within the frozen food category, while maintaining a strong presence in multiple other subcategories of frozen food. We do not charge the same price for the various products we offer across these subcategories and may introduce new products with price points that differ from our current products. We also sell our products in varying package sizes and through multiple retail channels. We do not charge the same price for our products on a per-ounce basis across package sizes, nor do we charge the same price for the same product across our distribution channels. Accordingly, the amount of net sales we recognize will vary from period to period depending on a number of factors, including the mix of products sold and the package sizes of such products, as well as the distribution channels through which the sales are made.

Gross Profit

Gross profit consists of our net sales less cost of goods sold. Our cost of goods sold primarily consists of the cost of ingredients for our products, direct and indirect labor cost, co-manufacturing fees, plant and equipment cost, other manufacturing overhead expense, and depreciation and amortization expense, as well as the cost of packaging our products.

Our gross profit margin is impacted by a number of factors, including changes in the cost of ingredients, cost and availability of labor, and factors impacting our ability to efficiently manufacture our products, including through investments in production capacity and automation.

We purchase large quantities of ingredients to manufacture our products, including food commodities such as poultry and dairy products. The price of these commodities is volatile and can change significantly based on a number of factors beyond our control, including consumer demand, harvesting decisions, incidence of disease, adverse weather conditions, natural disasters, and public sentiment. During the year ended December 31, 2020, the average prices for poultry and pork bellies (along with certain other ingredients we use in our products) were below their respective five-year averages and we realized some benefits from these lower prices in the form of reduced cost of goods sold and resulting higher gross profit margin. We intend to attempt to mitigate any adverse movement in ingredient costs through a combination of cost management and product price increases. However, if our mitigation strategies do not

eliminate increased costs, we may not be able to implement price increases for our products to cover some or all of the increased costs, and any price increases we do implement may result in lower sales volumes. In addition, if our input costs decline, we may be asked to pass along these reduced costs to our customers in the form of lower prices for our products. These potential increases in ingredient costs may adversely impact our gross profit.

Competition for qualified employees (including contract employees) is intense within our industry and the geographic regions in which we operate, and we have experienced challenges hiring and retaining employees. In addition, we have experienced upward pressure on wages, which we believe is due to competition for limited resources, increased mobility of the workforce, and government assistance relating to the COVID-19 pandemic. Any factors that cause fluctuations in our labor costs could have a material impact our cost of goods sold. In addition, labor shortages may impact our production capacity, which may have a negative impact on our gross profit.

During the year ended December 31, 2020, substantially all of our products were manufactured at various facilities operated by our co-manufacturers. However, we were able to self-manufacture more than 70% of our products at our City of Industry Facility during June 2021 and expect this percentage to increase over time. We believe our direct operation of our City of Industry Facility provides us with the opportunity to significantly expand manufacturing capacity by investing in additional production lines, hiring new employees and investing in automation. As our production capacity increases to meet demand for our products, we expect our gross profit margin to increase. However, there may be fluctuations in our gross profit margin from period to period as a result of a number of factors, including the timing of employee hiring decisions, the amount and timing of investments in manufacturing equipment, and the timing of product sales relative to investments in production capacity.

Operating Expenses

Selling and Distribution Expense

Our products are shipped from our and our co-manufacturers' facilities directly to customers' or to third-party logistics providers by truck and rail. Distribution expense includes third-party freight and warehousing costs, as well as salaries and wages, bonuses, and incentives for our distribution personnel. We expect our distribution expense in future periods to increase in absolute dollars, but to decrease as a percentage of net sales due to expected added operating efficiencies.

Our products are primarily sold through a network of food brokers and our own direct sales force. Selling expense includes salaries and wages, commissions, bonuses, and incentives for our sales personnel, broker fees, and sales-related travel and entertainment expenses. We expect our selling expense in future periods to increase in absolute dollars as we invest to support our growth.

Marketing Expense

Marketing expense includes salaries and wages for marketing personnel, website costs, advertising costs, costs associated with consumer promotions, influencer and promotional agreements, product samples and sales ads incurred to acquire new customers and consumers, retain existing customers and consumers, and build our brand awareness. Our marketing programs also include selective event sponsorships designed to increase brand awareness, and provide opportunities to sample branded products to consumers. Included in marketing expense are costs and fees relating to the execution of in-store product demonstrations, as well as costs associated with product promotions and coupons.

We expect to significantly expand our marketing efforts to achieve greater brand awareness, attract new customers and consumers, and increase market penetration. Our marketing expense has decreased as a percentage of our net sales in recent periods, due in part to the impacts of the COVID-19 pandemic, but we expect our marketing expense in future periods will increase, as measured in both absolute dollars and as a percentage of net sales, as we invest to support new product releases to drive greater brand awareness, and attract new retail customers and consumers to our products.

Administrative Expense

Administrative expense includes salaries, wages, and bonuses for our management and general administrative personnel, depreciation of non-manufacturing property and equipment, professional fees to service providers including accounting and legal, costs associated with the implementation and utilization of our new ERP system, insurance, and other operating expenses.

We continue to increase headcount, particularly in our management and finance departments, to support our continued growth and prepare us to be a public reporting company. We expect our administrative expenses to increase in absolute dollars as we incur increased costs related to the growth of our business and our operation as a public company with increased personnel cost in accounting, internet technology, and compliance-related teams. Further, our administrative expense is expected to increase with additions to our research and development team as we further develop our product portfolio.

Segment Overview

Our chief operating decision maker, who is our Chief Executive Officer, reviews financial information on an aggregate basis for purposes of allocating resources and evaluating financial performance, as well as for strategic operational decisions and managing the organization. For the years ended December 31, 2019 and 2020, we have determined that we have one operating segment and one reportable segment.

Results of Operations

The following table summarizes our statements of operations for the respective periods (in thousands):

	YEAR ENDED DECEMBER 31,	
	2019	2020
Net sales	$ 38,743	$ 38,984
Cost of goods sold	32,919	36,306
Gross profit	5,824	2,678
Operating expenses:		
Selling and distribution	8,025	7,593
Marketing	4,145	2,351
Administrative	2,409	2,592
Total operating expenses	14,579	12,536
Loss from operations	(8,755)	(9,858)
Interest expense	5,382	5,682
Other expense	51	—
Loss before income taxes	(14,188)	(15,540)
Income tax expense	—	(22)
Net loss	**$(14,188)**	**$(15,562)**

Comparison of the Years Ended December 31, 2019 and December 31, 2020

Net Sales

The following table sets forth our net sales during the years ended December 31, 2019 and 2020, respectively (dollar amounts in thousands):

	YEAR ENDED DECEMBER 31,			
	2019	2020	$ CHANGE	% CHANGE
Net sales	$38,743	$38,984	$241	0.6%

Net sales increased $0.2 million, or 0.6%, to $39.0 million during the year ended December 31, 2020 from $38.7 million during the year ended December 30, 2019. Our net sales growth was primarily driven by volume increases, as well as the addition of a new club channel customer in the three months ended December 31, 2020, partially offset by many of our retail customers canceling or postponing shelf resets to restock our products in their

stores, which we believe was due to the impacts of the COVID-19 pandemic. In addition, during the year ended December 31, 2020, the original sublessor of our City of Industry Facility, one of our largest co-manufacturers during the period, experienced financial hardship such that it was not able to secure trade credit or working capital from its suppliers or lenders, which we believe was a result of the COVID-19 pandemic. This co-manufacturer shut down its facility and was unable to fill our orders. These challenges negatively impacted our ability to produce enough products to meet demand and resulted in lower net sales growth than we anticipated during the year ended December 31, 2020.

Cost of Goods Sold

The following table sets forth our cost of goods sold during the years ended December 31, 2019 and 2020, respectively (dollar amounts in thousands):

	YEAR ENDED DECEMBER 31,			
	2019	2020	$ CHANGE	% CHANGE
Cost of goods sold	$32,919	$36,306	$ 3,387	10.3%
Percentage of net sales	85.0%	93.1%		

Cost of goods sold increased $3.4 million, or 10.3%, to $36.3 million during the year ended December 31, 2020, compared to $32.9 million during the year ended December 31, 2019, due primarily to our write-down of obsolete inventory following our initial establishment of an inventory reserve by new management to account for slow-moving and obsolete inventory. Prior to the year ended December 31, 2020, we did not account for this obsolete inventory. Additionally, idle capacity costs also contributed to the increase in cost of goods sold.

Gross Profit and Gross Margin

The following table sets forth our gross profit and gross margin during the years ended December 31, 2019 and 2020, respectively (dollar amounts in thousands):

	YEAR ENDED DECEMBER 31,			
	2019	2020	$ CHANGE	% CHANGE
Gross profit	$ 5,824	$2,678	$ (3,146)	(54.0)%
Gross margin	15.0%	6.9%		(54.3)%

Gross profit decreased $3.1 million, or 54.0%, to $2.7 million during the year ended December 31, 2020, compared to $5.8 million during the year ended December 31, 2019, due primarily to our write-down of obsolete inventory and establishment of our inventory reserve. In addition, lower than anticipated sales growth owing primarily to canceled shelf-resets, as well as supply chain disruptions arising out of the COVID-19 pandemic, including the shut-down of one of our largest co-manufacturing partners' facilities and our resulting inability to fill our orders and produce enough products to meet demands, negatively impacted our gross margin during the year ended December 31, 2020.

Operating Expenses

Selling and Distribution Expense

The following table sets forth our selling and distribution expense during the years ended December 31, 2019 and 2020, respectively (dollar amounts in thousands):

	YEAR ENDED DECEMBER 31,			
	2019	2020	$ CHANGE	% CHANGE
Selling and distribution	$ 8,025	$ 7,593	$ (432)	(5.4)%
Percentage of net sales	20.7%	19.5%		

Selling and distribution expense decreased $0.4 million, or 5.4%, to $7.6 million during the year ended December 31, 2020, compared to $8.0 million during the year ended December 31, 2019. This change was primarily driven by lower distribution expense owing to lower industry shipping rates and customer mix changes that favorably impacted shipping costs. Selling expense was relatively stable from period to period.

Selling and distribution expense as a percentage of net sales was 19.5% during the year ended December 31, 2020, compared to 20.7% during the year ended December 31, 2019. The decrease in selling and distribution expense as a percentage of net sales was primarily a result of a decrease in distribution expense as a percentage of net sales, which was driven by our targeted efforts to lower our distribution expense. We have implemented several strategies to lower our distribution costs, including optimizing inventory levels, maximizing truckload freight, and limiting our direct-to-consumer sales efforts.

Marketing Expense

The following table sets forth our marketing expense during the years ended December 31, 2019 and 2020, respectively (dollar amounts in thousands):

	YEAR ENDED DECEMBER 31,			
	2019	2020	$ CHANGE	% CHANGE
Marketing	$ 4,145	$2,351	$ (1,794)	(43.3)%
Percentage of net sales	10.7%	6.0%		

Marketing expense decreased $1.8 million, or 43.3%, to $2.4 million during the year ended December 31, 2020, compared to $4.1 million during the year ended December 31, 2019. Marketing expense as a percentage of net sales were 6.0% during the year ended December 31, 2020, compared to 10.7% during the year ended December 31, 2019. The decrease in marketing expense as a percentage of net sales was primarily a result of lower digital advertising spending and, to a lesser extent, lower personnel related expense as a result of downsizing our marketing team in response to the COVID-19 pandemic.

Administrative Expense

The following table sets forth our administrative expense during the years ended December 31, 2019 and 2020, respectively (dollar amounts in thousands):

	YEAR ENDED DECEMBER 31,			
	2019	2020	$ CHANGE	% CHANGE
Administrative	$2,409	$2,592	$ 183	7.6%
Percentage of net sales	6.2%	6.6%		

Administrative expense increased $0.2 million, or 7.6%, to $2.6 million during the year ended December 31, 2020, compared to $2.4 million during the year ended December 31, 2019. The increase was primarily due to an increase in headcount as we brought in a new management team to drive growth and prepare us for this offering. Administrative expense as a percentage of net sales were 6.6% during the year ended December 31, 2020, compared to 6.2% during the year ended December 31, 2019.

Interest Expense

The following table sets forth our interest expense during the years ended December 31, 2019 and 2020, respectively (dollar amounts in thousands):

	YEAR ENDED DECEMBER 31,			
	2019	2020	$ CHANGE	% CHANGE
Interest expense	$ 5,382	$ 5,682	$ 300	5.6%
Percentage of net sales	13.9%	14.6%		

Interest expense during the year ended December 31, 2020 increased $0.3 million, or 5.6%, to $5.7 million from $5.4 million during the year ended December 31, 2019, primarily due to additional interest expense incurred under our loan and security agreement, as amended (the "PMC Loan Agreement") with PMC Financial Services Group, LLC ("PMC"). Interest expense during the years ended December 31, 2019 and 2020 included amortization expense related to deferred loan and success fees in the amounts of $2.7 million and $1.1 million, respectively.

Liquidity and Capital Resources

We have experienced net losses in every period since our inception. In the years ended December 31, 2019 and 2020, we incurred net losses of $14.2 million and $15.6 million, respectively. As of December 31, 2019, we had $388.0 thousand in cash, aggregate current debt obligations of $1.3 million, and a working capital balance of $7.1 million. As of December 31, 2020, we had $28.0 thousand in cash, aggregate current debt obligations of $2.9 million, and a working capital balance of $3.4 million.

Since our inception, we have dedicated substantially all of our resources to the commercialization of our products, the development of our brand and social media presence, and the growth of our operational infrastructure. Historically, we have financed our operations primarily through issuances of equity and debt securities and borrowings under our credit agreements and, to a lesser extent, through sales of our products.

We anticipate our operating expenses and capital expenditures will increase substantially in the foreseeable future as we seek to attract new customers and consumers to our brand, develop and commercialize new products, expand shelf space for our products, invest in our distribution and manufacturing facilities, enhance our production capabilities, expand our marketing channels, and hire additional employees. Our future capital requirements will depend on many factors, including our ability to retain and expand sales of our products to our existing customers, our ability to attract new customers and consumers and the cost of acquiring these customers and consumers, our ability to commercialize new products, the introduction of competitive products, changes in customer and consumer preferences, and trends impacting the packaged food industry and the H&W industry. In addition, we may enter into arrangements to acquire or invest in complementary businesses or assets in the future.

Our ability to meet our capital requirements is dependent upon generating sufficient cash flows from operations or having sufficient access to equity financing or available borrowing capacity to pay operating expenses, meet working capital requirements, and make required debt-service payments. If our existing sources of liquidity are insufficient to satisfy our working capital requirements, we may seek to borrow under our credit facilities, seek new or modified borrowing arrangements, or sell additional securities. The sale of convertible debt or equity securities could result in dilution to our stockholders, and these equity securities may have rights or preferences that are superior to those of our stockholders. Our incurrence of additional indebtedness would result in additional debt-service obligations, as well as covenants that may further restrict our operations and encumber our assets. In addition, there can be no assurance that any additional financing will be available on acceptable terms, or at all.

Indebtedness

PMC Loan Agreement

In June 2016, RGF, LLC entered into the PMC Loan Agreement. As of December 31, 2020, the PMC Loan Agreement provided us with a $36.5 million line of credit, repayable on June 30, 2021 (the "PMC Revolver"), as well as a $2.0 million line of credit, which matures on March 31, 2025 (the "PMC CapEx Line"), and for which borrowings are restricted for use towards capital expenditures. The PMC Loan Agreement contains no financial covenants and is collateralized by our accounts receivable, inventory, equipment, deposit accounts, and general intangibles.

As of December 31, 2019 and 2020, we owed $23.2 million and $36.9 million, respectively, on the PMC Revolver, which included the unpaid loan balance and lender fees. Further, as of December 31, 2019 and 2020, we owed $1.7 million and $1.5 million, respectively, under the PMC CapEx Line. The outstanding balances on the PMC Revolver and the PMC CapEx Line bear interest at an annual rate equal to the greater of the prime rate announced by Wells Fargo Bank, N.A., or 3.5%, plus 8.5% per annum. On March 29, 2021, RGF, LLC entered into an amendment to the PMC Loan Agreement to extend the maturity date of the PMC Revolver from June 30, 2021 to January 31, 2023, excluding a $1.25 million fee, which we paid in June 2021.

On May 7, 2021, RGF, LLC issued convertible notes to various investors for a purchase price of $35.0 million, and used a portion of the proceeds to repay $34.1 million owed pursuant to the PMC Loan Agreement. Further, on June 30, 2021, RGF, LLC and PMC amended the PMC Loan Agreement to reduce the maximum revolver amount under the PMC Revolver from $36.5 million to $15.0 million. As a result, we had approximately $7.0 million of available borrowing capacity pursuant to the PMC Loan Agreement as of June 30, 2021.

For additional information regarding our issuance of convertible notes, refer to the section below entitled "*—2021 Notes*."

PPZ Notes

In February 2017, RGF, LLC issued a promissory note in the principal amount of $40.0 thousand to PPZ, LLC ("PPZ"), a Member of RGF, LLC (the "Initial PPZ Note"). The Initial PPZ Note bears interest at a simple rate of 8.0% per annum.

In June 2017, RGF, LLC and PPZ entered into loan and security agreements, as well as a promissory note secured by all of RGF, LLC's assets and subordinated only to existing and future indebtedness that we owe PMC, pursuant to which PPZ loaned us $400.0 thousand (the "2017 PPZ Note"). The 2017 PPZ Note bears interest at a simple rate of 9.0% per annum.

In October 2018, RGF, LLC and PPZ entered into a loan and security agreement, as well as a promissory note secured by all of RGF, LLC's assets and subordinated only to existing and future indebtedness we owe PMC, pursuant to which PPZ loaned us $500.0 thousand (the "2018 PPZ Note" and, collectively with the Initial PPZ Note and 2017 PPZ Note, the "PPZ Notes"). The 2018 PPZ Note bears interest at a simple rate of 9.0% per annum.

Each of the PPZ Notes matures on December 31, 2021.

For additional information regarding the PPZ Notes, refer to Note 8 to our audited financial statements included elsewhere in this prospectus.

Paycheck Protection Program Loan

On May 9, 2020, RGF, LLC received loan proceeds in the amount of $309.0 thousand under the PPP from Carter Federal Credit Union. The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act, provides for loans to qualifying businesses for amounts of up to 2.5 times the average monthly payroll expenses of the qualifying business. Under the terms of the PPP Loan, the entire amount of principal and accrued interest may be forgiven to the extent the borrower uses the proceeds for qualifying expenses as determined by the U.S. Small Business Administration ("SBA") under the PPP, including payroll, benefits, rent and utilities, and maintains its payroll levels.

As of December 31, 2020, the outstanding balance on the PPP Loan was $309.0 thousand. The unforgiven portion of the PPP Loan, if any, is payable over two years at an interest rate of 1.0% per annum, with a payment deferral for the first six months, and fully repayable on May 9, 2022.

We believe that we used the proceeds for purposes consistent with the PPP. In March 2021, RGF, LLC applied for forgiveness of the full $309 thousand principal amount and $3.6 thousand of accrued interest payable. As of June 30, 2021, this forgiveness application remained under review by the SBA and our lender.

2021 Notes

On May 7, 2021, RGF, LLC entered into a note purchase agreement ("2021 Notes") with various investors (the "Note Investors") pursuant to which the Note Investors purchased convertible promissory notes from RGF, LLC with an aggregate principal amount of $35.0 million, of which $34.1 million was used to repay amounts owed pursuant to the PMC Loan Agreement. The 2021 Notes bear an interest rate of 1.0% per annum compounded annually on the unpaid principal balance. The principal amount and any accrued and unpaid interest under the 2021 Notes is due on the first anniversary of the closing date.

According to the terms of the 2021 Notes, upon the occurrence of a Qualified Financing, the notes will convert into fully paid and non-assessable preferred units of RGF, LLC. A "Qualified Financing" is defined as a transaction or series of related transactions, conducted with the principal purpose of raising capital, pursuant to which RGF, LLC

issues and sells its preferred units (as may be adjusted for any security split, security dividend, combination, or other recapitalization or reclassification effected after May 7, 2021), with aggregate gross proceeds to RGF, LLC of at least $50.0 million (excluding all proceeds from the 2021 Notes and from any incurrence, conversion, or cancelation of other indebtedness or other securities converting into Units in the financing). The discount rate in connection with a Qualified Financing is 20.0%.

Further, pursuant to the terms of the 2021 Notes, the 2021 Notes will convert into common units of RGF, LLC upon the occurrence of a Qualified Public Transaction. A "Qualified Public Transaction" includes the closing of the issuance and sale of equity securities in RGF, LLC's first firmly underwritten public offering with gross proceeds to RGF, LLC of not less than $75.0 million pursuant to an effective registration statement under the Securities Act of 1933, as amended, and in connection with such offering, RGF, LLC's common units (as may be adjusted for any security split, security dividend, combination or other recapitalization or reclassification effected after May 7, 2021) are listed for trading on the Nasdaq Market ("Nasdaq") or the New York Stock Exchange. The discount rate in connection with a Qualified Public Transaction is 20.0%.

For further information regarding the 2021 Notes, refer to Notes 1 and 13 to our audited financial statements.

Management Actions to Enhance Liquidity and Capital Resources

Our financial statements as of December 31, 2019 and 2020 have been presented on the basis that we are a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. As a result, these financial statements do not include any adjustments that might result from the outcome of going concern uncertainty. In addition, the audit report rendered with respect to the financial statements is unqualified as to audit scope.

As of December 31, 2020, we had $28.0 thousand in cash, aggregate current debt obligations of $2.9 million, and a working capital balance of $3.4 million. Since our inception, we have experienced net losses in every period, and have financed our operations primarily through issuances of equity and debt securities and borrowings under our credit agreements and, to a lesser extent, through sales of our products. Given our liquidity constraints, as of December 31, 2020 there was substantial doubt about our ability to continue as a going concern. However, subsequent to December 31, 2020, in addition to pursuing this offering, we have taken a number of actions designed to enhance our liquidity and alleviate doubt regarding our ability to continue as a going concern, including reducing costs, extending the maturity date of certain existing indebtedness, and acquiring additional borrowing capacity.

Specifically, we have completed the following actions:

- On February 1, 2021, RGF, LLC and PPZ amended the PPZ Notes to extend the maturity dates of the notes to December 31, 2021.
- On March 29, 2021, RGF, LLC entered into an amendment to the PMC Loan Agreement to extend the maturity date of the PMC Revolver from June 30, 2021 to January 31, 2023, excluding a $1.25 million fee, which we paid in June 2021.
- During the three months ended March 31, 2021, RGF, LLC entered into a series of agreements pursuant to which it agreed to operate our City of Industry Facility, which included leasing the facility, acquiring certain equipment required to operate the facility and inventory located at the facility, and hiring certain employees. The transactions closed in March 2021. We believe that directly operating our City of Industry Facility will enable us to expand our production capacity, improve quality control, and enhance our gross margin.
- On May 7, 2021, RGF, LLC issued the 2021 Notes. We expect this offering will constitute a Qualified Public Transaction pursuant to the terms of the 2021 Notes, and that the 2021 Notes will convert in full in connection with the consummation of this offering. For additional information, refer to Note 8 to our audited financial statements contained elsewhere in this prospectus.
- We have also taken a number of other actions, including adopting a continuous improvement cost savings program that focuses on process improvements and strategic sourcing to mitigate supply chain costs, implementing a new ERP system to enable further cost efficiencies and improve inventory management, and accelerating capital expenditures to enable automation at our manufacturing facility and reduce labor costs, including through the purchase of machinery to automate certain manual labor tasks.

In the event a Qualified Public Transaction or a Qualified Financing does not occur prior to the maturity date of the 2021 Notes, our ability to continue as a going concern would be contingent upon our ability to repay the 2021 Notes or extend the maturity date of the 2021 Notes. While we believe that it is probable that the Note Investors would agree to extend the maturity date of the 2021 Notes if no Qualified Public Transaction or Qualified Financing has occurred, there can be no assurance this will occur. If the maturity date of the 2021 Notes is not extended, we would be required to repay or refinance the amount owed pursuant to the 2021 Notes. If we are unable to generate sufficient cash flows from operations to repay the 2021 Notes, we may need to seek to borrow additional funds, dispose of our assets, or reduce or delay capital expenditures. We may not be able to accomplish any of these alternatives on acceptable terms, or at all. The failure to generate sufficient cash flows from operations, or to accomplish any of these alternatives, could have a material adverse impact on our business.

If we are successful in consummating the offering contemplated by this prospectus, the net proceeds from the offering will generate additional liquidity to fund our working capital requirements and pursue our business plan. We believe that the offering will constitute a Qualified Public Transaction and, therefore, the 2021 Notes will convert into shares of our Class A common stock upon consummation of the offering. However, there can be no assurance that we will be successful in consummating the offering. Further, even if we are successful, we may be required to seek additional equity or debt financing in order to meet our future liquidity requirements and pursue our strategic objectives. If we are unable to raise additional capital when desired, or on terms that are acceptable to us, our business, operating results and financial condition could be adversely affected.

We expect to continue to incur operating losses for the foreseeable future due to the investments that we intend to make in our business and, as a result, we may require additional capital resources to grow our business. However, in light of the foregoing, and based on our current level of operations and business plans, we believe our cash and cash equivalents, cash flows from operating activities, available borrowings under our credit agreements and anticipated net proceeds from this offering will be sufficient to meet our liquidity requirements for at least the next 12 months.

Cash Flows

The following table summarizes our cash flows for the periods indicated (in thousands):

	YEAR ENDED DECEMBER 31,		
	2019	2020	CHANGE ($)
Net cash used in operating activities	$(10,916)	$(7,754)	$ 3,162
Net cash used in investing activities	(498)	(149)	349
Net cash provided by financing activities	11,661	7,543	(4,118)
Net increase (decrease) in cash and cash equivalents	$ 247	$ (360)	$ (607)
Cash and cash equivalents at beginning of period	$ 141	$ 388	
Cash and cash equivalents at end of period	$ 388	$ 28	

Net Cash Used in Operating Activities

Cash used in operating activities was $7.8 million during the year ended December 31, 2020, $3.2 million less than the year ended December 31, 2019. Cash used in operating activities decreased primarily due to improvements in working capital, which was a $1.9 million source of cash during the year ended December 31, 2020 compared to a $2.2 million use of cash during the year ended December 31, 2019. During the year ended December 31, 2019, cash used in operating activities was $10.9 million, due primarily to a net loss of $14.2 million and increases in working capital, partially offset by amortization of loan costs and non-cash interest expense.

Net Cash Used in Investing Activities

Net cash used in investing activities in the years ended December 31, 2019 and 2020 primarily relates to capital expenditures to support our growth and investment in property, equipment, and inventory.

Cash used for investing activities totaled $0.1 million during the year ended December 31, 2020, a decrease in investment of $349 thousand compared to the year ended December 31, 2019. The decrease was due to lower

capital expenditures. Cash used for investing activities totaled $0.5 million during the year ended December 31, 2019, which consisted primarily of capital expenditures.

Net Cash Provided by Financing Activities

Net cash provided by financing activities in the years ended December 31, 2019 and 2020 was primarily due to the net proceeds from our issuances of equity securities and borrowings under our credit agreements.

Cash provided by financing activities totaled $7.5 million during the year ended December 31, 2020, a decrease of $4.1 million compared to the year ended December 31, 2019. Cash provided by financing activities primarily included borrowing on the PMC Revolver to fund operations. The decrease in cash from financing activities was primarily driven by the decrease of $3.2 million in cash used in operating activities lessening the need for additional debt.

Cash provided by financing activities totaled $11.6 million during the year ended December 31, 2019, consisting primarily of borrowing on the PMC Revolver to fund operations and net proceeds from the sale and issuance of Series A preferred units of RGF, LLC.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

Seasonality

We experience mild seasonal earning characteristics, predominantly with products that experience lower sales volume in warm-weather months. For example, our bacon wrapped stuffed chicken experiences seasonal softness during months that consumers prefer to grill outdoors instead of preparing microwaveable meals. In addition, similar to other H&W brands, the highest percentage of our net sales tends to occur in the first and second quarters of the calendar year, when consumers are more likely to seek H&W brands. Further, certain of the ingredients we process, such as cauliflower and artichoke hearts, are agricultural crops with seasonal production cycles. These seasonal earning characteristics have not historically had a material impact on our net sales primarily due to the timing and strong growth of our total distribution points. The bulk of our distribution point gains are a function of retailer shelf-resets, which tend to occur during the third and fourth quarters of the calendar year, which helps to support year-round performance across our product offerings. As our business continues to grow, we expect the impact from seasonality to increase over time, with net sales growth occurring predominantly in the first and second quarters.

New Accounting Pronouncements

Refer to Note 2 to our audited financial statements included elsewhere in this prospectus for a detailed description of recent accounting pronouncements issued and adopted.

Critical Accounting Policies and Estimates

The financial information discussed in this "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" is based upon or derived from our audited financial statements, which have been prepared in conformity with GAAP. In preparing our financial statements, we are required to make judgments, estimates, and assumptions that affect the reported amounts of assets, liabilities, net sales, cost of sales and expenses, disclosure of contingent assets and liabilities, as well as related disclosures. We base the estimates, assumptions and judgments involved in the accounting policies described below on historical experience and on various other assumptions that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

We believe that the estimates, assumptions and judgments involved in the accounting policies described below have the greatest potential impact on our audited financial statements because they involve the most difficult, subjective or complex judgments about the effect of matters that are inherently uncertain. Therefore, we consider these to be our critical accounting policies. Accordingly, we evaluate our estimates and assumptions on an ongoing basis. Actual results may differ materially from these estimates. These estimates and assumptions include, but are not limited to, bad debt reserve, inventory costing including reserves, and net sales recognition including variable consideration for estimated reserves for discounts, incentives, and other allowances. For additional information, refer to Note 1 to our audited financial statements.

Net Sales Recognition

Our net sales are principally derived from selling our products to our customers. While our net sales recognition does not involve significant judgment, it represents an important accounting policy.

Net sales are recognized upon transfer of title and risk of inventory loss to our customers. The customer can direct the use and obtain substantially all of the remaining benefits from the asset at this point in time. Net sales are recognized in an amount that reflects the consideration we expect to ultimately receive in exchange for those promised products, net of expected discounts for sales promotions and customary allowances.

We offer sales promotions through various regional and national programs to our customers. These programs include in-store discounts, as well as product coupons offered directly to consumers, which may be redeemed at the point of sale. Customary allowances for early invoice payment and shrinkage are also applied by our customers. The costs associated with these programs are accounted for as variable consideration as defined under Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("ASC 606"), and are reductions to the transaction price of the products. Depending on the specific type of sales incentive and other promotional program, we use the expected value method to determine the variable consideration.

We review and update our estimates and related accruals of variable consideration each period based on the terms of our agreements, historical experience, and expected levels of performance of the trade promotion or other programs. Any uncertainties in the ultimate resolution of variable consideration due to factors outside our influence are typically resolved within a short timeframe, and therefore do not require additional constraint on the variable consideration. We also offer compensation to our customers for access to shelf space in stores, and associated payments are recognized as reductions to the transaction price received from the customer upon the sale of associated products.

Inventories

Inventories are stated at the lower of cost or net realizable value. We record sales and other reductions in inventory through cost of sales using the first-in, first-out method. The cost of finished goods inventories include ingredients, direct labor, freight-in for ingredients, and indirect production and overhead costs.

We monitor our inventories to identify any excess or obsolete items on hand. We write down our inventories for estimated excess and obsolescence in an amount equal to the difference between the cost of inventories and estimated net realizable value. These estimates are based on management's judgment about future demand and market conditions. Once established, these adjustments are considered permanent and are not revised until the related inventory is sold or disposed of.

Equity-Based Compensation

Prior to this offering, we have not granted any equity-based awards to our directors, officers, or employees. Accordingly, we have not historically incurred equity-based compensation expense for equity-based awards to our directors, officers, or employees. Profits interest units granted to certain officers were classified as liability awards and accounted for as performance bonuses in accordance with ASC Topic 710, *Compensation*, *General* ("ASC 710"). The accounting guidance requires management to assess whether, as of the end of each reporting period, payment of compensation pursuant to the awards is probable and whether it can be reasonably estimated. Because payment with respect to the profits interest units was not deemed probable or estimable as of December 31, 2020, no compensation expense was recognized for the profits interest units for the period ended December 31, 2020. For additional information, refer to Note 1 to our audited financial statements included elsewhere in this prospectus.

However, we expect to grant equity-based awards in the future, and to the extent that we do, we expect to recognize equity-based compensation expense in accordance with ASC Topic 718, *Stock Compensation* ("ASC 718"). We will measure equity-based compensation expense at the grant date for all equity-based awards made to directors, officers, and employees based on the grant date fair value of the awards, and recognize the expense on a straight-line basis over the requisite service period, which is generally the vesting period for the relevant award. We expect to recognize forfeitures of equity-based awards as incurred.

For restricted stock unit ("RSU") awards and restricted stock awards, we expect to calculate the grant date fair value of the awards based on the closing price of our Class A common stock on the grant date. For option awards, we

expect to estimate the grant date fair value using the Black-Scholes option pricing model, which requires the input of complex and subjective variables and the application of judgment. Determining the fair value of our stock options under this model will require us to make certain assumptions, including with respect to the fair value of the underlying Class A common stock, the expected volatility of the price of our Class A common stock, the risk-free interest rate, the expected term of the award, and the expected dividend yield of our Class A common stock. We will use our judgment in making these assumptions and, to the extent we make different assumptions, our equity-based compensation expense may materially differ.

In connection with this offering, our compensation committee recommended and our board of directors approved the grant of RSUs to certain of our officers upon the effectiveness of the registration statement of which this prospectus is a part. Consistent with our executive compensation philosophy, we expect additional equity-based awards will be issued to our directors, officers and employees in future periods. For additional information, refer to the section entitled "*Executive Compensation—Equity Awards*."

We may recognize significant equity-based compensation expense in future periods, which would have a negative impact on our operating results.

Contingent Consideration

In February 2018, RGF, LLC entered into a product placement agreement with Divario Ventures, LLC ("Divario"), a subsidiary of Albertsons Companies, Inc. ("Albertsons Companies"), pursuant to which RGF, LLC agreed to issue its common units to Divario (the "Divario Initial Equity") in exchange for the achievement and maintenance of specified distribution thresholds in retail locations operated by Albertsons Companies through October 31, 2020. Additionally, Divario may be entitled to additional common units (the "Divario Incentive Equity") as incentive awards upon achievement of specified annual sales targets with Albertsons Companies through October 31, 2021. In connection with the consummation of this offering, the sales achieved by Albertsons Companies will be annualized and the portion of the Divario Incentive Equity deemed to be earned at that time, if any, will be issued to Divario. Further, in connection with the Reorganization, the Divario Incentive Equity will be exchanged into Class B Units of RGF, LLC and shares of Class B common stock pursuant to an exchange that will be approved with the consent of Divario, the Company, and all the Members.

Because both the Divario Initial Equity and Divario Incentive Equity are considered consideration due to a customer under ASC 606, the grant date fair value of the awards, measured in accordance with ASC 718, is recognized in earnings as contra-revenue over the term of the slotting arrangements based upon the relative volume of gross sales to Albertsons Companies during each quarter for the duration of the agreement.

Emerging Growth Company Status

We are an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), which permits us to take advantage of specified reduced disclosure and reporting requirements that are otherwise applicable generally to public companies, including presenting only two years of audited financial statements in a registration statement for an initial public offering, reduced disclosure about our executive compensation arrangements, an exemption from the requirement to hold non-binding advisory votes on executive compensation, an exemption from the requirement to provide an auditor's report on internal controls over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, and an exemption from any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation. We have not elected to use the extended transition period for complying with new or revised accounting standards and the election to not use the extended transition period is irrevocable.

We may take advantage of these exemptions up until the last day of the fiscal year following the fifth anniversary of this offering or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company on the earliest of (i) the last day of the fiscal year in which we have more than $1.07 billion in annual revenue, (ii) the date we qualify as a "large accelerated filer," with more than $700.0 million in market value of our stock held by non-affiliates (and we have been a public company for at least 12 months and have filed one Annual Report on Form 10-K), or (iii) the date on which we have issued more than $1.0 billion of non-convertible debt securities over a three-year period. We have taken advantage of certain reduced reporting obligations in this prospectus. As a result, the information contained herein may be different than the information you receive from other public companies in which you hold stock.

Smaller Reporting Company Status

We are also a “smaller reporting company” under applicable Securities and Exchange Commission (“SEC”) rules, meaning that the market value of our Class A common stock held by non-affiliates plus the proposed aggregate amount of gross proceeds to us as a result of this offering is less than $700.0 million and our annual revenue was less than $100.0 million during the most recently completed fiscal year. We may continue to be a smaller reporting company after this offering if either (i) the market value of our stock held by non-affiliates is less than $250.0 million, or (ii) our annual revenue was less than $100.0 million during the most recently completed fiscal year and the market value of our stock held by non-affiliates is less than $700.0 million.

If we are a smaller reporting company at the time we cease to be an emerging growth company, we may continue to rely on exemptions from certain disclosure requirements that are available to smaller reporting companies. Specifically, as a smaller reporting company we may choose to present only the two most recent fiscal years of audited financial statements in our Annual Report on Form 10-K and, similar to emerging growth companies, smaller reporting companies have reduced disclosure obligations regarding executive compensation.

BUSINESS

Overview

Real Food You Feel Good About Eating

Real Good Foods is an innovative, high-growth, branded, H&W-focused frozen food company. We develop, market, and manufacture delicious and convenient comfort foods designed to be high in protein, low in sugar, and made from gluten- and grain-free ingredients that are intended to be sold in the H&W segment of the frozen food category. Our brand commitment, "*Real Food You Feel Good About Eating*," represents our strong belief that, by eating our food, consumers can enjoy more of their favorite foods and, by doing so, live better lives as part of a healthier lifestyle.

We are a mission-focused company. Our mission is to make our craveable, nutritious comfort foods accessible to everyone across the United States and, eventually, throughout the world. Our mission is important to us because we believe an increasing number of consumers are seeking to make healthier food choices, yet face limited options when it comes to the convenience of products found in the frozen food aisle. These consumers include the portion of the U.S. population seeking to reduce sugar in their diets, the portion of the U.S. population seeking to reduce their carbohydrate intake, the 13% of the U.S. adult population suffering from the health effects of diabetes, and the 42% of the adult U.S. population suffering from obesity. We believe our products provide alternatives for these consumers, and also have broad appeal due to our uncompromising approach to developing products suited to a wide range of consumer tastes and diet preferences.

We believe the nutritional content and quality of our products position us to compete directly within the $170 billion U.S. H&W industry, which includes natural, specialty, and wellness food products. Since our inception, we have focused on creating H&W products for the frozen food aisle, where we believe H&W brands are underrepresented compared to other categories. We also believe H&W branded products with our macronutrient composition are similarly underrepresented within the frozen food category.

We compete in multiple large subcategories within the U.S. frozen food category, including frozen entrée and breakfast, which we consider our two core, strategic growth subcategories. According to SPINS, during the 52 weeks ended December 27, 2020, the subcategories in which we operate comprised 48% of the approximately $58 billion U.S. frozen food category excluding frozen and refrigerated meat. Currently, we sell comfort foods within these subcategories such as our bacon wrapped stuffed chicken, chicken enchiladas, grain-free cheesy bread breakfast sandwiches, and various entrée bowls. Based on consumer feedback, we also believe our brand has permission to extend into multiple adjacent food categories within and outside of frozen.

All of our products are prepared with proprietary ingredient systems that allow us to provide consumers with delicious meals that are designed to be high in protein, low in sugar, and made with gluten- and grain-free ingredients. Our base ingredient systems, which include (i) chicken and parmesan cheese, and (ii) plant-based proteins and fibers, are composed of simple ingredients to which our consumers are accustomed. We believe these ingredient systems are critical to our success because they are a large part of what makes our products craveable while allowing us to capture the macronutrient ratios favored by H&W consumers. To support these ingredient systems, we source widely available, nutritious ingredients from a network of suppliers with whom we have strong relationships.

Historically, we have sold the vast majority of our products under our "Realgood Foods Co." brand. We also sell a limited number of private label products to select retail customers. Our branded products are sold to consumers through an increasing number of locations within retail channels, primarily in natural and conventional grocery, drug, club, and mass merchandise stores, including Walmart, Kroger, and Costco. During the 12-weeks ended June 13, 2021, our branded products had an average of approximately 170 thousand "total distribution points" across the United States, including Washington, DC and the Commonwealth of Puerto Rico. The term "total distribution points" is calculated as the sum of the number of stores selling each branded SKU. For perspective, leading H&W brands within the frozen food category achieved total distribution points in excess of 930 thousand during the same period. We expect to increase our retail distribution footprint by establishing new customer relationships, increasing sales of our products to our existing customers by driving incremental sales within their frozen food aisles, and continuing to

grow awareness and demand for our brand and product offerings. We also believe there is an opportunity to leverage our engaged consumer base to grow our e-commerce sales, which includes "click-and-collect" purchases by our consumers through our retail customers and, to a limited extent, direct-to-consumer sales through our website and third-party websites.

Our Strategic Advantages

We believe we are positioned to become a leading H&W brand within the frozen food category. Our strategic advantages are rooted in our mission-focused approach, craveable products, large and engaged consumer community, innovative product-development process, self-manufacturing capabilities, product positioning within our category, and management expertise.

We are a Mission-Focused Company

The purpose of our company is to fulfill our mission of making craveable, nutritious H&W foods accessible to consumers while taking an uncompromising approach to the creation of products that are delicious, convenient, and have broad appeal. We hope to create products that allow consumers to enjoy more of their favorite foods and, by doing so, live better lives as part of a healthier lifestyle. Significant portions of the U.S. population are seeking to make healthier lifestyle choices, which often starts with making better food choices. Our H&W-focused products are designed to address the needs of this large and growing population, while providing the convenience associated with frozen food products. Our mission drives our management team and employees every day and is foundational to our business. We believe we are well-positioned to accomplish our mission due to the taste and macronutrient ratios associated with our products, our innovative approach to product development, and our highly engaged consumer community.

Our Craveable Products Have Broad Appeal

We are uncompromising on taste in our approach to product development, which we believe helps consumers meet their preferences for increasing protein intake while reducing their intake of carbohydrates, sugar, grain, and gluten. Our entrées, bowls, breakfast sandwiches, enchiladas, and other products are delicious, while maintaining macronutrient ratios that are difficult to find within the frozen food category, even among other H&W brands. The following sets forth the carbohydrate and protein content of our products in comparison to our competitors' products:

	CARBOHYDRATES		PROTEIN	
COMPANY PRODUCT	GRAMS IN EACH SERVING OF OUR PRODUCT	GRAMS IN EACH SERVING OF COMPETITOR PRODUCT	GRAMS IN EACH SERVING OF OUR PRODUCT	GRAMS IN EACH SERVING OF COMPETITOR PRODUCT
Bacon Wrapped Stuffed Chicken	**3**	16	**32**	20
Chicken Enchiladas	**4**	36	**20**	21
Breakfast Sandwich	**4**	29	**18-20**	13
Lasagna Entrée Bowl	**11**	40	**32**	16

Our insistence on preserving taste while offering "*Real Food You Feel Good About Eating*" led us to invent our innovative base ingredient systems. While our base ingredient systems are composed of simple ingredients to which our consumers are accustomed, we use these ingredients in unique ways to mimic recipe components that are satiating, but typically higher in carbohydrates and lower in protein. These base ingredient systems are made of: (i) chicken and parmesan cheese, and (ii) plant-based protein and fibers. For example, we use thin, round slices of our innovative chicken and cheese "tortillas" within our enchiladas and use this same ingredient system to make our Italian-themed "pastas." We also use cauliflower and almond flour to create the cheesy, grain-free "buns" used in our breakfast sandwiches. These base ingredient systems are a key component of our ability to create products with broad appeal without losing the attention of the H&W consumer base we target.

Our Large Social Media Community is Highly Engaged

We have one of the largest social media followings of any brand within the frozen food category today, with approximately 365 thousand followers on Instagram and more than 500 thousand subscribers across all digital platforms as of

June 28, 2021. For comparison, we have more Instagram followers than: (i) all Nestle brands within the U.S. frozen food category combined (Sweet Earth, Outsiders, DiGiorno, Jack's, CPK frozen, Tombstone, Wild Scape, Hot Pockets, and Lean Cuisine), (ii) all Conagra brands within the frozen food category combined (Udi's, EVOL, Gardein, Healthy Choice, Bertolli, Glutino, Marie Callender's, Blake's, and Alexia), and (iii) the top seven H&W brands within the frozen food category in sales as of the 52 weeks ended May 16, 2021 combined (Amy's Kitchen, Applegate Farms, California Pizza Kitchen, InnovAsian Cuisine, Aidells, Michael Angelos, and Perdue). More importantly, we believe we have high engagement with our consumers relative to our peers; our average number of comments per post on Instagram exceeds any of the top seven H&W brands in our category by five times. We believe our ability to quickly build this robust community is due not only to our revolutionary products, but also to our modern approach to marketing. Instead of investing heavily in traditional marketing and advertising spend, we instead began building our brand by engaging our consumers and potential consumers in direct, authentic conversations through social media, SMS text, e-mail, and our website, and indirectly through influencers. Through this approach to community engagement, we are able to build brand trust and, in turn, loyalty, which efficiently draws new consumers to our brand, provides a forum for real-time feedback, and allows us to understand our diverse population of consumers more deeply. We also believe our extensive community engagement resonates with our retail customers, leading to additional shelf space and distribution points for our products. Our management team is passionate in its belief that our modern approach to engaging and building our community has been, and will continue to be, critical to our brand success.

We Have an Innovative Product-Development Process

We have launched most of our products in fewer than six months, and our consumer community is instrumental in our approach to product development. After our marketing team conceives of and formulates our product prototypes, we send them for in-home usage tests through what we refer to as "RGF Labs," which is a targeted and diverse invitation-only subset of our consumer community. We receive feedback from RGF Labs more quickly than we would through traditional product testing, and we are confident that the insights it provides are more helpful than provided by focus groups or consumer polling. Because we leverage this feedback to improve our prototypes prior to distributing our products, RGF Labs enables us to introduce new products with higher confidence of market acceptance. In addition, following a trial with RGF Labs, and prior to distribution within retail channels, we introduce our products directly to consumers on our website. This process provides us another opportunity to marry our products to our consumers' preferences, as our most avid consumers engage with our products through this channel and provide additional feedback. This disciplined approach to product development has resulted in a market acceptance rate higher than industry standard by the time our new products arrive in retail channels. As a result, we believe our concept-to-shelf product innovation is often more efficient and successful compared to conventional brands within our category.

Our Self-Manufacturing Capabilities Are a Strategic Advantage

The manufacture of our products requires a specialized process and purpose-built equipment to help ensure they have the macronutrient composition we strive to achieve while maintaining taste. Entering into agreements to operate our City of Industry Facility during the three months ended March 31, 2021 has enabled us to self-manufacture more than 70% of our products during June 2021, compared to none for the same period in 2020, thereby significantly reducing our reliance on co-manufacturers. Our City of Industry Facility presents an opportunity to create efficiencies in our manufacturing process and reduce labor costs, including through the purchase of machinery to automate certain manual labor tasks. We believe the facility also has the capacity to scale for additional potential sales upon future investments, including purchases of or upgrades to machinery, processing, and packaging equipment.

Our Frozen Food Category Positioning Provides Multiple Growth Opportunities

We are focused on our mission to make our H&W products convenient and accessible through multiple channels within the United States and, ultimately, throughout the world, and our strategy to achieve this begins with the growth of our brand within the frozen food category. We compete in the U.S. frozen food category excluding frozen and refrigerated meat. According to SPINS, during the 52 weeks ended December 27, 2020, the total U.S. frozen category excluding frozen and refrigerated meat, generated retail sales of approximately $58 billion. We see significant opportunity to address the unmet needs of H&W-focused consumers by offering our delicious H&W products within this category, given that many consumer tastes and preferences call for high protein and lower carbohydrate, sugar, grain, and gluten foods, which are not provided by most other H&W brands.

We believe we have obtained our current distribution points in part because we represent an opportunity for retailers to grow sales within their frozen food aisle. The convenience of our products appeals to H&W consumers seeking comfort foods they can prepare at home while maintaining their health goals, in addition to consumers looking for

delicious frozen food options. According to the 2021 Brand Switching Analysis we commissioned by SPINS, 90% of our sales gains in single-serve frozen breakfast entrée, 82% of our sales gains in single-serve frozen prepared poultry (with regards to our frozen chicken entrées), and 46% of our sales gains in single-serve frozen entrée bowls were a result of new consumers to these subcategories, or were "incremental" sales, for the 52 weeks ended February 7, 2021. Retailers tend to favor brands that bring new consumers to categories and, as such, we believe the incremental sales growth opportunity provided by our products has helped us grow our distribution and strengthen our relationships with our retail customers.

We Have a Proven Management Team

We are led by a management team with significant operational and merger and acquisition experience in the food industry, including with public companies. Bryan Freeman, our Executive Chairman, has over 26 years of experience in the frozen food category. Mr. Freeman served on the senior leadership team of AdvancePierre Foods through its initial public offering, as well as its sale to Tyson for a reported $4.2 billion. Gerard G. Law, our Chief Executive Officer, has over 29 years of experience as an operator within the frozen foods category, including previously as part of the senior leadership team at publicly traded J&J Snack Foods Corp. ("J&J Snack Foods"), where he managed 16 manufacturing facilities, oversaw multiple successful acquisitions, and had a team of approximately 4,200 employees reporting to him. Our Chief Financial Officer, Akshay Jagdale, has over 15 years of experience as a securities analyst within the food industry and has built an extensive network of industry contacts across our supply chain. Our management believes in the strength of our products and possesses the expertise required to scale our business.

Our Market Opportunity

We compete within the U.S. H&W industry, as measured by SPINS during the 52 weeks ended June 13, 2021. SPINS defines the H&W industry to include natural, specialty, and wellness products. We see significant opportunity within this industry, which, according to SPINS, had a two-year CAGR of 10.7% during the two years ended December 27, 2020, and where favorable consumer trends, including a greater focus on healthy lifestyle and macronutrient content, and increased consumption of meals at home, have led to growth of H&W brands within retail across multiple categories.

Since our inception, we have focused on creating H&W products for the frozen food aisle, where we believe H&W brands are underrepresented compared to other categories. According to SPINS, in the 52 weeks ended December 27, 2020, the total U.S. frozen food category excluding frozen and refrigerated meat generated retail sales of approximately $58 billion, with a two-year CAGR of approximately 11%. Within this category, H&W brands generated approximately $9 billion in sales during the same period, with a two-year CAGR of approximately 15%. These H&W brands represented approximately 16% of frozen food category sales excluding frozen and refrigerated meat, or 16% "penetration." By comparison, H&W brands in the broader grocery category, which includes all retail food and beverage sales, representing 23% penetration during the 52 weeks ended December 27, 2020. We believe our brand is positioned to not only increase its penetration as an H&W brand within the frozen food category, but also to drive H&W industry growth. Additionally, we believe our brand has an opportunity to extend into adjacent categories including grocery and refrigerated, which comprise the balance of the total H&W industry.

Our branded products are sold to consumers through an increasing number of locations in retail channels, primarily in natural and conventional grocery, drug, club, and mass merchandise stores, including Walmart, Kroger, and Costco, with an average ACV of approximately 20% during the four weeks ended June 13, 2021. The term "ACV" refers to the measurement of a product's distribution, weighted by the overall retail sales dollars attributable to the retail location distributing such product, where a retail location is determined to have sold a product if at least one unit of the product was scanned for sale within the relevant time period. We believe we have the opportunity to significantly increase our ACV by executing on our growth strategy.

Further, we have experienced success growing our distribution points by approximately 80% during the two years ended December 27, 2020 and believe there is significant opportunity for continued growth. For example, our total distribution points increased from approximately 94 thousand during the 12 weeks ended December 30, 2018 to approximately 170 thousand during the 12 weeks ended December 27, 2020, representing a two-year CAGR of approximately 34%. For perspective, leading H&W brands within the frozen food category achieved total distribution points in excess of 930 thousand during the 12 weeks ended June 13, 2021. We believe our innovative product offerings, strategic customer relationships, and community engagement efforts well position our Company to compete with such brands and continue accelerating our distribution point growth in future periods.

Our Growth Strategy

We believe we are well-positioned to grow our business and achieve our mission, including by expanding our retail distribution, investing in our modern approach to growing our community, leveraging our innovative product development capabilities, and investing in production capacity and automation.

Expand Our Retail Distribution

The large H&W consumer base seeking to increase their protein intake and reduce carbohydrates, sugar, gluten, and grain in their diets face limited options in the frozen food category. As consumers increasingly demand delicious, healthier frozen food alternatives, our brand has not only converted consumers from conventional frozen food brands, but also attracted new consumers to the frozen food category generally, driving incremental sales for our customers and supporting their omni-channel growth efforts. Retailers tend to favor brands that bring new consumers to categories, and we believe our ability to attract new H&W consumers to our customers' stores and online marketplaces presents a compelling opportunity for our customers to expand our existing shelf space. Further, as we continue to develop innovative products and build brand equity, we believe we can grow our distribution points and achieve penetration levels that rival those of leading H&W brands in the frozen food category. We intend to leverage our strong relationships with prominent retail customers and establish relationships with new customers and consumers to expand our product offerings, capture shelf space, and become a leading H&W brand.

Invest in Our Modern Approach to Grow Our Community

Authentic consumer relationships are core to our strategy as they drive brand loyalty, optimize our product development efforts, and introduce new consumers to our brand. We believe we have one of the largest social media followings of any brand within the frozen food category today with over 500 thousand subscribers across all digital platforms. We rely extensively on social media platforms such as Facebook, Instagram, Pinterest, and TikTok to strengthen brand loyalty and facilitate online collaboration with our community. Although we believe our social media presence and consumer engagement as an H&W brand is compelling, we see significant opportunity for brand growth. We plan to scale our efficient and modern approach to authentic community building by increasing our investment in sales and marketing and continuing our work with influencers and brand ambassadors aligned with our mission. Because both H&W and conventional brands within the frozen food category often take a traditional approach to marketing, we believe this strategy will allow us to outpace our competition. Further, we intend to leverage our consumer community to continue to grow our e-commerce sales, which includes "click-and-collect" e-commerce transactions where consumers pick up their product at a retailer following an online sale, as well as traditional direct-to-consumer "deliver-to-me" e-commerce transactions through our own website and third-party websites.

Leverage Innovative Product Development Capabilities

We believe our ability to deliver delicious comfort foods while simultaneously offering macronutrient ratios that support healthy lifestyles draws H&W consumers to our brand. Our products are the deliberate result of our innovative product development cycle, which starts with our proprietary base ingredient systems, and then assimilates our rapid prototyping capabilities with direct community feedback into the development process. We intend to innovate new base ingredient systems that will allow us to expand our product offerings of craveable comfort foods that meet the macronutrient ratios sought by our consumers. We also expect to continue to validate our product recipes prior to launch by investing in the expansion of our community feedback approach. We believe we can leverage our product development capabilities to rapidly expand our product offerings within the frozen food category. In addition, because we utilize direct community feedback to align our products with consumer preferences prior to launch, we believe we can continue to launch products that will have a higher likelihood of market acceptance than conventional brands.

While we have focused on developing our H&W products for the frozen food category, we also believe we have a significant opportunity to expand our product offerings into adjacent categories based on feedback we have received from our consumers and retail customers. We intend to explore opportunities to introduce our products to new categories by continuing to rely upon and invest in our innovative product development approach. To this end, we will also selectively consider acquisitions of businesses or assets, or other investments, that are aligned with our mission and enhance our growth and profitability.

Invest in Production Capacity and Automation

During June 2021, we self-manufactured more than 70% of our products at our City of Industry Facility. The manufacture of our products requires a specialized process and purpose-built equipment to ensure our products have the macronutrient composition we strive for while maintaining taste and quality. Our City of Industry Facility provides

us with the opportunity to continue to expand our self-manufacturing capacity while improving production efficiencies. For example, we plan to implement our growth strategy by investing in new production lines, employing new manufacturing automation technology designed to significantly increase productivity while reducing direct labor costs, and adopting a continuous improvement cost savings program that focuses on process improvement throughout our supply chain and manufacturing operations. By streamlining operations throughout our facility, we believe we can continue to deliver quality products while continuing to drive efficiencies across our operations and improve our financial performance. We are also in the process of implementing a new ERP system that we will use to manage our business and which we expect will enhance operations at our City of Industry Facility.

Our Products

We produce and sell, entrées, bowls, breakfast sandwiches, enchiladas, and other H&W products within the frozen food category. Our craveable products are offered in ready-to-heat and ready-to-cook formats for consumers to prepare. Our breakfast sandwiches and entrées are our core products and have been the chief drivers of our growth. All of our products are designed to be free of gluten-containing ingredients and added sugar, and to be higher in protein and lower in carbohydrates than their conventional equivalents. We are focused on making our products delicious, while ensuring they are balanced in macronutrients.

Breakfast Sandwiches

Our breakfast sandwiches have a delicious bun made with grain-free, gluten-free, and protein-rich ingredients, including cheese, almond flour, and eggs. We use this innovative bun to sandwich eggs, cheddar cheese, and a sausage, bacon, or turkey patty. Our breakfast sandwiches are designed to look and taste like traditional breakfast sandwiches but without wheat flour, grain, or other carbohydrate-dense ingredients. Each breakfast sandwich provides 18 to 20 grams of protein and four grams of carbohydrates per serving, compared to a similar breakfast sandwich produced by one of our conventional counterparts, which has 29 grams of carbohydrates and 13 grams of protein per serving.

Entrées

Bowls

Our entrée bowls are designed to have the satisfying taste of comfort food. For example, instead of using traditional wheat flour pasta, our lasagna bowl is made with layers of our chicken and parmesan pasta base, marinara sauce that we make with simple ingredients, and ricotta and mozzarella cheese. Our lasagna bowls contain 11 grams of carbohydrates and 32 grams of protein per serving, compared to a similar dish produced by one of our competitors, which has 40 grams of carbohydrates and 16 grams of protein per serving. We also produce over half a dozen other bowls, all of which are microwavable and convenient to prepare.

Enchiladas

Our enchiladas provide a macronutrient balanced, delicious sampling of Mexican food. Instead of carbohydrate-loaded wheat flour tortillas, we use thin, round slices of our innovative chicken and cheese “tortilla.” We roll freshly seasoned and cooked shredded chicken, pork, cheese, or beef into our “tortillas” and top them with our tomatillo verde sauce or roasted chili poblano red sauce. Our sauces are made using fresh produce. The result is a delicious enchilada with fewer than four grams of carbohydrates and 20 grams of protein per serving.

Bacon Wrapped Stuffed Chicken
Our bacon wrapped stuffed chicken is our modern take on a classic dish. We wrap our cheese-stuffed chicken with thick-cut bacon in lieu of the wheat-flour breading used by certain of our competitors, which can comprise up to one-third of their final product. Our product design results in a high-protein meal that is grain-free and gluten-free, and contains three grams of carbohydrates and 32 grams of protein. A conventional version of this dish has 16 grams of carbohydrates and 20 grams of protein per serving.

Other Frozen Food Items

To help fulfill our mission and delight our consumers, we provide macronutrient balanced foods for all eating occasions and times of day and offer products in multiple subcategories within the frozen food category. We believe that the variety of our product offerings increases brand engagement and awareness, grows consumer loyalty, and allows us to strategically meet evolving consumer preferences.

We believe that participating in high-impulse categories like ice cream, where consumers are more likely to switch from conventional brands, is an efficient marketing tactic that broadens our consumer base and increases engagement. For example, we launched a no-added sugar, extra-creamy, super-premium ice cream as a limited time “drop” on our e-commerce platform. The product delighted our community and led to one of our retail customers asking to carry the product. Today, this product is shelved in approximately 1,100 stores nationwide. We consider ice cream a “non-core” category.

Another example of a high-impulse category is the H&W frozen pizza subcategory, which is a large segment with consumers continually trying new items and discovering new brands. We use this category to funnel new consumers into our franchise. We expect our upcoming launch of pizza made with Beyond Meat ingredients will sell within our e-commerce sales channel, and in more than 1,000 retail stores in the three months ending September 30, 2021.

Finally, we participate in the snacks and appetizers subcategory with our bite-sized, breading-free chicken nuggets stuffed with cheese.

Motivated by our mission, our success, and our consumers' feedback, we continue to innovate and expand our product offerings to address growing demand for products that appeal to consumers with a preference for increasing their protein intake while reducing carbohydrates, sugar, grain, and gluten in their diets.

Our Innovative Approach to Product Development and Marketing

Product Ideation

We generate new product ideas by listening to product requests from our consumer community and retail customers. From there, our marketing team introduces a proposed product, which is then quickly validated by our cross-functional development team located at our City of Industry Facility. This team is composed of talent from our finance, culinary, food science, sales, manufacturing, and engineering teams. By having the product validation team located at our manufacturing facility we benefit from compressed development timelines. For example, during the year ended December 31, 2020, our bacon wrapped stuffed chicken was introduced to retail fewer than six months from its initial ideation.

Once a product is in development, our development and commercialization teams produce prototypes that are then run through a consumer validation process we call RGF Labs. RGF Labs is an invitation-only group from our consumer community. The consumers invited to be in RGF Labs are meant to represent all life stages and varying need and we believe they cover every segment of our consumer group. This includes people who are on restrictive diets, including the ketogenic diet or paleo, or are casual consumers of our products. We send prototypes, gather in-home-use tests, and improve products based on responses from RGF Labs. It is common to go through multiple prototypes and in-home-use tests on the same product to ensure it will delight the consumer. In addition to our focus on delivering breakthrough products, we also utilize our innovative approach to improve our existing products.

Our Supply Chain and Manufacturing Process

Our Supply Chain

We purchase large quantities of ingredients to manufacture our products, including food commodities such as poultry and dairy products. The price of these commodities is volatile and can change significantly based on a number of factors beyond our control, including consumer demand, harvesting decisions, incidence of disease, adverse weather conditions, natural disasters, and public sentiment.

Our base ingredient systems, which include (i) chicken and parmesan cheese, and (ii) plant-based proteins and fibers, are composed of quality ingredients to which consumers are accustomed. To support these ingredient systems, we source high-quality ingredients that are widely available from a network of suppliers with whom we have strong relationships.

Our Manufacturing and Packaging Process

Our products are manufactured at our City of Industry Facility and through our co-manufacturing partners located in Marietta, Georgia; Earth City, Missouri; and Nogales, Mexico. During June 2021, more than 70% of our products were self-manufactured, compared to a limited number during the year ended December 31, 2020.

Our City of Industry Facility contains four flexible production lines that are FDA and USDA registered. In addition, the products we manufacture at this facility are certified by the GFCO to be labeled for sale as "gluten free" (to 10ppm gluten or less), in accordance with the standards set by the GFCO, when bearing the GFCO certification mark.

Packing configurations available to us are significant and flexible. Configurations include shrink wrap, horizontal wrapping, vertical weighing and bagging, and cartoning.

Quality Control

We utilize a food safety and quality management program, which employs manufacturing procedures, expert technical knowledge of food safety science, employee training, ongoing process innovation, and both internal and independent auditing.

We and our co-manufacturing partners each have a food safety plan ("FSP") that focuses on preventing food safety risks and is designed to be compliant with the requirements set forth under the Food Safety Modernization Act ("FSMA"). In addition, each facility has at least one preventive controls qualified individual who has successfully completed training in the development and application of risk-based preventive controls at least equivalent to that received under a standardized curriculum recognized by the USDA and FDA.

Each of our and our co-manufacturer's facilities complies with the Global Food Safety Initiative. All facilities manufacturing our products are certified against a standard recognized by Safe Quality Food Institute. These standards are integrated food safety and quality management protocols designed specifically for the food sector and offer a comprehensive methodology to manage food safety and quality. Certification provides an independent and external validation that a product, process, or service is designed to comply with applicable regulations and standards.

In addition to third-party inspections of our manufacturing partners, we have instituted audits to address topics including allergen control; ingredient, packaging and product specifications; and sanitation. Under FSMA, our City of Industry Facility and co-manufacturers' facilities are required to have an FSP, a hazard analysis critical control plant plan, or a hazard analysis critical control points plan that identifies critical pathways for contaminants and mandates control measures that must be used to prevent, eliminate, or reduce relevant food-borne hazards.

Sales Channels and Product Distribution

Our branded products are sold to consumers through an increasing number of retail channels, primarily in natural and conventional grocery, drug, club, and mass merchandise stores. As of December 31, 2019 and 2020, Walmart, Kroger, and Costco collectively accounted for 66% and 57% of our net sales, respectively. Our branded products are also sold through our e-commerce sales channel, which includes "click-and-collect" purchases through our retail customers and, to a limited extent, direct-to-consumer sales through our website and third-party websites. We also sell a limited number of private label products to select retail customers.

We distribute the majority of our products directly to our customers from our City of Industry Facility, or from the facilities operated by our co-manufacturers located in Marietta, Georgia; Earth City, Missouri; and Nogales, Mexico. When we are not shipping directly to our customers from these facilities, we contract with several third-party warehousing and logistics vendors to handle the order fulfillment and delivery process. The third-party logistics providers receive our products at their locations and take responsibility for storing, picking and consolidating our products, and then shipping orders to our customers. Currently, we do not utilize internal software to track product shipments, although we leverage the systems of our logistics partners to manage our supply chain through retail distribution. However, we are in the process of implementing a new ERP system that we expect will assist us in managing and improving our product distribution processes.

Sales and Marketing

Sales

Our sales team is led by our Senior Vice President, Head of Sales. In addition to our sales team, we use an extensive network of brokers to service our customers. We do not use distributors.

Digital Marketing and Social Media

Our marketing department is led by our Chief Marketing Officer. We currently manage all of our marketing activities in-house and do not rely on agencies or third parties for such activities, which we believe enhances the consistency and strength of our brand messaging. Our marketing team is segmented into community managers, who engage with thousands of consumers every week to build relationships, educate them on our products, talk about our mission, and promote healthy lifestyles. We believe maintaining authentic conversations with our robust and engaged community will allow us to durably and efficiently grow our brand equity relative to our competitors.

We primarily engage with our community directly through social media, SMS text, and our website, and indirectly through influencers.

Social Media. We believe we have one of the largest social media followings of any brand within the frozen food category today with over 500 thousand subscribers across all digital platforms. We rely extensively on social media platforms such as Facebook, Instagram, Pinterest, and TikTok to strengthen brand loyalty and facilitate online collaboration with our community. These platforms allow us to directly and efficiently reach our target demographics, and facilitate authentic conversations with our consumers. Through our online community, we are currently able to garner approximately 1.8 million organic impressions every month.

A few examples of how we use social media to connect with our community are summarized below:

- ***Facebook***: We maintain a Facebook page, which we use to facilitate consumer services, distribute brand and product information, and publish videos and pictures promoting our brand. As of June 30, 2021, we had approximately 200 thousand Facebook followers.
- ***Instagram***: We maintain an active Instagram account, @realgoodfoods, which we use to regularly publish content related to our business and products in order to better engage with our consumers. As of June 30, 2021, we had approximately 365 thousand followers on Instagram. More important than the number of our followers, our community on Instagram is significantly more engaged than any other branded frozen food company in the United States. For comparison, our average number of comments per post exceeds any of the top seven H&W brands by five times.

SMS Text. As of June 30, 2021, we had over 210 thousand SMS text subscribers. We use this list to distribute brand and product information and to engage with our consumers. Communicating with consumers via SMS text message is a particularly effective tactic that allows us to personalize and geo-target our campaigns to tie to the store locations and area codes of the SMS Text subscriber.

Influencers. In lieu of focusing our resources on more traditional marketing spend, we have partnered with nano, micro and strategic influencers, with a broad social media reach, and encourage them to share their authentic impressions of our products. We believe this leads to greater brand loyalty and stronger conversion.

Website. We also maintain a registered domain website at www.realgoodfoods.com. Our website drew over 728 thousand visitors from June 30, 2020 to June 30, 2021 based on Google Analytics. Our website is used as a platform to promote our products, share recipes, highlight nutritional facts, and provide business updates. The information contained on or accessed through our website does not constitute part of this prospectus.

Our Competition

We are an H&W brand operating within the frozen food category, although we believe we compete with other conventional brands within the frozen food category. We operate in a highly competitive market with numerous brands and products competing for market share and limited shelf space from retail customers.

Within our category, we believe competition is primarily based on the following factors:

- product quality and taste;
- brand reputation, recognition, and loyalty;
- nutritional content and claims;
- product pricing;
- product variety;
- relationships with customers and access to retail shelf space; and
- advertising and marketing activity and social media presence.

While we believe we compete favorably with respect to each of these factors, there is no guarantee that we will be able to compete effectively against our current or future competitors. We compete with conventional packaged food companies such as Conagra Brands, Inc., Kraft Heinz Company, Nestle S.A., and Tyson Foods, Inc. We also compete with H&W brands such as Amy's Kitchen, Atkins, dr. Praeger's, EVOL, Quest Nutrition, and Saffron Road. Each of these companies, as well as our other competitors, may have greater financial and other resources, longer operating histories, a broader assortment of product offerings, products that are well-accepted in the marketplace, more established relationships with retailers, and greater brand visibility among consumers.

Our Culture and Human Capital

"Keeping it REAL"

We are a mission-focused company. We believe there is a better way to feed our future, and we are committed to producing *Real Food You Feel Good About Eating*. We believe that our company culture has been and will continue to be a key contributor to the fulfillment of this commitment. Our culture enables us to foster the creativity, teamwork, focus, and innovation we need to support our growth. Our employees drive our mission and share core

values that both stem from and define our culture, which plays an invaluable role in our execution at all levels within our organization, and contributes to our success and the continued growth of our business. Our shared core values focus on (i) trust and respect for each other, our customers, consumers, business partners, stockholders, and other constituents; (ii) relentless product innovation and continuous improvement; and (iii) a culture of transparency, accountability, and ownership, and collectively serve as the driving force behind how we work together, engage with our constituents and the communities in which we operate, and lay the groundwork for our future growth and success. We call this "*Keeping it REAL*."

Prior to the consummation of this offering, our board of directors will adopt a written code of business conduct and ethics, as well as other governance policies and practices, which will serve as a guide for our directors, officers, employees, and representatives in our daily interactions with our customers, consumers, business partners, stockholders, and other constituents. We will provide periodic training and educational materials to our directors and employees on these governance principles, which will help instill a commitment to ethical behavior and legal compliance.

Our Team

We value having talented people at every level of our business. As of June 30, 2021, we had approximately 260 full-time personnel. None of our employees is represented by a labor union. We have never experienced a labor-related work stoppage.

We contract with several professional employer organizations ("PEOs") that administer our human resources, payroll, and employee benefits functions for substantially all of our warehouse and production employees. Our PEOs recruit and select these contract employees to fulfill our hiring needs, and each of these employees is an employee of record of the relevant PEO. As of June 30, 2021, of our full-time personnel, approximately 200 are contract employees hired through our PEOs. The remaining approximately 60 personnel work across various functional areas within our business, including manufacturing, sales, marketing, and administration.

Our ability to execute our growth plan and achieve our strategic objectives depends in part upon our ability to attract, train, and retain a sufficient number of qualified employees (including contract personnel hired through PEOs), who can manage our business, oversee our manufacturing operations, and establish credibility with our customers, co-manufacturers, suppliers, and other business partners. We expect to make significant investments to hire additional employees to support the growth of our business. However, competition for qualified employees (including contract personnel) is intense within our industry and the geographic regions in which we operate, and we have experienced challenges hiring and retaining employees.

In an effort to attract and retain employees, we provide competitive employee wages that are consistent with employee positions, skill levels, experience, knowledge, and geographic location. We also offer our employees competitive time off, health, and welfare benefits, Company-paid holidays, recognition programs, and career-development opportunities. In addition, we focus on our employees' growth by creating experiences that align with our strategic priorities, and promote performance and opportunities for development.

The health and safety of our employees is our highest priority. During the ongoing COVID-19 pandemic, we have remained operational as an "essential business" while focusing on safeguarding the well-being of our employees. In an effort to protect the health and safety of our employees, we have limited the number of employees on-site relative to our typical personnel capacity, adopted remote work and flexible scheduling policies, and implemented enhanced safety measures and protocols at our facilities.

Facilities

We do not own any real property. Our principal executive office is located in Cherry Hill, New Jersey, where we lease approximately 5,800 square feet of office space under a lease agreement that expires in October 2026, subject to an option to extend the term of the lease for a successive five-year period. We primarily use this location for general office and administrative purposes.

We also operate our City of Industry Facility, which is a 45,000 square foot facility that we lease pursuant to a transfer agreement entered into on January 4, 2021. In connection with the lease, we took possession of certain

equipment and inventory located on the premises. In addition, on February 16, 2021, we entered into a purchase agreement with PMC pursuant to which we purchased certain equipment and inventory required to operate our City of Industry Facility. These agreements collectively reflect our acquisition of the co-manufacturing business belonging to one of our former co-manufacturers, which closed on March 31, 2021. Our City of Industry Facility lease expires on June 30, 2024, with an option to extend the lease for a successive five-year period.

In addition to our principal executive office and food manufacturing facility, we lease a 19,500 square foot industrial building in La Verne, California, which we use as a warehouse for packaging and distributing our products, as well as for office and administrative purposes. This lease expires on March 31, 2026, with an option to extend the lease for a successive five-year period.

We believe that these facilities are sufficient to meet our current needs. We intend to expand our facilities or add new facilities as we grow, and we believe that suitable additional space will be available as needed to accommodate expansion of our operations.

Trademarks and Other Intellectual Property

To establish and protect our proprietary rights, we rely on a combination of copyright, trademark, trade dress, and trade secret laws, as well as confidentiality agreements and other contractual restrictions. We do not own any registered patents.

Our intellectual property is a strategically important component of our business. In particular, we believe that our trademarks are valuable assets that reinforce the distinctiveness of our brand to consumers, are critical to maintaining and improving our competitive position, and are an important aspect of building brand equity. As such, we consider “The Real Good Food Company” name and our “Realgood Foods Co.” logo trademarks to be among our most valuable intellectual property assets. We also believe that having distinctive marks that are readily identifiable on our products is an important factor in continuing to build our brand and distinguish our products. Accordingly, our products are marketed and sold uniformly using the term “Realgood.” We have registered trademarks identifying our most popular products, including Realgood Enchiladas, Realgood Stuffed Chicken, Realgood Entrée Bowls, and Realgood Breakfast Sandwiches, among others. We expect to continue to invest in our trademark portfolio as we introduce new products and seek to build and protect our brand.

As of June 30, 2021, we owned 15 U.S. trademark registrations, had three pending U.S. trademark applications, owned two foreign trademark registrations, and had two pending foreign trademark applications. Further, we have a registered domain name, www.realgoodfoods.com. The information contained on or accessed through our website does not constitute part of this prospectus.

We also rely on unpatented proprietary expertise, food recipes, and formulations, as well as other trade secrets and copyright protection, to maintain and improve our competitive position. We treat the confidential specifics of our marketing, promotions, and products as trade secrets, and information we work to keep confidential. In addition, we treat our proprietary information related to recipe formulas, processes, know-how, and methods used in our production and manufacturing as trade secrets, and information we work to keep confidential. We have taken reasonable measures to keep each of these items, as well as our business and marketing plans, customer lists, and contracts, reasonably protected and secure.

While there is no active litigation involving any of our trademarks or other intellectual property rights, we may be required to enforce or defend our intellectual property rights against third parties in the future. For additional information regarding these and other risks related to our intellectual property portfolio and their potential effect on us, refer to the section entitled “*Risk Factors—Risks Related to Our Intellectual Property, Information Technology, and Privacy*.”

Security, Privacy, and Data Protection

The regulatory environment surrounding information security and privacy is demanding, with the frequent imposition of new and changing requirements across our business. Various federal, state, and foreign legislative and regulatory bodies may expand current laws or regulations, enact new laws or regulations, or issue revised rules or guidance

regarding privacy, data protection, information security, and consumer protection. We must comply with increasingly complex and rigorous laws and regulations regarding privacy and the collection, storage, use, processing, transfer, transmission, disclosure, and protection of personal and other data, which require us, among other things, to maintain reasonable and appropriate data security measures and to provide timely notice to individuals and regulators in the event that such personal information is compromised.

Earning and maintaining the trust of our customers, consumers, supply chain partners, employees, and securityholders is critical to the success and growth of our business, and we take significant measures to protect the privacy and security of their personal data and to comply with applicable laws. We have established and maintain an information security program, which is aligned with applicable standards and regulations, including PCI-DSS. In November 2020, California voters passed the California Privacy Rights Act (“CPRA”), which will become fully effective on January 1, 2023. The CPRA imposes additional data privacy compliance requirements on companies covered by the legislation, including the expansion of consumers’ rights with respect to certain sensitive personal information, which may impact our business. The CPRA also establishes a new regulatory agency dedicated to enforcing the requirements of the California Consumer Privacy Act (“CCPA”) and CPRA. The effects of the CCPA and CPRA may require us to materially modify our data processing practices and policies and to incur substantial compliance-related costs and expenses. We must also comply with laws on advertising, including the Telephone Consumer Protection Act (“TCPA”) the Telemarketing Sales Rule, and Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (“CAN-SPAM Act”).

Our team of professionals works to identify and mitigate risks, implement best practices, and continue to evaluate ways to improve our information security. These steps include data encryption in transit and at rest, network security, limiting and authorizing access controls, and multi-factor authentication for access to systems with data. We also employ regular system monitoring, logging, and alerting to retain and analyze the security state of our corporate and production infrastructure. In addition, we take appropriate steps to help ensure that appropriate security measures are maintained by the third-party vendors we use, including by conducting security reviews.

Government Regulation

The food industry is highly regulated. We, our co-manufacturers, and our suppliers are subject to extensive laws and regulations in the United States by federal, state, and local government authorities, or by federal, state, and local government authorities in other jurisdictions where they are located. These laws and regulations apply to many aspects of our business, including the manufacture, packaging, labeling, distribution, advertising, sale, quality, and safety of our products, as well as the health and safety of our employees and the protection of the environment.

Our business is subject to extensive regulation by the FDA, USDA, and the U.S. Federal Trade Commission (“FTC”), and other federal, state, and local authorities in the United States, and any other jurisdictions in which we may manufacture or sell our products. Specifically, in the United States, we and our products are subject to the requirements of the FDA and USDA and regulations promulgated thereby. This comprehensive regulatory program governs the manufacturing, nutritional value, composition and ingredients, packaging, labeling, and safety of food. Under this program, the FDA requires that facilities that manufacture food products comply with a range of requirements, including hazard analysis and preventative controls regulations, good manufacturing practices (“GMPs”), and supplier verification requirements. Our processing facilities, including those of our co-manufacturers, are subject to periodic inspection by foreign, federal, state, and local authorities. For example, our City of Industry Facility, has been subject to periodic inspections by the FDA, USDA, and Occupational Safety and Health Administration to evaluate compliance with certain applicable requirements. In the instances where we do not control the manufacturing processes of our products, we rely upon our co-manufacturers for compliance with GMPs for the manufacturing of our products conducted by our co-manufacturers. We seek to comply with applicable laws and regulations through a combination of employing internal experience and expert personnel to monitor quality-assurance compliance, and we contract with third-party laboratories that conduct analyses of new products to establish nutrition labeling information and to help identify certain potential contaminants before distribution.

The FDA also requires that certain nutrition and product information appear on our product labels and, more generally, that our labels and labeling be truthful and not misleading. Similarly, the FTC requires that our marketing and advertising be truthful, not misleading, and not deceptive to consumers. We are also restricted from making

certain types of claims about our products, including nutrient content claims, health claims, and claims regarding the effects of our products on any structure or function of the body, whether express or implied, unless we satisfy certain regulatory requirements and our representations are not misleading. Further, we must comply with additional laws impacting our advertising, including the TCPA, the Telemarketing Sales Rule, and the CAN-SPAM Act.

In addition to federal regulatory requirements in the United States, certain states impose their own manufacturing and labeling requirements. For example, every state in which our products are manufactured requires facility registration with the relevant state food safety agency, and those facilities are subject to state inspection as well as federal inspection. Further, states can impose state-specific labeling requirements, such as Proposition 65 in California.

We are currently subject to international laws and regulations where we manufacture our products, and to the extent we commence selling and distributing our products internationally, we will become subject to additional laws and regulations.

We are also subject to labor and employment laws, laws governing advertising, privacy laws, safety regulations, and other laws, including consumer protection regulations that regulate retailers or govern the promotion and sale of merchandise. Our operations, and those of our co-manufacturers and suppliers, are also subject to various laws and regulations relating to environmental protection and worker health and safety matters.

Although we have implemented policies and procedures designed to comply with existing laws and regulations, we operate in a highly regulated environment with constantly evolving legal and regulatory frameworks. Consequently, we are subject to heightened risk of legal claims, government investigations, or other regulatory enforcement actions.

Legal Proceedings

From time to time, we are involved in various legal proceedings and other disputes arising from or related to matters incident to the ordinary course of our business activities. Although the results of such legal proceedings and other disputes cannot be predicted with certainty, we believe that we are not currently a party to any matters which, if determined adversely to us, individually or in the aggregate, would have a material adverse effect on our business, operating results, financial condition, or prospects. However, regardless of the merit of any matters raised or the ultimate outcome, legal proceedings and other disputes may generally have an adverse impact on us as a result of defense and settlement costs, diversion of management resources, and other factors.

MANAGEMENT

Executive Officers and Directors

The following table sets forth information regarding our executive officers, directors, and director nominees as of June 30, 2021:

NAME	AGE	POSITION
Executive Officers		
Bryan Freeman	51	Executive Chairman, Chairperson of our Board of Directors
Gerard G. Law	47	Chief Executive Officer, Director
Akshay Jagdale	41	Chief Financial Officer
Andrew J. Stiffelman	36	Chief Marketing Officer of RGF, LLC
Non-Employee Director Nominees		
Deanna T. Brady (1)	56	Director Nominee
George F. Chappelle, Jr. (1)(2)	60	Director Nominee
Gil B. de Cardenas (1)(2)	58	Director Nominee

(1) Will be a member of our audit committee upon appointment to our board of directors on July , 2021.

(2) Will be a member of our compensation committee upon appointment to our board of directors on July , 2021.

(3) Will be a member of our nominating and corporate governance committee upon appointment to our board of directors on July , 2021.

Executive Officers

Bryan Freeman. Mr. Freeman has served as Executive Chairman of RGF, LLC since October 2020, and has served as Executive Chairman, and Chairperson of the board of directors of RGF, Inc. since June 2, 2021. Mr. Freeman also served as Chief Executive Officer of RGF, LLC from September 2017 to October 2020. Mr. Freeman has over 20 years of experience in the frozen foods industry. Since 2015, Mr. Freeman has served as Chairman of High Road Ice Cream, Inc. and, since 2010, as Managing Partner at Slingshot Consumer LLC ("Slingshot"), a private equity fund focused on emerging food manufacturing companies. Prior to joining us, Mr. Freeman was an executive at AdvancePierre Foods from 2015 to 2017, and part of the senior leadership team when AdvancePierre Foods completed its initial public offering in 2016. Mr. Freeman also served on the mergers and acquisitions team at AdvancePierre Foods. Mr. Freeman resigned from AdvancePierre Foods after its sale to Tyson Foods in 2017. From 2010 to 2014, Mr. Freeman served as Chief Executive Officer at Better Bakery Co. LLC. From 2005 to 2009, he served as Chief Executive Officer at MCOOLZ, LLC, a dairy and juice processing manufacturer and marketer. Prior to working at MCOOLZ, LLC, Mr. Freeman served as President at Snackworks LLC from 2000 to 2005, which was acquired by J&J Snack Foods (Nasdaq: JJSF) in 2005. Mr. Freeman holds a Bachelor of Arts in International Economics from the University of California, Los Angeles, and a Master of Business Administration and Juris Doctor from Loyola Marymount University.

We believe Mr. Freeman's history with the Company, AdvancePierre Foods, and Snackworks LLC, in addition to his extensive leadership experience in the frozen foods industry, strategic expertise, and knowledge, qualify him to serve as Chairperson of our board of directors.

Gerard G. Law. Mr. Law has served as Chief Executive Officer of RGF, LLC since September 2020 and Chief Executive Officer and director of RGF, Inc. since June 2, 2021. Mr. Law has over 29 years of experience in the frozen foods industry, with experience in sales, marketing, research and development, operations, distribution, and mergers and acquisitions. Prior to joining us, from 2011 to 2020 Mr. Law was Senior Vice President, Snack Foods Division at J&J Snack Foods (Nasdaq: JJSF), where he managed 16 manufacturing plants. Prior to serving in that role, Mr. Law held a wide range of positions at J&J Snack Foods of increasing responsibility from 1992 to 2011, including Senior Vice President, Western Operations; General Manager; Assistant General Manager; Plant Engineer; and Design Engineer, Snack Foods Division. Since 2014, Mr. Law has served as 2nd Vice Chair and Board Member of Oaks Integrated Care, a nonprofit organization. Mr. Law holds a Bachelor of Science in Business, as well as a Master of Business Administration in Marketing, from Drexel University LeBow College of Business.

We believe Mr. Law's role as our Chief Executive Officer and his history at J&J Snack Foods, in addition to his extensive management experience in the frozen foods industry, manufacturing expertise, and knowledge qualify him to serve on our board of directors.

Akshay Jagdale. Mr. Jagdale has served as Chief Financial Officer of RGF, LLC since December 2020 and as Chief Financial Officer of RGF, Inc. since June 2, 2021. Mr. Jagdale has more than 15 years of experience as a securities analyst in the food and beverage industry. Prior to joining us, Mr. Jagdale served as Chief Business Development and Strategy Officer at Aromyx Corporation from June 2019 to December 2020. From 2015 to 2019 Mr. Jagdale served as Managing Director and Equity Analyst at Jefferies Group LLC and from 2008 to 2015 he served as a Director and Equity Analyst at KeyBank, N.A. Prior to that, Mr. Jagdale served as an Associate at JPMorgan Chase & Co. from 2005 to 2008, an Assistant Client Advocate at Willis Towers Watson from 2004 to 2005, and a Risk Analyst at Marsh McLennan from 2003 to 2004. Mr. Jagdale holds a Bachelor of Arts in Economics with a specialization in Finance from Rutgers, The State University of New Jersey-New Brunswick.

Andrew J. Stiffelman. Mr. Stiffelman has served as Chief Marketing Officer of RGF, LLC since April 2017. Prior to joining us, Mr. Stiffelman served as Senior Marketing Director at AdvancePierre Foods from 2015 to 2016, and as Marketing Director from 2014 to 2015. Mr. Stiffelman served as Supply Chain Director at Hostess Brands from 2013 to 2014. Prior to that, he served in various roles at Smithfield Foods from 2009 to 2013, most recently as Strategic Planning and Category Management Senior Manager. Mr. Stiffelman holds a Bachelor of Science in Business Administration with a specialty in Finance and Real Estate, as well as a Master of Business Administration in Finance and Management, from the University of Missouri Trulaske College of Business.

Non-Employee Director Nominees

Deanna T. Brady, R.D. Ms. Brady is a nominee to our board of directors and audit committee, whose formal election will occur on July , 2021. Ms. Brady is currently Executive Vice President and a member of the executive committee of Hormel Foods (NYSE: HRL) and has over 30 years of experience in the foodservice industry. Prior to her current role, Ms. Brady served in various leadership roles at Hormel Foods, including as Group Vice President CPS from October 2015 to January 2020, Group Vice President Foodservice Division from 2013 to 2015, Vice President of Foodservice Sales from 2007 to 2013, and various sales manager roles from 1996 to 2007. Prior to her tenure at Hormel Foods, Ms. Brady served as Regional Sales Manager of Imperial Holly Sugar from 1994 to 1996, Marketing Manager of Rational Benelux from 1993 to 1994, Territory Sales Manager of Basic American Foods from 1991 to 1993, and, prior to that, served as Healthcare Account Manager of S.E. Rykoff & Company from 1989 to 1991. Ms. Brady currently serves on the board of managers of Applegate Farms, LLC and previously served on the board of directors of Hormel Foods International Corp. Ms. Brady holds a Bachelor of Science in Dietetics and Food Administration from California Polytechnic State University, San Luis Obispo, and earned a Certificate in Management from the Carlson School of Management Executive Education Program.

We believe Ms. Brady's experience as Executive Vice President of Hormel Foods and member of its board of directors and executive committee, as well as her extensive foodservice industry experience and knowledge, qualify her to serve on our board of directors.

George F. Chappelle, Jr. Mr. Chappelle is a nominee to our board of directors, audit committee, and compensation committee, whose formal election will occur on July , 2021. Since January 2020, Mr. Chappelle has served as a Board Member and Advisor of Green Fees LLC and, from July 2018 to December 2020, served as Chairman of the Board of Flagstone Foods. Prior to joining us, Mr. Chappelle served in several roles at Tyson Foods, including as Chief Corporate Services Officer from April 2019 to January 2020, General Manager of Emerging Proteins from January 2019 to January 2020, Chief Operating Officer of Prepared Foods from January 2018 to December 2018, and Chief Integration Officer from July 2017 to December 2017. Mr. Chappelle also served as Chief Operating Officer of AdvancePierre Foods from 2014 to 2017, Chief Operating Officer of Vi-Jon in 2013, Chief Operating Officer of Solo Cup Company from 2009 to 2012, and held several positions at Sara Lee Foods, including as Senior Vice President Chief Supply Chain Officer and Senior Corporate Officer from 2008 to 2009, and Senior Vice President, Chief Information Officer and Senior Corporate Officer from 2005 to 2008. Prior to his role at Sara Lee Foods, Mr. Chappelle served as Vice President, Chief Information Officer, and Corporate Officer of HJ Heinz from

2002 to 2005, and Group Vice President, Information Systems of ABB Switzerland Ltd. from 2000 to 2002. Mr. Chappelle holds a Bachelor of Science in Information Technology from Westfield State College, and a Master of Science in Applied Management from Lesley College.

We believe Mr. Chappelle's experience as former officer of Tyson Foods, and previous service as Chief Operating Officer of AdvancePierre Foods, as well as his extensive leadership skills, industry experience and knowledge, qualify him to serve on our board of directors.

Gil B. de Cardenas. Mr. de Cardenas is a nominee to our board of directors, audit committee, and compensation committee, whose formal election will occur on July , 2021. Mr. de Cardenas currently serves as a member of Nielsen-Massey Vanilla's board of directors, a member of Nielsen-Massey Vanilla's compensation committee, and a member of Cacique, Inc.'s board of directors. Since 2009, Mr. de Cardenas has served as Chief Executive Officer of Cacique, Inc., a brand in the Mexican-style cheese, cream and sausage category. Prior to that time, Mr. de Cardenas was the Chief Executive Officer of Reynaldo's Foods from 2006 to 2009, a branded meat and dessert company. Mr. de Cardenas holds a Master of Business Administration and Management from the University of Chicago.

We believe that Mr. de Cardenas' experience as Chief Executive Officer and member of the board of directors of Cacique, Inc., as well as his extensive industry experience and knowledge, qualify him to serve on our board of directors.

Board of Directors

Composition

Our board of directors will consist of members. The number of directors is fixed by our board of directors, subject to the terms of RGF, Inc.'s amended and restated certificate of incorporation to be adopted immediately prior to the consummation of this offering (the "Certificate of Incorporation") and Bylaws. Each of our current directors will continue to serve as a director until the election and qualification of his or her successor, or until his or her earlier death, resignation, or removal.

Classified Board

Our Certificate of Incorporation provides that our board of directors will be divided into three classes with staggered three-year terms. Only one class of directors will be elected at each annual meeting of stockholders, with the other two classes continuing to serve for the remainder of their respective three-year terms. Immediately following the effectiveness of the registration statement of which this prospectus is a part, our directors will be divided among the three classes as follows:

- the Class I directors are and , and their terms will expire at the annual meeting of stockholders to be held in 2021;
- the Class II directors are and , and their terms will expire at the annual meeting of stockholders to be held in 2022; and
- the Class III director is , and his term will expire at the annual meeting of stockholders to be held in 2023.

At each annual meeting of stockholders, upon the expiration of the term of a class of directors, the successor to each such director in the class will be elected to serve from the time of election and qualification until the third annual meeting following his or her election and until his or her successor is duly elected and qualified, in accordance with our Certificate of Incorporation. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of our directors.

This classification of our board of directors may have the effect of delaying or preventing changes of control of our Company.

Leadership Structure and Role in Risk Oversight

Separation of Chief Executive Officer and Chairperson of Our Board of Directors

Our board of directors recognizes that the leadership structure and combination or separation of the roles of the Chief Executive Officer and Chairperson of our board of directors is driven by our needs at any point in time. As a result, our board of directors does not have a fixed policy regarding the separation of the offices of Chief Executive Officer and Chairperson of the board of directors and believes it should maintain the flexibility to select the Chairperson and its leadership structure from time to time based on the criteria that it deems to be in the best interest of our Company and stockholders.

Currently, Gerard G. Law serves as our Chief Executive Officer, and Bryan Freeman serves as Chairperson of our board of directors in addition to his role as an executive officer. We believe that separating the Chief Executive Officer and Chairperson positions allows our Chief Executive Officer to focus on our day-to-day business, while allowing our Chairperson to provide strategic guidance. While our Bylaws and corporate governance policies do not require that our Chairperson and Chief Executive Officer positions be separate, our board of directors believes that having separate positions is the appropriate leadership structure for us at this time and demonstrates our commitment to good corporate governance.

Lead Independent Director

We intend to appoint a lead independent director. Our board of directors believes that this overall structure involving a separate Chairperson of the board of directors and Chief Executive Officer, combined with a lead independent director, will result in an effective balancing of responsibilities, experience, and independent perspectives that will meet the current corporate governance needs and oversight responsibilities of the board of directors. Because Bryan Freeman, the Chairperson of our board of directors, will not qualify as independent pursuant to Nasdaq listing standards since he is currently an executive officer, will serve as our lead independent director, ensuring our board is led with independent oversight of management.

Risk Oversight

One of the key functions of our board of directors is to oversee our risk management process. Our board of directors does not have a standing risk management committee, but rather administers this oversight function directly through our board of directors as a whole, as well as through various standing committees of our board of directors that address the risks inherent in their respective areas of oversight. In particular, our board of directors is responsible for monitoring and assessing strategic risk exposure and our audit committee has the responsibility to consider and discuss our major financial risk exposures and the steps our management has taken to monitor and control these exposures, including guidelines and policies to govern the process by which risk assessment and management is undertaken. The audit committee also monitors compliance with legal and regulatory requirements. Our compensation committee assesses and monitors whether any of our compensation policies and programs has the potential to encourage excessive risk-taking.

Director Independence

We intend to apply to list our Class A common stock on Nasdaq. Under Nasdaq listing standards, independent directors must comprise a majority of a listed company's board of directors within one year of the consummation of its initial public offering. In addition, the listing standards require that, subject to specified exceptions, each member of a listed company's audit, compensation, and corporate governance and nominating committees be independent. Audit committee members and compensation committee members must also satisfy the independence criteria set forth in Rule 10A-3 and Rule 10C-1, respectively, under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Further, Nasdaq listing standards provide that a director only qualifies as "independent" if, in the opinion of the listed company's board of directors, the director does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director with that listed company.

To be considered independent pursuant to Rule 10A-3 and Nasdaq listing standards, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of the audit committee, the board of directors, or any other board committee: (i) accept, directly or indirectly, any consulting, advisory, or other compensatory fee from the listed company or any of its subsidiaries, or (ii) be an affiliated person of the listed company or any of its subsidiaries.

To be considered independent pursuant to Rule 10C-1 and Nasdaq listing standards, the board of directors must affirmatively determine that each member of the compensation committee is independent, including a consideration of all factors specifically relevant to determining whether the director has a relationship to the company which is material to that director's ability to be independent from management in connection with the duties of a compensation committee member, including, but not limited to: (i) the source of compensation of such director, including any consulting, advisory, or other compensatory fee paid by the company to such director, and (ii) whether such director is affiliated with the company, a subsidiary of the company or an affiliate of a subsidiary of the company.

Our board of directors undertook a review of its composition, the composition of its committees, and the independence of our directors and considered whether any director has a material relationship with us that could compromise his or her ability to exercise independent judgment in carrying out his or her responsibilities. Based upon information requested from and provided by each director concerning his or her background, employment, and affiliations, including family relationships, our board of directors has determined that each of Ms. Brady and Messrs. Chappelle and de Cardenas do not have relationships that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director, and that each of these directors is "independent" as that term is defined under the applicable rules of the SEC and Nasdaq listing standards. Messrs. Freeman and Law are not independent under Nasdaq's independence standards since they are each currently an executive officer.

In making these determinations, our board of directors considered the current and prior relationships that each non-employee director has with our Company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director, and the transactions involving them described in the section entitled "*Certain Relationships and Related-Party Transactions*." There are no family relationships among any of our directors or executive officers.

Committees of Our Board of Directors

Our board of directors will have an audit committee, a compensation committee, and a nominating and corporate governance committee, each of which has the composition and responsibilities described below. A copy of each committee's charter will be available on the investor relations portion of our website at www.realgoodfoods.com. Members serve on these committees until their resignations or removal by our board of directors. The inclusion of our website in this prospectus does not include or incorporate by reference the information on our website into this prospectus.

Audit Committee

Our audit committee will consist of Ms. Brady and Messrs. Chappelle and de Cardenas, each of whom meet the requirements for independence under Nasdaq listing standards and SEC rules and regulations. is the chair of our audit committee and is/are "audit committee financial experts" as such term is defined under SEC rules and regulations. Our audit committee is responsible for, among other things:

- selecting a qualified firm to serve as the independent registered public accounting firm to audit our financial statements;
- helping to ensure the independence and overseeing performance of the independent registered public accounting firm;
- reviewing and discussing the scope and results of the audit with the independent registered public accounting firm, and reviewing with management and the independent registered public accounting firm our interim and year-end operating results;
- reviewing our financial statements and our critical accounting policies and estimates;
- reviewing the adequacy and effectiveness of our internal controls;
- developing procedures for employees to submit concerns anonymously about questionable accounting, internal accounting controls, or audit matters;
- overseeing our policies on risk assessment and risk management;
- overseeing compliance with our code of business conduct and ethics;
- reviewing related-party transactions; and

- pre-approving all audit and all permissible non-audit services (other than de minimis non-audit services) to be performed by the independent registered public accounting firm.

Our audit committee will operate under a written charter to be effective prior to the consummation of this offering, which satisfies the requirements of applicable SEC rules and Nasdaq listing standards.

Compensation Committee

Our compensation committee will consist of Messrs. Chappelle and de Cardenas, each of whom meet the requirements for independence under the Nasdaq listing standards and SEC rules and regulations. In addition, each member of our compensation committee is also a non-employee director, as defined pursuant to Rule 16b-3 of the Exchange Act. is the chair of our compensation committee. The compensation committee is responsible for, among other things:

- reviewing, approving, and determining or making recommendations to our board of directors regarding, the compensation of our executive officers, including our Chief Executive Officer;
- administering our equity compensation plans and agreements with our executive officers;
- reviewing, approving, and administering incentive compensation and equity compensation plans;
- reviewing and approving our overall compensation philosophy; and
- making recommendations regarding non-employee director compensation to our full board of directors.

Our compensation committee will operate under a written charter to be effective prior to the consummation of this offering, which satisfies the requirements of applicable SEC rules and Nasdaq listing standards.

Compensation Committee Interlocks and Inside Participation

None of the members of our compensation committee is or has been an officer or employee of our Company. None of our executive officers currently serves, or in the past fiscal year has served, as a member of the board of directors or compensation committee (or other board of directors committee performing equivalent functions or, in the absence of any such committee, the entire board of directors) of any entity that has one or more executive officers serving on our board of directors or compensation committee. For additional information, refer to the section entitled "*Certain Relationships and Related-Party Transactions*."

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee will consist of and , each of whom meets the requirements for independence under Nasdaq listing standards. is the chair of our nominating and corporate governance committee. The nominating and corporate governance committee is responsible for, among other things:

- identifying, evaluating, and selecting or making recommendations to our board of directors regarding, nominees for election to our board of directors and its committees;
- overseeing the evaluation and the performance of our board of directors and of individual directors;
- considering and making recommendations to our board of directors regarding the composition of our board of directors and its committees;
- overseeing our corporate governance practices;
- contributing to succession planning; and
- developing and making recommendations to our board of directors regarding corporate governance policies and related matters.

Our nominating and corporate governance committee will operate under a written charter to be effective prior to the consummation of this offering, which satisfies the requirements of applicable Nasdaq listing standards.

Code of Business Conduct and Ethics

Prior to the completion of this offering, our board of directors will adopt a written code of business conduct and ethics that applies to our directors, officers, and employees, including our principal executive officer, principal

financial officer, and principal accounting officer, or controller, or persons performing similar functions. The code of business conduct and ethics will be available on the investor relations portion of our website at www.realgoodfoods.com upon the completion of this offering.

We intend to disclose future amendments to such code, or any waivers of its requirements, applicable to any principal executive officer, principal financial officer, principal accounting officer, or controller, or persons performing similar functions, or our directors, on our website identified above. The inclusion of our website address in this prospectus does not include or incorporate by reference the information on our website into this prospectus.

Director Compensation

During the year ended December 31, 2020, we did not pay any compensation or make any equity awards or non-equity awards to any of the non-employee members of our board of directors. During the fiscal year ended December 31, 2020, Slingshot, of which Bryan Freeman is the managing partner, served as a member of the board of managers of RGF, LLC (the “board of managers”), but Bryan Freeman did not receive any additional compensation for his services as a member of the board of managers.

Historically, we have not had a formal compensation policy for our non-employee directors, nor have we had a formal policy of reimbursing expenses incurred by our non-employee directors in connection with their board service. However, we have reimbursed our non-employee directors for travel, lodging and other reasonable expenses incurred in connection with their attendance at board of director or committee meetings.

Our board of directors will approve a director compensation policy that will become effective upon the consummation of this offering. Due to the relatively small size of our board of directors and our current stage of growth, we expect a high degree of director involvement in the strategic direction of our Company. As such, we have designed our director compensation policy to provide non-employee directors an annual cash retainer of $75,000 for service on our board of directors, which will be paid quarterly in arrears. No additional cash retainer will be paid for service on board committees or for service as the chairman of a committee. In addition, no additional cash retainer will be paid for service as our chairperson of our board of directors or as our lead independent director.

In addition, upon completion of this offering, each non-employee director who commences service on our board of directors will be eligible to receive an onboarding award consisting of RSUs with an aggregate grant date fair value of $175,000. Our non-employee directors will also be eligible to receive annual RSU awards with an aggregate grant date fair value of $125,000, which we expect to issue on or about the date of our annual meeting of stockholders. Each of these RSUs is expected to vest as to 100% of the underlying shares on the one-year anniversary of the grant date.

Director and Officer Indemnification Agreements

We intend to enter into separate indemnification agreements with our directors and executive officers, in addition to the indemnification provided for in our Bylaws. These agreements, among other things, will require us to indemnify our directors and executive officers for certain expenses, including attorneys' fees, judgments, penalties, fines, and settlement amounts incurred by a director or executive officer in any action or proceeding arising out of their services as one of our directors or executive officers, or as a director or executive officer of any other company or enterprise to which the person provides services at our request.

EXECUTIVE COMPENSATION

Overview

This section discusses the material components of the executive compensation program offered to our executive officers who would have been "named executive officers" for the year ended December 31, 2020 and who will serve as executive officers of the Company following the consummation of this offering.

This narrative discussion of the compensation objectives, policies and arrangements that apply to our named executive officers is intended to be read in conjunction with the "Summary Compensation Table" and related disclosures set forth below. We are an "emerging growth company" as defined in the JOBS Act, and a "smaller reporting company" as defined in applicable SEC rules. In preparing the disclosure in this section, we have opted to comply with the executive compensation disclosure rules applicable to "smaller reporting companies."

This discussion contains forward-looking statements that are based on our current plans, considerations, expectations, and determinations regarding future compensation programs. Actual compensation programs that we adopt following the consummation of this offering may differ materially from the compensation policies and arrangements summarized in this discussion.

Named Executive Officers

Our named executive officers for the year ended December 31, 2020 were:

- Bryan Freeman, our Executive Chairman;
- Gerard G. Law, our Chief Executive Officer (Principal Executive Officer); and
- Akshay Jagdale, our Chief Financial Officer (Principal Financial Officer).

Compensation Overview

The primary objective of our executive compensation program is to attract and retain executives with the skills necessary to lead us in pursuing our mission, achieving our strategic objectives, and creating long-term value for our stockholders. We recognize that there is significant competition for talented executives, especially within the geographic regions in which our operations are located, and it can be particularly challenging for companies with limited operating histories to recruit and retain executives, and other key employees, with the food industry experience necessary to achieve our goals.

Historically, the board of managers of RGF, LLC with significant input from Mr. Freeman in particular, has been responsible for establishing our overall compensation programs, including approving the compensation program for our named executive officers. When making compensation decisions, the board of managers has generally informed itself of, and relied on its experience with, compensation amounts paid to executives at other companies within our industry. The board of managers has also taken into account a number of other factors such as our limited operating history, our size and stage of growth, and our liquidity and capital resources. These dynamics have resulted in us historically paying our named executive officers lower amounts of total cash compensation than might otherwise be expected for executives with similar experience, titles, and responsibilities at other companies within our industry, primarily as a result of our desire to conserve the cash resources to grow our business.

Following the consummation of this offering, a compensation committee, which will be comprised solely of independent directors under the applicable Nasdaq listing standards, will make recommendations to our board of directors regarding executive compensation decisions. Such compensation committee will assist our board of directors in developing and reviewing the compensation programs and strategy applicable to our executive officers and directors, and overseeing our overall compensation philosophy. For additional information, refer to the section entitled "*Management—Committees of Our Board of Directors*."

Compensation Goals and Principles

Following the consummation of this offering, we expect our board of directors to establish an executive compensation program guided by the following goals and principles:

- attract, retain, and incentivize executives with the background, experience, and vision necessary to lead us in pursuing our mission, achieving our strategic objectives, and creating long-term value for our stockholders;
- provide a compensation package that is generally competitive with other companies in our industry that operate in similar geographic locations and are of a similar size and stage of growth, while taking into account our liquidity and capital resources;
- provide a compensation package that ties a meaningful portion of the cash bonus opportunity to the achievement of Company performance objectives (such as revenue or earnings before interest, taxes, depreciation and amortization ("EBITDA")) that reflect the growth and success of our business, and are important to the creation of long-term value for our stockholders; and
- align the interests of our executives with those of our stockholders by issuing a meaningful portion of total compensation opportunity in the form of equity-based awards linked to the value of our Class A common stock.

Compensation Program

The compensation program for our named executive officers has consisted of a base salary, a cash bonus opportunity, profits interest units, and other benefits as described below.

Base Salary

We pay base salaries to attract and retain key executives with the necessary background, experience, and vision required for our future growth and success. Base salaries generally reflect each executive officer's title and responsibility level, individual performance, business experience, Company performance, and market conditions. Base salaries are reviewed periodically and adjusted in response to similar factors.

As of December 31, 2020, the annualized base salaries for Messrs. Freeman, Law, and Jagdale were $156,000, $240,000, and $240,000, respectively. The annualized base salaries for each of Messrs. Freeman and Law were subsequently increased to $300,000. For additional information, refer to the section entitled "*—Employment Arrangements*."

Cash Bonus Opportunity

For the year ended December 31, 2020, we did not maintain a formal cash bonus program or pay any cash bonuses to our named executive officers primarily as a result of our desire to conserve cash resources to grow our business.

Pursuant to the Law Letter (as defined below), for the years ending December 31, 2021 and December 31, 2022, Mr. Law is eligible to receive an annual cash bonus in an amount equal to 7.5% of RGF, LLC's EBITDA as determined by an independent accounting firm. For our other named executive officers, we have not yet established a formal cash bonus program for the year ending December 31, 2021. For additional information, refer to the section entitled "*—Employment Arrangements*."

Following the consummation of this offering, we expect our compensation committee will adopt a cash bonus program that provides for cash bonuses to each of our named executive officers based on the achievement of Company performance targets that reflect the growth and success of our business, and a review of market compensation data. This process is expected to result in changes to the annual cash bonus opportunity for our named executive officers. For additional information, refer to the section entitled "*—Market Rate Adjustments*."

Profits Interest Units

Our board of managers approved the grant of profits interest units to certain of our executive officers. Profits interest units generally provide the holder with the right to receive a cash payment representing a certain percentage of our profit or enterprise value for a particular period, subject to a minimum enterprise value at the time of grant. These grants align the interests of our executives with our equity holders and provide our executives with incentives to drive increased profitability and create long-term value. In some cases, the profits interest units are subject to immediate

vesting to encourage an executive to accept a position with us, and in other cases they are subject to vesting over a fixed amount of time to promote the retention of our executives. No cash payments were made in respect of our profits interest unit awards for 2020. The profits interest units were classified as liability awards and accounted for as performance bonuses in accordance with ASC 710. For additional information, refer to the section entitled "*—Employment Arrangements*."

The profits interest units will not remain outstanding following this offering. Prior to the consummation of this offering, and in connection with the Reorganization, the RGF, LLC Members and the holders of the profits interest units will unanimously approve the exchange of the profits interest units into Class B Units of RGF, LLC and shares of Class B common stock of RGF, Inc. For additional information, refer to the section entitled "*The Reorganization*."

Benefits

We offer a standard benefits package that we believe is necessary to attract and retain key executives. Our named executive officers are currently eligible to participate in our medical, dental, vision, and other welfare benefit plans. We also pay the premiums for long-term disability insurance and life insurance for our employees, including for our named executive officers. While we have not adopted a 401(k) plan or similar retirement plan, we intend to do so in the future. Except as noted below, the benefits provided to our named executive officers generally reflect those provided to all of our employees.

For Messrs. Law and Jagdale, we initially agreed, pursuant to the terms of their respective offer letters, to pay up to $2,800 per month to cover personal health insurance costs subject to verification of insurance coverage. However, we ceased making such payments as we commenced coverage for these executives under our health and welfare benefit plans in April 2021. We also provide Messrs. Law and Jagdale with a car allowance of $1,000 per month. For additional information, refer to the section entitled "*—Employment Arrangements*."

Stock Incentive Awards

Prior to this offering, we have not granted any equity or equity-based awards to our named executive officers. In connection with this offering, we expect that our compensation committee will recommend, and that our board of directors will approve, the grant of RSUs to our named executive officers upon the effectiveness of the registration statement of which this prospectus is a part. These grants are expected to be as follows: Mr. Freeman, RSUs; Mr. Law, RSUs, and Mr. Jagdale, RSUs. Each of these RSUs will be granted pursuant to the 2021 Stock Incentive Plan (the "2021 Plan"), which we adopted in connection with this offering. Each of the RSUs is expected to vest over years with % of the shares vesting on the of the grant date, and the remaining shares vesting in installments thereafter, subject to , and subject further to continued employment with us through the applicable vesting date.

To the extent we grant additional equity awards to our directors, executive officers, employees, and/or consultants in the future, we expect such grants will be made pursuant to the 2021 Plan, which provides for the grant of options, stock appreciation rights ("SARs"), restricted stock awards, RSUs, performance awards, and stock bonuses. Our compensation committee will have the discretion to determine the type, amount, and other terms of these awards taking into account our compensation objectives discussed above, subject to approval of our board of directors. For additional information, refer to the section entitled "*—Stock Incentive Plans*."

Market Rate Adjustments

Following the consummation of this offering, we expect our compensation committee will review our executive compensation program, including base salaries, cash bonus opportunity, equity-based compensation, and benefits, in light of market compensation amounts paid by companies that compete with us for management talent, taking into account factors such as total enterprise value, total revenue, growth rate, number of employees, and industry. This review may result in significant changes to our compensation programs as compared to the discussion of our compensation policies and arrangements described in this section.

Employment Arrangements

Each of our named executive officers is an at-will employee. We have entered into employment offer letters with each of our named executive officers as described below.

Bryan Freeman

Effective January 1, 2021, RGF, LLC entered into an offer letter with Mr. Freeman (the "Freeman Letter") pursuant to which he agreed to serve as our Executive Chairman. Mr. Freeman served as our Chief Executive Officer until August 31, 2020. Under the Freeman Letter, Mr. Freeman was initially entitled to receive a base salary of $20,000 per month, which was subsequently increased to $25,000 per month.

The Freeman Letter provides that if Mr. Freeman is terminated for any reason other than "gross misconduct" (as defined in the Freeman Letter), Mr. Freeman will, subject to signing a release, be entitled to receive (i) 24 months of base salary, (ii) a prorated portion of his target annual bonus for the then current calendar year to the date of termination, and (iii) the cost of COBRA or personal medical insurance expenses for Mr. Freeman and his dependents over 24 months. In addition, if RGF, LLC completes a transaction to sell a majority of its membership interests or assets or that otherwise results in a change of control of RGF, LLC and, during the period commencing six months prior to and 12 months following such change-of-control transaction (the "Change-of-Control Period") Mr. Freeman's employment is terminated by the Company for any reason other than "gross misconduct," Mr. Freeman will be eligible to receive a cash severance, to be paid in installments over a three-year period, in an amount equal to three times the sum of (i) his base salary, (ii) his annual bonus, and (iii) the cost of COBRA or personal medical insurance expenses for his family over such three-year period.

Mr. Freeman has not been granted profits interest units primarily as a result of his indirect ownership of a significant amount of Class B Units of RGF, LLC through Slingshot of which he is the managing partner.

Gerard G. Law

Effective September 1, 2020, RGF, LLC entered into an offer letter with Mr. Law (as amended, the "Law Letter"), pursuant to which he agreed to serve as our Chief Executive Officer. Under the Law Letter, Mr. Law was initially entitled to receive a base salary of $20,000 per month during the first six months of his employment, which was subsequently increased to $25,000 per month.

Pursuant to the Law Letter, Mr. Law is eligible to receive an annual cash bonus for the years ending December 31, 2021 and December 31, 2022, in an amount equal to 7.5% of EBITDA for the applicable calendar year, as determined by an independent accounting firm, which is expected to be paid on February 15 of the following calendar year. Following the consummation of this offering, Mr. Law's annual cash bonus will be determined by our compensation committee.

Mr. Law received a profits interest unit award in an amount equal to 3.0% of RGF, LLC's profits interests (as defined in the RGF, LLC operating agreement), subject to an initial cap on the extent to which the award may be diluted (the "Law 3.0% Award"), which vested after six months of employment. In addition, following six months of employment, Mr. Law received an additional profits interest unit award in an amount equal to 5.0% of RGF, LLC's profits interests (the "Law 5.0% Award"), which vests in 24 equal monthly installments beginning with the 13th month following the vesting commencement date. The Law 3.0% Award vested immediately on the date of grant, and the Law 5.0% Award is subject to vesting in 24 equal monthly installments beginning with the 13th month following the vesting commencement date.

The Law Letter provides that if Mr. Law is terminated for any reason other than "gross misconduct" (as defined in the Law Letter), Mr. Law will, subject to signing a release, be entitled to receive (i) 12 months of base salary, (ii) a prorated portion of his target annual bonus for the then current calendar year to the date of termination, and (iii) the cost of COBRA or personal medical insurance expenses for Mr. Law's family, in approximately equal installments over a period of 12 months. In addition, if RGF, LLC completes a transaction to sell a majority of its membership interests or assets, or that otherwise results in a change of control of RGF, LLC and, during the Change-of-Control Period, Mr. Law's employment is terminated by the Company for any reason other than "gross misconduct," Mr. Law will be eligible to receive a cash severance, to be paid in installments over a three-year period, in an amount equal to three times the sum of (i) his base salary, (ii) his annual bonus, and (iii) the cost of COBRA or personal medical

insurance expenses for his family over such three-year period. In addition, Mr. Law's profits interest unit awards will vest in full if Mr. Law remains employed by us within 90 days prior to the date of the change-of-control transaction. If Mr. Law is terminated for gross misconduct, all profits interest unit awards will be terminated.

Pursuant to the Law Letter, we were initially required to pay up to $2,800 per month to cover personal health insurance costs subject to verification of insurance coverage. However, starting in April 2021, we ceased providing such payments and Mr. Law is now covered by our health benefit plans. We also provide a car allowance of $1,000 per month and reimbursement for necessary and reasonable business expenses incurred in connection with performing services to us.

Pursuant to the Law Letter, Mr. Law is subject to restrictive covenants concerning confidentiality, non-competition and non-disparagement. Mr. Law's confidentiality and non-disparagement obligations continue during and after Mr. Law's employment. Mr. Law's obligation with respect to non-competition continues during Mr. Law's employment and, if the term of Mr. Law's employment is greater than 12 months, for as long as Mr. Law owns any equity interest in RGF, LLC and a for a period of three years thereafter.

In connection with the Reorganization, all of Mr. Law's profits interests units will be exchanged into Class B Units of RGF, LLC and shares of Class B common stock of RGF, Inc. pursuant to an exchange that will be approved with the consent of Mr. Law, the Company, and all the Members.

Akshay Jagdale

Effective December 14, 2020, RGF, LLC entered into an offer letter with Mr. Jagdale (the "Jagdale Letter"), pursuant to which he agreed to serve as our Chief Financial Officer. Under the Jagdale Letter, Mr. Jagdale is entitled to receive a base salary of $20,000 per month.

Mr. Jagdale has received a profits interest unit award in an amount equal to 2.0% of RGF, LLC's profits interest units. In addition, Mr. Jagdale is entitled to receive up to an additional 2.5% of RGF, LLC's profits interest units contingent upon the successful execution of this offering or other specified corporate events, and continued employment for two years thereafter. However, we expect that Mr. Jagdale will be granted RSUs in lieu of receiving the additional profits interest units. Refer to the section entitled "*—Stock Incentive Awards*."

The Jagdale Letter provides that if Mr. Jagdale is terminated for any reason other than "gross misconduct" (as defined in the Jagdale Letter), Mr. Jagdale will, subject to signing a release, be entitled to receive (i) either (a) 24 months of base salary if such termination occurs during the first 12 months of his employment, or (b) 12 months of base salary if such termination occurs after the first 12 months of his employment; (ii) a prorated portion of his target annual bonus for the then current calendar year to the date of termination; and (iii) the cost of COBRA or personal medical insurance expenses for Mr. Jagdale and his dependents over the same period that base salary is paid as described above. In addition, if RGF, LLC completes a transaction to sell a majority of its membership interests or assets, or that otherwise results in a change of control of RGF, LLC and, during the Change-of-Control Period, Mr. Jagdale's employment is terminated by the Company for any reason other than "gross misconduct," Mr. Jagdale will be eligible to receive (subject to execution of execution of a general release of claims in favor of the Company), (i) if the enterprise value of RGF, LLC is less than $100.0 million, cash severance, to be paid in installments over a one-year period, in an amount equal to one times the sum of (a) his base salary, (b) his annual bonus, and (c) the cost of COBRA or personal medical insurance expenses for his family over a one-year period; (ii) if the enterprise value is greater than $100.0 million, cash severance, to be paid in installments over a three-year period in an amount equal to three times the sum of (a) his base salary, (b) his annual bonus, and (c) the cost of COBRA or personal medical insurance expenses for his family over a three-year period; and (iii) to the extent that any of Mr. Jagdale's profits interest unit awards have not yet fully vested, each of those awards will vest in full upon the closing of the change-of-control transaction, provided that only 50% of the Jagdale 2.0% Award will vest upon such change-of-control transaction if this offering has not been completed. Further, if Mr. Jagdale remains employed with us within the Change-of-Control Period, all of Mr. Jagdale's profits interest unit awards will accelerate and vest in full immediately. If Mr. Jagdale is terminated for gross misconduct, all profits interest unit awards will be terminated.

Pursuant to the Jagdale Letter, we were initially required to pay up to $2,800 per month to cover personal health insurance costs subject to verification of insurance coverage. However, starting in April 2021, we have ceased providing such payments and Mr. Jagdale is now covered by our health benefit plans. We also provide a car allowance of $1,000 per month and reimbursement for necessary and reasonable business expenses incurred in connection with performing services to us.

Pursuant to the Jagdale Letter, Mr. Jagdale is subject to restrictive covenants concerning confidentiality, non-competition, and non-disparagement. Mr. Jagdale's confidentiality and non-disparagement obligations continue during and after Mr. Jagdale's employment. Mr. Jagdale's obligation with respect to non-competition continues during Mr. Jagdale's employment and, if the term of Mr. Jagdale's employment is greater than 12 months, for as long as Mr. Jagdale owns any equity interest in RGF, LLC and a for a period of two years thereafter.

In connection with the Reorganization, all of Mr. Jagdale's profits interests units will be exchanged into Class B Units of RGF, LLC and shares of Class B common stock of RGF, Inc. pursuant to an exchange approved with the consent of Mr. Jagdale, the Company, and all the Members.

Summary Compensation Table

The following table provides information regarding the compensation awarded to, earned by, and paid to each of our named executive officers for the year ended December 31, 2020:

Name and Principal Position	YEAR	SALARY ($)	EQUITY AWARDS ($)(1)	NON-EQUITY INCENTIVE PLAN COMPENSATION ($)(2)	ALL OTHER COMPENSATION ($)(3)	TOTAL ($)
Bryan Freeman, Executive Chairman	2020	142,000	—	—	17,574	$159,574
Gerard G. Law, Chief Executive Officer(4)	2020	$ 78,786	—	—	$ 11,599	$ 90,385
Akshay Jagdale, Chief Financial Officer(5)	2020	$ 11,462	—	—	$ 3,202	$ 14,664

(1) We did not issue any equity-based awards during the year ended December 31, 2020. The profits interest units granted during 2020 were classified as liability awards and accounted for as performance bonuses in accordance with ASC 710. Because payment with respect to the profits interest units was not deemed probable or estimable as of December 31, 2020, no compensation expense was recognized for the profits interest units for the period ended December 31, 2020. For additional information, see the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operation—Critical Accounting Policies and Estimates.*"

(2) We did not adopt a non-equity incentive plan for the year ended December 31, 2020. No cash bonuses were paid to our named executive officers during 2020. In addition, no cash payments were made in respect of the profits interest units. For additional information, see the section entitled "*—Compensation Program—Cash Bonus Opportunity.*"

(3) The amounts in this column reflect the value of (i) a car allowance for Mr. Law in the amount of $4,000 and for Mr. Jagdale in the amount of $500, and (ii) the cost of health and welfare benefits reimbursed to Mr. Freeman in the amount of $17,574; Mr. Law in the amount of $7,599; and Mr. Jagdale in the amount of $2,702, pursuant to the terms of their respective employment offer letters. For additional information, refer to the section entitled "*—Employment Arrangements*."

(4) Mr. Law commenced employment as our Chief Executive Officer effective September 1, 2020. Mr. Law's annualized base salary for 2020 was $240,000.

(5) Mr. Jagdale commenced employment as our Chief Financial Officer effective December 14, 2020. Mr. Jagdale's annualized base salary for 2020 was $240,000.

Outstanding Equity Awards

We did not have any equity-based awards outstanding as of December 31, 2020. The profits interest units were classified as liability awards and accounted for as performance bonuses in accordance with ASC 710.

The profits interest units will not remain outstanding following this offering. Prior to the consummation of this offering, and in connection with the Reorganization, the RGF, LLC Members and the holders of the profits interest units will unanimously approve the exchange of the profits interest units into Class B Units of RGF, LLC and shares of Class B common stock of RGF, Inc. For additional information, refer to the section entitled "*The Reorganization*."

Stock Incentive Plans

In connection with this offering, our board of directors and stockholders have adopted the 2021 Plan and the 2021 Employee Stock Purchase Plan (the "ESPP"), which will become effective on the day immediately prior to the effective date of the registration statement of which this prospectus is a part.

The following description of each of our equity incentive plans is qualified by reference to the full text of those plans and the related award agreements, which are included as exhibits to the registration statement of which this prospectus is a part.

2021 Stock Incentive Plan

Authorized Shares

We have reserved an aggregate of shares of our Class A common stock for issuance under the 2021 Plan. The number of shares reserved for issuance will increase automatically on January 1 of each calendar year beginning in 2022 by the lesser of (i) 2.0% of the number of outstanding shares of our Class A common stock as of December 31 of the preceding calendar year, or (ii) such lesser number of shares of our Class A common stock determined by our board of directors. The number of shares of our Class A common stock is also subject to adjustment in the event of a recapitalization, stock split, reclassification, stock dividend, or other change in our capitalization. In addition, the following shares of our Class A common stock will be available for grant and issuance under the 2021 Plan:

- shares subject to stock options or SARs granted under the 2021 Plan that cease to be subject to the stock option or SAR for any reason other than exercise of the stock option or SAR;
- shares subject to awards granted under the 2021 Plan that are subsequently forfeited or repurchased by us at the original issue price;
- shares subject to awards granted under the 2021 Plan that otherwise terminate without shares being issued;
- shares surrendered, canceled, or exchanged for cash or a different award (or combination thereof); and
- shares subject to awards under the 2021 Plan that are used to pay the exercise price of an award or withheld to satisfy the tax withholding obligations related to any award.

Plan Administration

The 2021 Plan will be administered by our compensation committee, all of the members of which will be independent directors under the applicable Nasdaq listing standards, or by our board of directors acting in place of our compensation committee. Our compensation committee will have the authority to construe and interpret the 2021 Plan, grant awards, and make all other determinations necessary or advisable for the administration of the 2021 Plan.

Awards and Eligible Participants

The 2021 Plan authorizes the award of stock options, SARs, restricted stock awards, RSUs, performance awards, and stock bonuses. The 2021 Plan provides for the grant of awards to our employees, directors, consultants, and independent contractors, subject to certain exceptions. No more than shares of our Class A common stock will be issued under the 2021 Plan pursuant to the exercise of incentive stock options.

Stock Options

The 2021 Plan permits us to grant incentive stock options and non-qualified stock options. The exercise price of stock options will be determined by our compensation committee, and may not be less than 100% of the fair market value of our Class A common stock on the date of grant, subject to certain exceptions. Our compensation committee has the authority to reprice any outstanding stock option (by reducing the exercise price, or canceling the stock option in exchange for cash or another equity award) under the 2021 Plan without the approval of our stockholders. Stock options may vest based on the passage of time, or the achievement of performance conditions, or a combination thereof, in the discretion of our compensation committee. Our compensation committee may provide for stock options to be exercised only as they vest or to be immediately exercisable with any shares issued on exercise being subject to our right of repurchase that lapses as the shares vest. Our compensation committee may at any time accelerate the exercisability of all or any portion of an option award. The maximum term of stock options granted under the 2021 Plan is ten years.

Stock Appreciation Rights

SARs provide for a payment to the holder, in cash or shares of our Class A common stock, or a combination of the foregoing, based upon the difference between the fair market value of our Class A common stock on the date of exercise and the stated exercise price on the date of grant, up to a maximum amount of cash or number of shares. The exercise price of a SAR will be determined by our compensation committee but may not be less than the fair market value of our Class A common stock on the date of grant. SARs may vest based on the passage of time, or the achievement of performance conditions, or a combination thereof, in the discretion of our compensation committee. Our compensation committee has the authority to reprice any outstanding SAR (by reducing the exercise price, or canceling the SAR in exchange for cash or another equity award) under the 2021 Plan without the approval of our stockholders.

Restricted Stock Awards

A restricted stock award represents the issuance to the holder of shares of our Class A common stock, subject to the forfeiture of those shares due to failure to achieve certain performance conditions or termination of employment. The purchase price, if any, for the shares will be determined by our compensation committee. Unless otherwise determined by the administrator at the time of award, vesting will cease on the date the holder no longer provides services to us and unvested shares will be forfeited to or repurchased by us.

Restricted Stock Units

RSUs represent the right of the holder to receive shares of our Class A common stock (or its cash equivalent) at a specified date in the future, subject to forfeiture of that right due to failure to achieve certain performance conditions or termination of employment. If an RSU has not been forfeited then, on the specified date, we will deliver to the holder of the RSU shares of our Class A common stock, cash, or a combination of cash and shares of our Class A common stock.

Performance Awards

Performance awards cover a number of shares of our Class A common stock that may be settled upon achievement of performance conditions as provided in the 2021 Plan in cash or by issuance of the underlying common stock. These awards are subject to forfeiture prior to settlement due to failure to achieve certain performance conditions or termination of employment.

Stock Bonuses

Stock bonuses may be granted as additional compensation for past or future service or performance and, therefore, no payment will be required for any shares awarded under a stock bonus. Unless otherwise determined by our compensation committee at the time of award, vesting will cease on the date the holder no longer provides services to us and unvested shares will be forfeited to us.

Corporate Transaction

If we are party to a corporate transaction, outstanding awards, including any vesting provisions, may be assumed or substituted by the successor company. In the alternative, outstanding awards may be canceled in connection with a cash payment. Outstanding awards that are not assumed, substituted or cashed out will accelerate in full and expire upon the closing of the transaction. Subject to the terms of an applicable award agreement, awards held by non-employee directors will immediately vest as to all or any portion of the shares subject to the award and will become exercisable at such times and on such conditions as our compensation committee determines.

Termination; Amendment

The 2021 Plan will terminate ten years from the date our board of directors approved it, unless it is terminated earlier by our board of directors. Our board of directors may amend, suspend or terminate the 2021 Plan at any time, subject to compliance with applicable law and Nasdaq listing standards.

2021 Employee Stock Purchase Plan

Qualified Plan

We have adopted the ESPP in order to enable eligible employees to purchase shares of our Class A common stock at a discount following the consummation of this offering. The ESPP is intended to qualify as an employee stock purchase plan under Section 423 of the Code and will be approved by our stockholders.

Authorized Shares

We have reserved an aggregate of shares of our Class A common stock for issuance under the ESPP. The number of shares reserved for issuance will increase automatically on January 1 of each calendar year beginning in 2022 and continuing through 2031 by the lesser of (i) 1.0% of the number of outstanding shares of our Class A common stock as of December 31 of the preceding calendar year, or (ii) such lesser number of shares of our Class A common stock determined by our board of directors. The number of shares of our Class A common stock is also subject to adjustment in the event of a recapitalization, stock split, reclassification, stock dividend, or other change in our capitalization. The aggregate number of shares of our Class A common stock issued over the term of the ESPP will not exceed shares of our Class A common stock.

Plan Administration

The ESPP will be administered by our compensation committee, all of the members of which will be independent directors under the applicable Nasdaq listing standards, or by our board of directors acting in place of our compensation committee.

Eligible Participants

Our employees generally are eligible to participate in the ESPP. Our compensation committee may, in its discretion, elect to exclude certain eligible employees, including highly compensated individuals, non-US employees, and officers.

Employees who are 5.0% stockholders, or would become 5.0% stockholders as a result of their participation in the ESPP, are ineligible to participate. We may impose additional restrictions on eligibility in compliance with applicable law.

Payroll Deductions

Under the ESPP, eligible employees will be able to acquire shares of our Class A common stock by accumulating funds through payroll deductions. Eligible employees will be able to designate any whole percentage of compensation that is not less than 1% and not more than the maximum percentage specified by the administrator, or 20% if no such maximum percentage is specified.

Offering Periods

The ESPP is implemented through a series of offering periods under which our employees who meet the eligibility requirements for participation in that offering period will automatically be granted a nontransferable option to purchase shares of our Class A common stock in that offering period using their accumulated payroll deductions. Once an employee is enrolled, participation will be automatic in subsequent offering periods. We have not yet determined when the first offering period will begin, but it is anticipated that each offering period will run for approximately six months, commencing each of June 1 and December 1, with purchases occurring on the last day of each offering period. Our compensation committee has the discretion to change the commencement date of each offering period. In no event may an offering period exceed 27 months. An employee's participation automatically ends upon termination of employment for any reason.

Limitation on Purchase

No participant will have the right to purchase shares of our Class A common stock in an amount that, when aggregated with the shares subject to purchase rights under all our ESPPs that are also in effect in the same calendar year, have a fair market value of more than $25,000, determined as of the first day of the applicable offering period.

Purchase Price

The purchase price for shares of our Class A common stock purchased under the ESPP will be 85.0% of the lesser of the fair market value of a share of our Class A common stock on (i) the first trading day of the applicable offering period and (ii) the last trading day of the applicable offering period.

Change of Control

If we experience a change-of-control transaction or any unusual or nonrecurring transaction or event, our compensation committee has the discretion to provide for the termination of any offering period that commenced prior to the closing of the transaction or event, replace outstanding purchase rights with other rights or property,

make adjustments in the number and type of shares subject to outstanding purchase rights, shorten an offering period and provide for the early exercise of purchase rights, or terminate all outstanding purchase rights without being exercised.

Amendment; Termination

The ESPP will terminate ten years from the date our board of directors approved it, unless it is terminated earlier by our board of directors. Our board of directors may amend, suspend, or terminate the ESPP at any time, subject to compliance with applicable law and Nasdaq listing standards.

CERTAIN RELATIONSHIPS AND RELATED-PARTY TRANSACTIONS

In addition to the compensation arrangements with our directors and executive officers, including those discussed in the sections entitled "*Management*" and "*Executive Compensation*," the employment agreements with our executive officers described in the section entitled "*Executive Compensation—Employment Arrangements*," and the registration rights described in the section entitled "*Description of Capital Stock—Registration Rights*," the following is a description of each transaction since January 1, 2018 and each currently proposed transaction in which:

- we have been or are to be a participant;
- the amount involved exceeded or exceeds the lesser of $120.0 thousand or 1% of the average of RGF, LLC's total assets at year-end for the last two completed fiscal years, or approximately $154.0 thousand; and
- any of our directors, executive officers, or holders of more than 5% of our outstanding capital stock, or any immediate family member of, or person sharing the household with, any of these individuals or entities, had or will have a direct or indirect material interest.

PPZ Notes

In February 2017, RGF, LLC entered into the Initial PPZ Note with PPZ, a Member of RGF, LLC that holds more than 5% of RGF, LLC's outstanding membership interests. RGF, LLC subsequently entered into the 2017 PPZ Note and 2018 PPZ Note with PPZ to increase our borrowings by $400.0 thousand and $500.0 thousand, respectively. The Initial PPZ Note bears interest at a simply rate of 8.0% per annum. The 2017 PPZ Note and 2018 PPZ Note each bears interest at a simple rate of 9.0% per annum. As of December 31, 2020, the outstanding principal related to our borrowings under the PPZ Notes totaled $940.0 thousand. Our interest expense related to the PPZ Notes amounted to $107.0 thousand for the year ended December 31, 2020, and no principal payments were made under the loans. Each of the PPZ Notes matures on December 31, 2021.

For additional information regarding the PPZ Notes, refer to "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Indebtedness—PPZ Notes*," as well as Note 8 to our audited financial statements included elsewhere in this prospectus.

Slingshot Note

In February 2017, RGF, LLC and Slingshot, a Member of RGF, LLC that holds more than 5% of RGF, LLC's outstanding membership interests and of which Bryan Freeman is the managing partner, entered into a promissory note for $25.0 thousand (the "First Slingshot Note"). The First Slingshot Note bore interest at a simple rate of 8.0% per annum and matured on February 20, 2019. In October 2017, RGF, LLC and Slingshot entered into loan and security agreements, as well as a promissory note secured by all of RGF, LLC's assets and subordinated only to existing and future indebtedness owed by RGF, LLC to PMC and PPZ, pursuant to which Slingshot loaned RGF, LLC $200.0 thousand (the "Second Slingshot Note" and, together with the First Slingshot Note, the "Slingshot Notes"). The Second Slingshot Note bore interest at a simple rate of 9.0% per annum and matured on December 31, 2019. RGF, LLC paid $256.9 thousand, the total amount due under the Slingshot Notes, in full in March 2019.

Product Placement Agreement

In February 2018, RGF, LLC entered into a product placement agreement and related membership interest purchase agreement with Divario, a wholly owned subsidiary of Albertsons Companies and a Member of RGF, LLC that holds more than 5% of RGF, LLC's outstanding membership interests. Pursuant to the agreements, RGF, LLC agreed to issue the Divario Initial Equity in exchange for achievement and maintenance of specified distribution thresholds in retail locations operated by Albertsons Companies through October 31, 2020, resulting in Divario holding 5.2% of RGF, LLC's membership interests. Further, Divario is entitled to the Divario Incentive Equity in the event that Albertsons Companies makes at least $3.0 million in gross wholesale purchases of our products through October 31, 2021. As of December 31, 2020, a total of 5,240 common units were issued and outstanding in connection with the Divario Initial Equity. In connection with the consummation of this offering, the sales achieved by Albertsons

Companies will be annualized immediately prior to the offering and the Divario Incentive Equity earned, if any, will be issued to Divario. Further, in connection with the Reorganization, the Divario Incentive Equity will be exchanged into Class B Units of RGF, LLC and shares of Class B stock common stock of RGF Inc. pursuant to an exchange that will be approved with the consent of Divario, the Company, and all the Members.

For additional information regarding the Divario Initial Equity and Divario Incentive Equity, refer to Note 1 to our audited financial statements included elsewhere in this prospectus.

Exchange Agreement

In connection with the consummation of this offering, we will enter into an exchange agreement (the "Exchange Agreement") with the Members, some of whom are directors, officers, or holders of more than 5% of our outstanding capital stock, pursuant to which the holders of Class B Units (and certain permitted transferees) may, subject to the terms of the Exchange Agreement, exchange their Class B Units for shares of our Class A common stock on a one-for-one basis. The Exchange Agreement will also provide that, in connection with any such exchange, such Class B Units will be canceled, and additional Class A Units, equivalent to the amount of Class B Units so exchanged, will be issued to RGF, Inc., proportionally increasing RGF Inc.'s interest in RGF, LLC.

Pursuant to the terms of the Exchange Agreement, and in connection with an election by one or more Members to exchange Class B Units into shares of Class A common stock, we will have the option to, in lieu of issuing Class A common stock, instead make a cash payment to any such Member equal to a volume weighted average market price of one share of Class A common stock for each Class B Unit exchanged (subject to customary adjustments, including for stock splits, stock dividends, and reclassifications) in accordance with the terms of the Operating Agreement. Any decision to make a cash payment to a Member would not affect such Member's continuing obligation to deliver, and the subsequent cancelation, of the equivalent amount of such Member's shares of Class B common stock. Our decision to make a cash payment upon a Member's election will be made by our independent directors (within the meaning of Nasdaq listing standards) who are disinterested.

Tax Receivable Agreement

We expect to obtain a step-up in the tax basis of our share of RGF, LLC's assets when a Member receives cash or shares of our Class A common stock in connection with a redemption or exchange of such Member's Class B Units for cash or Class A common stock (such basis increase, the "Basis Adjustments"). We intend to treat such acquisition of Class B Units as our direct purchase of Class B Units from a Member for U.S. federal income and other applicable tax purposes, regardless of whether such Class B Units are surrendered by a Member to RGF, LLC for redemption or sold to us upon the exercise of our election to acquire such Class B Units directly. Basis Adjustments may have the effect of reducing the amounts that we would otherwise pay in the future to various tax authorities. Basis Adjustments may also decrease gains (or increase losses) on future dispositions of certain capital assets to the extent tax basis is allocated to those capital assets.

In connection with the transactions described above, RGF, Inc. will enter into a tax receivable agreement (the "Tax Receivable Agreement") with RGF, LLC and the Members, some of whom are directors, officers, or holders of more than 5% of our outstanding capital stock. The Tax Receivable Agreement will provide for the payment by us to such persons of % of the amount of tax benefits, if any, that we actually realize, or in some circumstances are deemed to realize, as a result of the transactions described above, including increases in the tax basis of the assets of RGF, LLC arising from such transactions, and tax basis increases attributable to payments made under the Tax Receivable Agreement and deductions attributable to imputed interest and other payments of interest pursuant to the Tax Receivable Agreement. RGF, LLC will have in effect an election under Section 754 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), effective for each taxable year in which an exchange of Class B Units for shares of our Class A common stock or cash occurs. These Tax Receivable Agreement payments are not conditioned upon any continued ownership interest in RGF, LLC or us by any Member. The rights of each Member under the Tax Receivable Agreement are assignable to permitted transferees of its Class B Units (other than RGF, Inc. as transferee pursuant to subsequent redemptions (or exchanges) of the transferred Class B Units). We expect to benefit from the remaining % of tax benefits, if any, that we may actually realize.

The actual Basis Adjustments, as well as any amounts paid to the Members under the Tax Receivable Agreement, will vary depending on a number of factors, including:

- *the timing of any subsequent redemptions or exchanges*—for instance, the increase in any tax deductions will vary depending on the fair value, which may fluctuate over time, of the depreciable or amortizable assets of RGF, LLC at the time of each exchange;
- *the price of shares of our Class A common stock at the time of the redemptions or exchanges*—the Basis Adjustments, as well as any related increase in any tax deductions, is directly related to the price of shares of our Class A common stock at the time of each redemption or exchange;
- *the extent to which such redemptions or exchanges are taxable*—if a redemption or exchange is not taxable for any reason, increased tax deductions will not be available; and
- *the amount and timing of our income*—the Tax Receivable Agreement generally will require RGF, Inc. to pay % of the tax benefits as and when those benefits are treated as realized under the terms of the Tax Receivable Agreement. If RGF, Inc. does not have taxable income, it generally will not be required (absent a change of control or other circumstances requiring an early termination payment) to make payments under the Tax Receivable Agreement for that taxable year because no tax benefits will have been actually realized. However, any tax benefits that do not result in realized tax benefits in a given taxable year will likely generate tax attributes that may be utilized to generate tax benefits in previous or future taxable years. The utilization of any such tax attributes will result in payments under the Tax Receivable Agreement.

For purposes of the Tax Receivable Agreement, cash savings in income and franchise tax will be computed by comparing our actual income and franchise tax liability to the amount of such taxes that we would have been required to pay had there been no Basis Adjustments and had the Tax Receivable Agreement not been entered into. The Tax Receivable Agreement will generally apply to each of our taxable years, beginning with the first taxable year ending following the consummation of this offering. There is no maximum term for the Tax Receivable Agreement, and it may be terminated by us pursuant to an early termination procedure that requires us to pay the Members an agreed upon amount equal to the estimated present value of the remaining payments to be made under the agreement (calculated based on certain assumptions, including regarding tax rates and utilization of the Basis Adjustments).

The payment obligations under the Tax Receivable Agreement are obligations of RGF, Inc. and not of RGF, LLC. Although the actual timing and amount of any payments that may be made under the Tax Receivable Agreement will vary, we expect that the payments that we may be required to make to the Members could be substantial. Any payments made by us to Members under the Tax Receivable Agreement will generally reduce the amount of overall cash flow that might have otherwise been available to us or to RGF, LLC and, to the extent that we are unable to make payments under the Tax Receivable Agreement for any reason, the unpaid amounts generally will be deferred and will accrue interest until paid by us.

Decisions made by us in the course of running our business, such as with respect to mergers, asset sales, other forms of business combinations, or other changes of control, may influence the timing and amount of payments that are received by a Member under the Tax Receivable Agreement. For example, the earlier disposition of assets following a transaction that results in a Basis Adjustment will generally accelerate payments under the Tax Receivable Agreement and increase the present value of such payments.

The Tax Receivable Agreement will provide that if (i) we materially breach any of our material obligations under the Tax Receivable Agreement, (ii) certain mergers, asset sales, other forms of business combination, or other changes of control were to occur, or (iii) we elect an early termination of the Tax Receivable Agreement, then our obligations, or our successor's obligations, under the Tax Receivable Agreement would accelerate and become due and payable, based on certain assumptions, including an assumption that we would have sufficient taxable income to fully utilize all potential future tax benefits that are subject to the Tax Receivable Agreement.

As a result, (i) we could be required to make cash payments to the Members that are greater than the specified percentage of the actual benefits we ultimately realize in respect of the tax benefits that are subject to the Tax Receivable Agreement, and (ii) if we elect to terminate the Tax Receivable Agreement early, we would be required to

make an immediate cash payment equal to the present value of the anticipated future tax benefits that are the subject of the Tax Receivable Agreement, which payment may be made significantly in advance of the actual realization, if any, of such future tax benefits. In these situations, our obligations under the Tax Receivable Agreement could have a material adverse effect on our liquidity and could have the effect of delaying, deferring or preventing certain mergers, asset sales, other forms of business combination, or other changes of control. There can be no assurance that we will be able to finance our obligations under the Tax Receivable Agreement.

Payments under the Tax Receivable Agreement will be based on the tax reporting positions that we determine. If any such position is subject to a challenge by a taxing authority the outcome of which would reasonably be expected to materially affect a recipient's payments under the Tax Receivable Agreement, then we will not be permitted to settle or fail to contest such challenge without the consent (not to be unreasonably withheld or delayed) of each Member that directly or indirectly owns at least 10% of the outstanding Class B Units. We will not be reimbursed for any cash payments previously made to any Member pursuant to the Tax Receivable Agreement if any tax benefits initially claimed by us are subsequently challenged by a taxing authority and ultimately disallowed. Instead, in such circumstances, any excess cash payments made by us to a Member will be netted against any future cash payments that we might otherwise be required to make under the terms of the Tax Receivable Agreement. However, we might not determine that we have effectively made an excess cash payment to the Members for a number of years following the initial time of such payment and, if our tax reporting positions are challenged by a taxing authority, we will not be permitted to reduce any future cash payments under the Tax Receivable Agreement until any such challenge is finally settled or determined. As a result, it is possible that we could make cash payments under the Tax Receivable Agreement that are substantially greater than our actual cash tax savings.

Payments will generally be due under the Tax Receivable Agreement within a specified period of time following the filing of our return for the taxable year with respect to which the payment obligations arises, although interest on such payments will begin to accrue at a rate of % from the due date (without extensions) of such tax return. Any late payments that may be made under the Tax Receivable Agreement will continue to accrue interest at a rate equal to plus basis points until such payments are made, including any late payments that we may subsequently make because we did not have enough available cash to satisfy our payment obligations at the time at which they originally arose.

Registration Rights Agreement

We will enter into a Registration Rights Agreement ("Registration Rights Agreement") with the Members in connection with this offering. Among the Members who will be party to the Registration Rights Agreement are Bryan Freeman, our Executive Chairman and Chairperson of our board of directors; Gerard G. Law, our Chief Executive Officer; Akshay Jagdale, our Chief Financial Officer; Andrew J. Stiffelman, our Chief Marketing Officer; and each of our stockholders identified in the table in "Principal Stockholders" as beneficially owning shares of Class B common stock. The Registration Rights Agreement will provide these Members with the right, at any time from and after 180 days following the date of this prospectus, to require us to register under the Securities Act shares of Class A common stock issuable to them upon redemption or exchange of their Common Units, including on a short-form registration statement, if and when we are eligible to utilize such registration statement. The Registration Rights Agreement will also provide for piggyback registration rights for the Members.

Director and Executive Officer Indemnification and Insurance

Prior to the consummation of this offering, we expect to adopt our Certificate of Incorporation, which will become effective immediately prior to the consummation of this offering and which will contain provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by the Delaware General Corporation Law ("DGCL"). Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for the following:

- any breach of their duty of loyalty to our Company or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the DGCL; or
- any transaction from which they derived an improper personal benefit.

Any amendment to, or repeal of, these provisions will not eliminate or reduce the effect of these provisions in respect of any act, omission or claim that occurred or arose prior to that amendment or repeal. If the DGCL is amended to provide for further limitations on the personal liability of directors of corporations, then the personal liability of our directors will be further limited to the greatest extent permitted by the DGCL.

In addition, prior to the consummation of this offering, we expect to adopt the Bylaws, which will provide that we will indemnify, to the fullest extent permitted by law, any person who is or was a party or is threatened to be made a party to any action, suit, or proceeding by reason of the fact that he or she is or was one of our directors or executive officers or is or was serving at our request as a director or executive officer of another corporation, partnership, joint venture, trust, or other enterprise. Our Bylaws are expected to provide that we may indemnify to the fullest extent permitted by law any person who is or was a party or is threatened to be made a party to any action, suit, or proceeding by reason of the fact that he or she is or was one of our employees or agents or is or was serving at our request as an employee or agent of another corporation, partnership, joint venture, trust, or other enterprise. Our Bylaws will also provide that we must advance expenses incurred by or on behalf of a director or executive officer in advance of the final disposition of any action or proceeding, subject to very limited exceptions.

Further, prior to the consummation of this offering, we expect to enter into indemnification agreements with each of our directors and executive officers that may be broader than the specific indemnification provisions contained in the DGCL. These indemnification agreements will require us, among other things, to indemnify our directors and executive officers against liabilities that may arise by reason of their status or service. These indemnification agreements will also require us to advance all expenses incurred by the directors and executive officers in investigating or defending any such action, suit, or proceeding. We believe that these agreements are necessary to attract and retain qualified individuals to serve as directors and executive officers.

The limitation of liability and indemnification provisions that are expected to be included in our Certificate of Incorporation, Bylaws, and indemnification agreements that we enter into with our directors and executive officers may discourage stockholders from bringing a lawsuit against our directors and executive officers for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against our directors and executive officers, even though an action, if successful, might benefit us and other stockholders. Further, a stockholder's investment may be harmed to the extent that we pay the costs of settlement and damage awards against directors and executive officers as required by these indemnification provisions. At present, we are not aware of any pending litigation or proceeding involving any person who is or was one of our directors, officers, employees, or other agents or is or was serving at our request as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, for which indemnification is sought, and we are not aware of any threatened litigation that may result in claims for indemnification.

Prior to the consummation of this offering, we expect to obtain insurance policies under which, subject to the limitations of the policies, coverage is provided to our directors and executive officers against loss arising from claims made by reason of breach of fiduciary duty or other wrongful acts as a director or executive officer, including claims relating to public securities matters, and to us with respect to payments that may be made by us to these directors and executive officers pursuant to our indemnification obligations or otherwise as a matter of law.

Certain of our non-employee directors may, through their relationships with their employers, be insured and/or indemnified against certain liabilities incurred in their capacity as members of our board of directors.

The underwriting agreement will provide for indemnification by the underwriters of us and our officers, directors, and employees for certain liabilities arising under the Securities Act or otherwise.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers, or persons controlling our Company pursuant to the foregoing provisions, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Other Transactions

Executive Officer Profits Interest Unit Awards

RGF, LLC's board of managers has granted profits interest units to certain of our executive officers. Pursuant to an exchange that will be approved by the holders of profits interest units and all the Members prior to the effectiveness of the registration statement of which this prospectus forms a part, all such profits interest units shall be exchanged for shares of our Class B common stock and Class B Units in connection with the reorganization. For additional information, refer to the sections entitled "*Executive Compensation—Employment Arrangements*" and "*The Reorganization*."

CPG Profit Participation Agreement

On April 1, 2017, RGF, LLC granted profits interest units to CPG Solutions LLC ("CPG") in exchange for sales and marketing services that CPG provides to us pursuant to a profit participation agreement, under which CPG shares in RGF, LLC's net profits and receives a settlement payment at the time of a liquidity event, specifically a sale of the Company. In connection with the profits interest unit award, CPG became a Member of RGF, LLC and holder of more than 5% of RGF, LLC's outstanding units. Pursuant to an exchange that will be approved by the holders of profits interest units and all the Members prior to the effectiveness of the registration statement of which this prospectus forms a part, all such profits interest units shall be exchanged for shares of Class B Common Stock of RGF, Inc. and Class B Units of RGF, LLC in connection with the reorganization. For additional information, refer to the section entitled "*The Reorganization*."

For additional information regarding the profit participation agreement and related profits interest unit grant to CPG, refer to Note 1 to our audited financial statements included elsewhere in this prospectus.

Related-Party Transaction Policy

Following the consummation of this offering, our audit committee will have the primary responsibility for reviewing and approving or disapproving "related-party transactions," which are transactions between us and related persons in which the aggregate amount involved exceeds or may be expected to exceed $120,000 and in which a related person has or will have a direct or indirect material interest. The written charter of our audit committee will provide that our audit committee shall review and approve in advance any related-party transaction.

Prior to the consummation of this offering, our board of directors will adopt a formal written policy providing that we are not permitted to enter into any transaction that exceeds $120,000 and in which any related person has a direct or indirect material interest without the consent of our audit committee. This policy was not in effect when we entered into the related-party transactions above. In approving or rejecting any such transaction, our audit committee is to consider the relevant facts and circumstances available and deemed relevant to our audit committee, including whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the related person's interest in the transaction.

PRINCIPAL STOCKHOLDERS

The following table and footnotes set forth information with respect to the beneficial ownership of our Class A common stock and Class B common stock as of June 30, 2021, assuming the consummation of the Reorganization and this offering and subject to certain assumptions set forth in the footnotes and as adjusted to reflect the sale of the shares of common stock offered in the public offering under this prospectus for:

- each holder of 5% or more of the outstanding shares of our Class A common stock or Class B common stock;
- each of our named executive officers;
- each of our directors and director nominees; and
- all of our executive officers and directors as a group.

In accordance with SEC rules, each listed person's beneficial ownership includes:

- all shares the stockholder actually owns beneficially or of record;
- all shares over which the stockholder has or shares voting or dispositive control (such as in the capacity as a general partner of an investment fund); and
- all shares the stockholder has the right to acquire beneficial ownership of within 60 days after June 30, 2021.

As described in the sections entitled "*The Reorganization*" and "*Certain Relationships and Related-Party Transactions*," each Member will be entitled to have their Class B Units exchanged for Class A common stock on a one-to-one basis, or, at our option, cash equal to the market value of the applicable number of our shares of Class A common stock. In addition, at our election, upon an exchange request, we may effect a direct exchange of such Class A common stock or such cash for such Class B Units. In connection with this offering, we will issue to each Member for nominal consideration one share of Class B common stock for each Class A Unit it owns. As a result, the respective numbers of shares of Class B common stock listed in the table below correlate to the number of Class B Units each such Member will own immediately following the consummation of this offering. For additional information, refer to "*The Reorganization*."

Our calculation of the percentage of beneficial ownership prior to this offering is based on the equity security interests of RGF, LLC outstanding as of June 30, 2021, assuming the automatic conversion of all convertible promissory notes outstanding as of June 30, 2021 into an aggregate of shares of our Class A common stock, based on an assumed initial public offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, which will occur immediately prior to the closing of this offering. The percentage ownership information assumes no exercise of the underwriters' option to purchase additional shares. Shares of common stock that a person has the right to acquire within 60 days after June 30, 2021 are deemed outstanding for purposes of computing the percentage ownership of the person holding such rights but are not deemed outstanding for purposes of computing the percentage ownership of any other person, except with respect to the percentage ownership of all directors and executive officers as a group.

Unless otherwise indicated, we believe, based on the information furnished to us, that the persons named in the table below have sole voting and investment power with respect to all securities that they beneficially own, subject to community property laws where applicable. Unless otherwise noted below, the business address of the stockholders listed below is the address of our principal executive office, 3 Executive Campus, Suite 155, Cherry Hill, NJ 08002.

Name of Beneficial Owner	SHARES OF CLASS A COMMON STOCK BENEFICIALLY OWNED		SHARES OF CLASS B COMMON STOCK BENEFICIALLY OWNED		TOTAL COMMON STOCK BENEFICIALLY OWNED†	COMBINED VOTING POWER†
	NUMBER	PERCENTAGE	NUMBER	PERCENTAGE	PERCENTAGE	PERCENTAGE
5% Stockholders						
Josh Schreider(1)	—	* %		%	%	%
Slingshot Consumer LLC(2)	—	* %		%	%	%
PPZ, LLC(3)	—	* %		%	%	%
Divario Ventures, LLC(4)	—	* %		%	%	%
Strand Equity Partners III, LLC(5)	—	* %		%	%	%
CPG Solutions, LLC(6)	—	* %		%	%	%
Fidelity Investors(7)		%		%	%	%
Named Executive Officers, Directors, and Director Nominees						
Bryan Freeman(8)		%		%	%	%
Gerard G. Law(9)		%		%	%	%
Akshay Jagdale(10)		%		%	%	%
Deanna T. Brady, R.D.		%		%	%	%
George F. Chappelle, Jr.		%		%	%	%
Gil B. de Cardenas		%		%	%	%
All directors, director nominees, and executive officers as a group (persons)(11)		%		%	%	%

† Assumes no exercise by the underwriters of their option to purchase additional shares of our Class A common stock.

* Represents beneficial ownership or voting power of less than 1%.

(1) Consists of shares of our Class B common stock held by Mr. Schreider directly. The address of Josh Schreider is 444 East Santa Clara Street, Ventura, CA 93001.

(2) Consists of shares of our Class B common stock. Mr. Freeman, our Executive Chairman and director, is the Managing Partner of Slingshot, and possesses sole voting and dispositive power with respect to the shares held by Slingshot. The address of Slingshot is c/o Varner & Brandt LLP, 3750 University Avenue, 6th Floor, Riverside, CA 92501.

(3) Consists of shares of our Class B common stock. Rhea Lamia is the Manager of PPZ and possesses sole voting and dispositive power with respect to the shares held by PPZ. The address of PPZ is PO Box 905, Laramie, WY 82073.

(4) Consists of shares of our Class B common stock. Jim Foltz is the Manager of Divario and possesses sole voting and dispositive power with respect to the shares held by Divario. The address of Divario is 11555 Dublin Canyon, Pleasanton, CA 94588.

(5) Consists of shares of our Class B common stock. Kevin Chen is the Manager of Strand Equity Partners III, LLC and possesses sole voting and dispositive power with respect to the shares held by Strand Equity Partners III, LLC. The address of Strand Equity Partners III, LLC is 1888 Century Park West, Suite 1440, Los Angeles, CA 90067.

(6) Consists of shares of our Class B common stock. Andrew J. Stiffelman, our Chief Marketing Officer, is the Manager of CPG and possesses sole voting and dispositive power with respect to the shares held by CPG. The address of CPG is 6400 Bluff Creek Lane, Lohman, MO 65053.

(7) Consists of: (i) shares of our Class B common stock issuable upon conversion of the convertible note held by ; (ii) shares of our Class B common stock issuable upon conversion of the convertible note held by ; and (iii) shares of our Class B common stock issuable upon conversion of the convertible note held by ; which we collectively refer to as the "Fidelity Investors." is the managing member of each of the Fidelity Investors and as such has voting and dispositive control of these shares. The addresses of the Fidelity Investors are (a) Fidelity Mt. Vernon Street Trust: Fidelity Series Growth Company Fund, Fidelity Growth Company Commingled Pool, By Fidelity Management Trust Company, as Trustee, Fidelity Securities Fund: Fidelity Blue Chip Growth Fund. Fidelity Blue Chip Growth Commingled Pool, By: Fidelity Management Trust Company, as Trustee, Fidelity Select Portfolios: Consumer Staples Portfolio, and Fidelity Securities Fund: Fidelity Small Cap Growth Fund, c/o Mag & Co., c/o Brown Brothers Harriman & Co., Attn: Corporate Actions/Vault, 140 Broadway, New York, NY 10005; (b) Fidelity Mt. Vernon Street Trust:

Fidelity Growth Company Fund, Fidelity Mt. Vernon Street Trust: Fidelity Growth Company K6 Fund, and Fidelity Securities Fund: Fidelity Small Cap Growth K6 Fund c/o BNY Mellon, P.O. Box 392002, Pittsburgh, PA 15230; (c) Fidelity Securities Fund: Fidelity Blue Chip Growth K6 Fund, c/o The Northern Trust Company, Attn: Trade Securities Processing, 333 South Wabash Ave., 32nd Floor, Chicago, IL 60604, Fidelity Securities Fund: Fidelity Flex Large Cap Growth Fund Reference Account # F70628; (d) Fidelity Securities Fund: Fidelity Blue Chip Growth K6 Fund, c/o The Northern Trust Company, Attn: Trade Securities Processing, 333 South Wabash Ave., 32nd Floor, Chicago, IL 60604, Fidelity Securities Fund: Fidelity Blue Chip Growth K6 Fund Reference Account # F71082; (e) Fidelity Blue Chip Growth Institutional Trust By its manager Fidelity Investments Canada ULC, c/o State Street Bank & Trust, P.O. Box 5756, Boston, MA 02206, Attn: THISBE & Co: FBO Blue Chip Growth Institutional Trust; (f) FIAM Target Date Blue Chip Growth Commingled Pool, By: Fidelity Institutional Asset Management Trust Company, as Trustee, c/o State Street Bank & Trust, P.O. Box 5756, Boston, MA 02206, Attn: FLAPPER CO fbo FIAM Target Date Blue Chip Growth Commingled Pool; (g) Variable Insurance Products Fund IV: Consumer Staples Portfolio, c/o State Street Bank & Trust, P.O. Box 5756, Boston, MA 02206, Attn: BRIDGEOFFICER & CO. fbo Variable Insurance Products Fund IV: Consumer Staples Portfolio; (h) Fidelity Capital Trust: Fidelity Flex Small Cap Fund – Small Cap Growth Subportfolio, c/o State Street Bank & Trust, P.O. Box 5756, Boston, Massachusetts 02206, Attn: ISLAND MOORING CO FBO Fidelity Capital Trust: Fidelity Flex Small Cap Fund – Small Cap Growth Subportfolio; and (i) Fidelity Central Investment Portfolios LLC: Fidelity U.S. Equity Central Fund – Consumer Staples Sub, c/o Citibank N.A./Custody, IC&D Lock Box, P.O. Box 7247-7057, Philadelphia, PA 19170-7057, Name of Security/CUSIP, Reference Account Number: 265102.

(8) Consists of: (i) shares of our Class B common stock held by Mr. Freeman directly, and (ii) shares of our Class B common stock held by Slingshot. Mr. Freeman is the Managing Partner of Slingshot and possesses sole voting and dispositive power with respect to the shares held by Slingshot.

(9) Consists of shares of our Class B common stock held by Mr. Law directly.

(10) Consists of shares of our Class B common stock held by Mr. Jagdale directly.

(11) The number of executive officers and directors as a group includes executive officers of our subsidiaries. The amount beneficially owned by the executive officers and directors as a group consists of an aggregate of shares of our Class B common stock.

DESCRIPTION OF CAPITAL STOCK

The following is a description of the material terms of our Certificate of Incorporation and Bylaws, each as they are expected to be in effect upon the consummation of this offering. The following description may not contain all of the information that is important to you. To understand the material terms of our Class A common stock, you should read our Certificate of Incorporation and Bylaws, copies of which are or will be filed with the SEC as exhibits to the registration statement of which this prospectus is a part.

General

At or prior to the consummation of this offering, we will file our Certificate of Incorporation and adopt our Bylaws. Our Certificate of Incorporation will authorize capital stock consisting of:

- shares of Class A common stock, par value $0.0001 per share;
- shares of Class B common stock, par value $0.0001 per share; and
- shares of preferred stock, with a par value per share that may be established by our board of directors in the applicable certificate of designations.

We are selling shares of Class A common stock in this offering (shares if the underwriters exercise in full their option to purchase additional shares). All shares of our Class A common stock outstanding upon consummation of this offering will be fully paid and non-assessable. We are issuing shares of Class B common stock to the Members simultaneously with this offering (shares if the underwriters exercise in full their option to purchase additional shares of our Class A common stock). Immediately following the consummation of this offering, we expect to have shares of Class A common stock outstanding (shares if the underwriters exercise in full their option to purchase additional shares) and (shares of Class B common stock outstanding (shares if the underwriters exercise in full their option to purchase additional shares), assuming the automatic conversion of all outstanding convertible promissory notes into an aggregate of shares of our Class A common stock, based on an assumed initial public offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, at a 20% discount to such offering price, immediately prior to the consummation of this offering.

The following summary describes the material provisions of our capital stock and is qualified in its entirety by reference to our Certificate of Incorporation and our Bylaws and to the applicable provisions of the DGCL. We urge you to read our Certificate of Incorporation and our Bylaws, which are or will be filed as exhibits to the registration statement of which this prospectus forms a part.

Certain provisions of our Certificate of Incorporation and our Bylaws summarized below may be deemed to have an anti-takeover effect and may delay or prevent a tender offer or takeover attempt that a stockholder might consider in its best interest, including those attempts that might result in a premium over the market price for the shares of our Class A common stock.

Class A Common Stock

Holders of shares of our Class A common stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. The holders of our Class A common stock do not have cumulative voting rights in the election of directors.

Holders of shares of our Class A common stock will vote together with holders of our Class B common stock as a single class on all matters presented to our stockholders for their vote or approval, except for certain amendments to our Certificate of Incorporation described in the section below entitled “*Description of Capital Stock—Anti-Takeover Provisions*” or as otherwise required by applicable law or our Certificate of Incorporation.

Holders of shares of our Class A common stock are entitled to receive dividends when and if declared by our board of directors out of funds legally available therefor, subject to any statutory or contractual restrictions on the payment of dividends and to any restrictions on the payment of dividends imposed by the terms of any outstanding preferred stock.

Upon our dissolution or liquidation, or the sale of all or substantially all of our assets, after payment in full of all amounts required to be paid to creditors and to the holders of preferred stock having liquidation preferences, if any, the holders of shares of our Class A common stock will be entitled to receive pro rata our remaining assets available for distribution.

Holders of shares of our Class A common stock do not have preemptive, subscription, redemption, or conversion rights. There will be no redemption or sinking fund provisions applicable to our Class A common stock.

Class B Common Stock

Shares of Class B common stock will only be issued in the future to the extent necessary to maintain a one-to-one ratio between the number of Class B Units held by RGF, LLC equity holders and the number of shares of Class B common stock issued to RGF, LLC equity holders. Shares of Class B common stock are transferable only together with an equal number of Class B Units. Shares of Class B common stock will be canceled on a one-for-one basis if we, at the election of a holder of Class B Units, redeem or exchange Class B Units of such person pursuant to the terms of the Exchange Agreement and the Operating Agreement.

Holders of shares of our Class B common stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. The holders of our Class B common stock do not have cumulative voting rights in the election of directors.

Holders of shares of our Class B common stock will vote together with holders of our Class A common stock as a single class on all matters presented to our stockholders for their vote or approval, except for certain amendments to our Certificate of Incorporation described in the section below entitled "*Description of Capital Stock—Anti-Takeover Provisions*" or as otherwise required by applicable law or our Certificate of Incorporation.

Holders of our Class B common stock do not have any right to receive dividends or to receive a distribution upon dissolution or liquidation or the sale of all or substantially all of our assets. Additionally, holders of shares of our Class B common stock do not have preemptive, subscription, redemption, or conversion rights. There will be no redemption or sinking fund provisions applicable to the Class B common stock.

Pursuant to the Operating Agreement, each holder of Class B common stock has agreed that (i) the holder will not transfer any shares of Class B common stock to any person unless the holder transfers an equal number of Class B Units to the same person, and (ii) in the event the holder transfers any Class B Units to any person, the holder will transfer an equal number of shares of Class B common stock to the same person. Any such transfers must be made in compliance with the terms of our Certificate of Incorporation, the Bylaws, the Exchange Agreement, and the Operating Agreement, or such transfer may result in the Corporation disregarding the purported transfer and/or canceling such shares of Class B common stock.

Immediately following the consummation of this offering, the members of RGF, LLC holding Class B common stock may exchange their Class B Units and cancel an equivalent number of their shares of Class B common stock for newly issued shares of our Class A common stock or, at our option, cash.

Amendments to Charter Documents

Any amendment of our Certificate of Incorporation that gives holders of our Class B common stock (i) any rights to receive dividends or any other kind of distribution, (ii) any right to convert into or be exchanged for Class A common stock (excluding exchange rights with respect to Class B Units pursuant to the terms of the Exchange Agreement), or (iii) any other economic rights will require, in addition to stockholder approval, the affirmative vote of holders of our Class A common stock voting separately as a class.

Upon the consummation of this offering, the Members will own 100% of our outstanding Class B common stock.

Preferred Stock

Upon the consummation of this offering, we will have no shares of preferred stock outstanding.

Under the terms of our Certificate of Incorporation that is expected to be in effect upon the consummation of this offering, our board of directors is authorized to direct us to issue shares of preferred stock in one or more series without stockholder approval. Our board of directors will have the discretion to determine the rights, preferences, privileges and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges, and liquidation preferences, of each series of preferred stock.

The purpose of authorizing our board of directors to issue preferred stock and determine its rights and preferences is to eliminate delays associated with a stockholder vote on specific issuances. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions, future financings and other corporate purposes, could have the effect of making it more difficult for a third party to acquire, or could discourage a third party from seeking to acquire, a majority of our outstanding voting stock. Additionally, the issuance of preferred stock may adversely affect the holders of our Class A common stock by restricting dividends on the Class A common stock, diluting the voting power of the Class A common stock, or subordinating the liquidation rights of the Class A common stock. As a result of these or other factors, the issuance of preferred stock could have an adverse impact on the market price of our Class A common stock.

Forum Selection

Our Certificate of Incorporation will provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for any state court action for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by, or other wrongdoing by, any of our directors, officers, employees, or agents to us or our stockholders, (iii) any action asserting a claim against RGF, Inc. or any director or officer thereof arising pursuant to any provision of the DGCL or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware, our Certificate of Incorporation, or our Bylaws, (iv) any action to interpret, apply, enforce, or determine the validity of our Certificate of Incorporation or our Bylaws, or (v) any other action asserting a claim against us or any of our directors or officers that is governed by the internal affairs doctrine; provided that, for the avoidance of doubt, the forum selection provision that identifies the Court of Chancery of the State of Delaware as the exclusive forum for certain litigation, including any “derivative action,” will not apply to suits to enforce a duty or liability created by the Securities Act, the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction.

Our Certificate of Incorporation will also provide that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act.

Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock will be deemed to have notice of, and to have consented to, the provisions of our Certificate of Incorporation described above. Although we believe these provisions benefit us by providing increased consistency in the application of the DGCL, or Securities Act, as applicable, for the specified types of actions and proceedings, the provisions may have the effect of discouraging lawsuits against us or our directors and officers. Alternatively, if a court were to find any of the forum selection provisions contained in our Certificate of Incorporation to be inapplicable or unenforceable, we may incur additional costs associated with having to litigate such action in other jurisdictions, which could have an adverse effect on our business, operating results, financial condition, or prospects and result in a diversion of the time and resources of our employees, management, and board of directors.

Anti-Takeover Provisions

Our Certificate of Incorporation, our Bylaws, and the DGCL contain provisions, which are summarized in the following paragraphs, that are intended to enhance the likelihood of continuity and stability in the composition of our board of directors. These provisions are intended to avoid costly takeover battles, reduce our vulnerability to a hostile change of control, and enhance the ability of our board of directors to maximize stockholder value in connection with any unsolicited offer to acquire us. However, these provisions may have an anti-takeover effect and may delay, deter, or prevent a merger or acquisition of us by means of a tender offer, a proxy contest, or other takeover attempt that a stockholder might consider in its best interest, including those attempts that might result in a premium over the prevailing market price for the shares of Class A common stock held by stockholders.

These provisions include:

Classified Board

Our Certificate of Incorporation will provide that our board of directors will be divided into three classes of directors, with the classes as nearly equal in number as possible, and with the directors serving three-year terms. As a result, approximately one-third of our board of directors will be elected each year. The classification of the directors will have the effect of making it more difficult for stockholders to change the composition of our board of directors. Our Certificate of Incorporation will also provide that, subject to any rights of holders of preferred stock to elect additional directors under specified circumstances, the number of directors will be fixed exclusively pursuant to a resolution adopted by our board of directors. Immediately following the consummation of this offering, we expect that our board of directors will have members.

No Stockholder Action by Written Consent

Our Certificate of Incorporation will preclude stockholder action by written consent.

Special Meetings of Stockholders

Our Certificate of Incorporation and Bylaws will provide that, except as required by law, special meetings of our stockholders may be called at any time only by or at the direction of our board of directors or the Executive Chairman. Our Bylaws will prohibit the conduct of any business at a special meeting other than as specified in the notice for such meeting.

Advance Notice Procedures

Our Bylaws will establish advance notice procedures for stockholder proposals and nomination of candidates for election as directors, other than nominations made by or at the direction of our board of directors or a committee of our board of directors. Stockholders at an annual meeting will only be able to consider proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of our board of directors, or by a stockholder who was a stockholder of record on the record date for the meeting, who is entitled to vote at the meeting and who has given our secretary timely written notice, in proper form, of the stockholder's intention to bring that business before the meeting. Although our Bylaws will not give our board of directors the power to approve or disapprove stockholder nominations of candidates or proposals regarding other business to be conducted at a special or annual meeting, the Bylaws may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed or may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect its own slate of directors or otherwise attempting to obtain control of us.

Removal of Directors; Vacancies

Our Certificate of Incorporation will provide that all directors may only be removed for cause, and only by the affirmative vote of holders of at least a majority in voting power of all the then-outstanding shares of our capital stock entitled to vote thereon, voting together as a single class. In addition, our Certificate of Incorporation will also provide that, subject to the rights granted to one or more series of preferred stock then outstanding, any newly created directorship on our board of directors that results from an increase in the number of directors and any vacancies on our board of directors will be filled only by the affirmative vote of a majority of the remaining directors, even if less than a quorum, or by a sole remaining director (and not by the stockholders).

Amendments

Our Certificate of Incorporation and Bylaws will provide that our board of directors is expressly authorized to make, alter, amend, change, add to, rescind, or repeal, in whole or in part, our Bylaws without a stockholder vote in any matter not inconsistent with the laws of the State of Delaware and our Certificate of Incorporation. Any amendment, alteration, rescission, or repeal of our Bylaws by our stockholders will require the affirmative vote of either (i) a majority of the Board of Directors, or (ii) stockholders representing at least 66-2/3% of the votes eligible to be cast in an election of directors of RGF, Inc. to vote on such amendment, alteration, change, addition, rescission, or repeal.

Authorized but Unissued Shares

Our authorized but unissued shares of common stock and preferred stock will be available for future issuance without stockholder approval, subject to Nasdaq listing standards. These additional shares of capital stock may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions, and employee benefit plans. One of the effects of the existence of authorized but unissued common

stock or preferred stock may be to enable our board of directors to issue shares of capital stock to persons friendly to current management, which issuance could render more difficult or discourage an attempt to obtain control of the company by means of a merger, tender offer, proxy contest, or otherwise, and thereby protect the continuity of our management and possibly deprive our stockholders of opportunities to sell their shares of common stock at prices higher than prevailing market prices.

Business Combinations

We will be subject to the provisions of Section 203 of the DGCL. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a three-year period following the time that the person becomes an interested stockholder, unless the business combination is approved in a prescribed manner. A "business combination" includes, among other things, a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. An "interested stockholder" is a person who, together with affiliates and associates, owns, or did own within three years prior to the determination of interested stockholder status, 15% or more of the corporation's voting stock.

Under Section 203, a business combination between a corporation and an interested stockholder is prohibited unless it satisfies one of the following conditions: (i) before the stockholder became an interested stockholder, the Board approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder, (ii) upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding, shares owned by persons who are directors and also officers, and employee stock plans, in some instances, or (iii) at or after the time the stockholder became an interested stockholder, the business combination was approved by the Board and authorized at an annual or special meeting of the stockholders by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

Under certain circumstances, Section 203 will make it more difficult for a person who would be an "interested stockholder" to effect various business combinations with us for a three-year period. Section 203 may encourage companies interested in acquiring us to negotiate in advance with our board of directors because the stockholder approval requirement would be avoided if our board of directors approves either the business combination or the transaction which results in the stockholder becoming an interested stockholder. Section 203 also may have the effect of preventing changes in our board of directors and may make it more difficult to accomplish transactions which stockholders may otherwise deem to be in their best interests.

Limitations on Liability and Indemnification of Officers and Directors

The DGCL authorizes corporations to limit or eliminate the personal liability of directors to corporations and their stockholders for monetary damages for breaches of directors' fiduciary duties, subject to certain exceptions. Our Certificate of Incorporation will include a provision that eliminates the personal liability of directors for monetary damages for any breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL. The effect of these provisions will be to eliminate the rights of us and our stockholders, through stockholders' derivative suits on our behalf, to recover monetary damages from a director for breach of fiduciary duty as a director, including breaches resulting from grossly negligent behavior. However, exculpation will not apply to any director if the director has acted in bad faith, knowingly or intentionally violated the law, authorized illegal dividends or redemptions, or derived an improper benefit from his or her actions as a director.

Our Bylaws will provide that we must indemnify and advance expenses to our directors and officers to the fullest extent authorized by the DGCL. We also will be expressly authorized to carry directors' and officers' liability insurance providing indemnification for our directors, officers, and certain employees for some liabilities. We believe that these indemnification and advancement provisions and insurance will be useful to attract and retain qualified directors and officers.

The limitation of liability, indemnification, and advancement provisions that will be included in our Certificate of Incorporation and Bylaws may discourage stockholders from bringing a lawsuit against directors for breaches of their fiduciary duty. These provisions also may have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders. In

addition, your investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

There is currently no pending material litigation or proceeding involving any of our directors, officers, or employees for which indemnification is sought.

Corporate Opportunity Doctrine

The DGCL permits corporations to adopt provisions renouncing any interest or expectancy in certain opportunities that are presented to the corporation or its officers, directors, or stockholders. Our Certificate of Incorporation will, to the maximum extent permitted from time to time by the DGCL, renounce any interest or expectancy that we have in, or right to be offered an opportunity to participate in, specified business opportunities that are from time to time presented to certain of our officers, directors, or stockholders or their respective affiliates, other than those officers, directors, stockholders, or affiliates who are our or our subsidiaries' employees. Our Certificate of Incorporation will provide that, to the fullest extent permitted by law, any director who is not employed by us (including any non-employee director who serves as one of our officers in both his or her director and officer capacities) or its, his or her affiliates will have any duty to refrain from (i) engaging in a corporate opportunity in the same or similar lines of business in which we or our affiliates now engage or propose to engage, or (ii) otherwise competing with us or our affiliates. In addition, to the fullest extent permitted by law, in the event that any non-employee director acquires knowledge of a potential transaction or other business opportunity which may be a corporate opportunity for itself, himself or herself or its, his or her affiliates or for us or our affiliates, such person will have no duty to communicate or offer such transaction or business opportunity to us or any of our affiliates and they may take any such opportunity for themselves or offer it to another person or entity. Our Certificate of Incorporation will not renounce our interest in any business opportunity that is expressly offered to a non-employee director solely in his or her capacity as our director or officer. To the fullest extent permitted by law, no business opportunity will be deemed to be a potential corporate opportunity for us unless we would be permitted to undertake the opportunity under our Certificate of Incorporation, we have sufficient financial resources to undertake the opportunity and the opportunity would be in line with our business.

Dissenters' Rights of Appraisal and Payment

Under the DGCL, with certain exceptions, our stockholders will have appraisal rights in connection with a merger or consolidation involving us. Pursuant to the DGCL, stockholders who properly request and perfect appraisal rights in connection with such merger or consolidation will have the right to receive payment of the fair value of their shares of capital stock as determined by the Delaware Court of Chancery.

Stockholders' Derivative Actions

Under the DGCL, any of our stockholders may bring an action in our name to procure a judgment in our favor, also known as a derivative action, provided that the stockholder bringing the action is a holder of our shares of capital stock at the time of the transaction to which the action relates or such stockholder's stock thereafter devolved by operation of law.

Transfer Agent and Registrar

The transfer agent and registrar for our Class A common stock will be .

Listing

We intend to apply to have our Class A common stock listed on Nasdaq under the trading symbol "RGF."

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our Class A common stock, and a liquid trading market for our Class A common stock may not develop or be sustained after this offering. Future sales of substantial amounts of our Class A common stock in the public market (including shares of Class A common stock issuable upon exchange of Class B Units), or the perception that such sales may occur, could adversely affect market prices prevailing from time to time and could impair our ability to raise capital through sales of equity securities. Although we intend to apply to list our Class A common stock on Nasdaq, we cannot assure you there will be an active public market for our Class A common stock.

Upon the closing of this offering, after giving effect to the automatic conversion of all outstanding convertible promissory notes into an aggregate of shares of our Class A common stock, based on an assumed initial public offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, at a 20% discount to such offering price immediately prior to the closing of this offering, we will have an aggregate of shares of our Class A common stock outstanding, all of which will be offered and issued in this offering. All shares sold in this offering will be freely tradable without restriction or further registration under the Securities Act, except for any shares purchased by our "affiliates," as that term is defined in Rule 144 under the Securities Act, whose sales would be subject to the Rule 144 resale restrictions described below, other than the holding period requirement. Any shares of Class A common stock purchased by our affiliates will be "restricted securities," as that term is defined in Rule 144 under the Securities Act. These restricted securities are eligible for public sale only if they are registered under the Securities Act or if they qualify for an exemption from registration under Rule 144 under the Securities Act, which is summarized below. Other restricted securities may qualify for an exemption from registration under Rule 701 of the Securities Act, which is summarized below.

In addition, each Class B Unit held by the Members will be exchangeable, at the election of such Members, for newly issued shares of our Class A common stock on a one-to-one basis. The Members may exercise such exchange right for as long as their Class B Units remain outstanding. For additional information, refer to the section entitled "*Certain Relationships and Related-Party Transactions—Operating Agreement*."

Upon consummation of this offering, the Members will hold Class B Units, all of which will be exchangeable for shares of our Class A common stock, as well as options, for an estimated shares of our Class A common stock (based on an assumed initial public offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus) that will be fully vested immediately following the determination of the initial public offering price for this offering. The shares of our Class A common stock we issue upon such exchanges would be "restricted securities" as defined in Rule 144 unless we register such issuances. However, we will enter into the Registration Rights Agreement with the Members that will require us to register under the Securities Act these shares of our Class A common stock. For additional information, refer to the section entitled "*Certain Relationships and Related-Party Transactions—Registration Rights Agreement*."

Lock-Up Agreements

We, our executive officers, directors, and holders of substantially all of our outstanding common stock and securities convertible into or exchangeable for shares of our Class A common stock outstanding upon the consummation of this offering, have agreed that, subject to certain exceptions, for a period of 180 days from the date of this prospectus, we and they will not, without the prior written consent of Jefferies, dispose of, pledge, swap, or hedge, or offer to dispose of, pledge, swap, or hedge, any shares or any securities convertible into or exchangeable for shares of our capital stock, make any demand for or exercise any right with respect to the registration of any shares of common stock or any security convertible into or exchangeable for our Class A common stock or publicly announce any intention to do any of the foregoing. Jefferies, in its sole discretion, may release any of the securities subject to these lock-up agreements at any time. For additional information, refer to the section entitled "*Underwriting*." Upon the expiration of the applicable lock-up periods, substantially all of the shares subject to such lock-up restrictions will become eligible for sale, subject to the limitations discussed above.

Rule 144

Affiliate Resales of Restricted Securities

In general, beginning 90 days after the effective date of the registration statement of which this prospectus is a part, a person who is an affiliate of ours, or who was an affiliate at any time during the 90 days before a sale, who has beneficially owned shares of our Class A common stock for at least six months would be entitled to sell in "brokers' transactions" or certain "riskless principal transactions" or to market makers a number of shares within any three-month period that does not exceed the greater of:

- 1% of the number of shares of our Class A common stock then outstanding, which will equal approximately shares immediately after this offering; or
- the average weekly trading volume in our Class A common stock on Nasdaq during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Affiliate resales under Rule 144 are also subject to the availability of current public information about us. In addition, if the number of shares being sold under Rule 144 by an affiliate during any three-month period exceeds 5,000 shares or has an aggregate sale price in excess of $50,000, the seller must file a notice on Form 144 with the SEC. Affiliate resales under Rule 144 are also subject to the contractual lock-up restrictions described above.

Non-Affiliate Resales of Restricted Securities

In general, beginning 90 days after the effective date of the registration statement of which this prospectus is a part, a person who is not an affiliate of ours at the time of sale, and has not been an affiliate at any time during the 90 days preceding a sale, and who has beneficially owned shares of our Class A common stock for at least six months but less than a year, is entitled to sell such shares subject only to the availability of current public information about us. If such person has held our shares for at least one year, such person can resell under Rule 144(b)(1) without regard to any Rule 144 restrictions, including the 90-day public company requirement and the current public information requirement.

Non-affiliate resales are not subject to the manner of sale, volume limitation, or notice filing provisions of Rule 144.

Rule 701

In general, under Rule 701 as currently in effect, any of our employees, directors, officers, consultants, or advisors who purchased shares from us in connection with a compensatory stock or option plan or other written agreement before the effective date of this offering is entitled to resell such shares 90 days after the effective date of this offering in reliance on Rule 144, without having to comply with the holding period requirements or other restrictions contained in Rule 701.

The SEC has indicated that Rule 701 will apply to typical stock options granted by an issuer before it becomes subject to the reporting requirements of the Exchange Act, along with the shares acquired upon exercise of such options, including exercises after the date of this prospectus. Securities issued in reliance on Rule 701 are restricted securities and, subject to the contractual lock-up restrictions described above, beginning 90 days after the date of this prospectus, may be sold by persons other than "affiliates," as defined in Rule 144, subject only to the manner of sale provisions of Rule 144 and by "affiliates" under Rule 144 without compliance with its one-year minimum holding period requirement.

Equity Plans

We intend to file one or more registration statements on Form S-8 under the Securities Act to register all shares of our Class A common stock issued or issuable under the 2021 Plan, including the stock options approved in connection with this offering. We expect to file the registration statement covering shares offered pursuant to our stock plans shortly after the date of this prospectus, permitting the resale of such shares by non-affiliates in the public market without restriction under the Securities Act and the sale by affiliates in the public market subject to compliance with the resale provisions of Rule 144.

Registration Rights

Upon the consummation of this offering, the holders of up to shares of our Class A common stock, including shares of Class A common stock issuable upon the exchange of Class B Units, or their transferees, will be entitled to various rights with respect to the registration of these shares under the Securities Act. Registration of these shares under the Securities Act would result in these shares becoming fully tradable without restriction under the Securities Act immediately upon the effectiveness of the registration. For additional information, refer to the section entitled "*Certain Relationships and Related-Party Transactions—Registration Rights Agreement*." Shares covered by a registration statement will be eligible for sale in the public market upon the expiration or release from the terms of the lock-up agreement.

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS FOR NON-U.S. HOLDERS OF COMMON STOCK

The following is a general discussion of material U.S. federal income and estate tax considerations relating to ownership and disposition of our Class A common stock by a non-U.S. holder. For purposes of this discussion, the term "non-U.S. holder" means a beneficial owner (other than an entity or arrangement treated as a partnership for U.S. federal income tax purposes or other pass-through entity) of our Class A common stock that is not, for U.S. federal income tax purposes, any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States or of any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if (i) a U.S. court is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have authority to control all substantial decisions of the trust, or (ii) the trust has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person.

This discussion does not address the tax treatment of partnerships or other entities that are pass-through (or disregarded) entities for U.S. federal income tax purposes or persons who hold their common stock through partnerships or such other pass-through or disregarded entities. The tax treatment of a partner in an entity or arrangement that is treated as a partnership for U.S. federal income tax purposes generally will depend upon the status of the partner and the activities of the partnership. A partner in a partnership or owner in another pass-through entity that will hold our Class A common stock should consult his, her or its own tax advisor regarding the tax consequences of acquiring, holding and disposing of our Class A common stock through a partnership or other pass-through entity, as applicable.

This discussion is based on current provisions of the Code, existing and proposed U.S. Treasury Regulations promulgated thereunder, and current administrative rulings and judicial decisions, all as in effect as of the date of this prospectus, and all of which are subject to change or to differing interpretation, possibly with retroactive effect. Any change could alter the tax consequences to non-U.S. holders described in this prospectus. There can be no assurance that the Internal Revenue Service ("IRS") will not challenge one or more of the tax consequences described in this prospectus.

We assume in this discussion that each non-U.S. holder holds shares of our Class A common stock as a capital asset (generally, property held for investment) for U.S. federal income tax purposes. This discussion does not address all aspects of U.S. federal income and estate taxation that may be relevant to a particular non-U.S. holder in light of that non-U.S. holder's individual circumstances nor does it address any aspects of U.S. state, local, or non-U.S. taxes, the alternative minimum tax, or the Medicare tax on net investment income. This discussion also does not consider any specific facts or circumstances that may apply to a non-U.S. holder and does not address the special tax rules applicable to particular non-U.S. holders, such as:

- financial institutions;
- brokers or dealers in securities;
- tax-exempt organizations;
- pension plans;
- owners that hold our Class A common stock as part of a straddle, hedge, conversion transaction, synthetic security, or other integrated investment;
- traders in securities that have elected the mark-to-market method of accounting for their securities holdings;
- insurance companies;
- controlled foreign corporations;
- passive foreign investment companies;
- persons that have a functional currency other than the U.S. dollar;

- persons who have acquired our Class A common stock pursuant to the exercise of an option or otherwise in a compensatory transaction;
- non-U.S. governments;
- certain U.S. expatriates; and
- persons who have acquired our Class A common stock upon conversion or exchange of any convertible promissory notes issued by RGF, LLC.

PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE U.S. FEDERAL INCOME TAX LAWS APPLICABLE TO THEIR PARTICULAR SITUATIONS AND THE U.S. FEDERAL, STATE, LOCAL, ESTATE, AND NON-U.S. INCOME AND OTHER TAX CONSIDERATIONS OF ACQUIRING, HOLDING, AND DISPOSING OF OUR CLASS A COMMON STOCK.

Distributions on Our Class A Common Stock

As discussed within the section entitled "*Dividend Policy*," we do not expect to make cash dividends to holders of our Class A common stock in the foreseeable future. Distributions, if any, on our Class A common stock generally will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. If a distribution exceeds our current and accumulated earnings and profits, the excess will be treated as a tax-free return of the non-U.S. holder's investment, up to the holder's tax basis in the common stock and causing a reduction in the adjusted tax basis in such common stock. Any remaining excess will be treated as capital gain, subject to the tax treatment described below under the heading "*Gain on Sale, Exchange or Other Taxable Disposition of Our Class A Common Stock.*" Any such distributions will also be subject to the discussion below under the headings "*Information Reporting and Backup Withholding*" and "*FATCA*."

Dividends paid to a non-U.S. holder generally will be subject to withholding of U.S. federal income tax at a 30% rate of the gross amount of the dividend or such lower rate as may be specified by an applicable income tax treaty between the United States and such holder's country of residence.

Dividends that are treated as effectively connected with a trade or business conducted by a non-U.S. holder within the United States, and, if an applicable income tax treaty so provides, that are attributable to a permanent establishment or a fixed base maintained by the non-U.S. holder within the United States, are generally exempt from the 30% withholding tax if the non-U.S. holder satisfies applicable certification and disclosure requirements (generally including provision of a valid IRS Form W-8ECI (or applicable successor form) certifying that the dividends are effectively connected with the non-U.S. holder's conduct of a trade or business within the United States). However, such U.S. effectively connected income, net of specified deductions and credits, is taxed in the hands of the non-U.S. holder at the same graduated U.S. federal income tax rates applicable to United States persons (as defined in the Code). Any U.S. effectively connected income received by a non-U.S. holder that is classified as a corporation for U.S. federal income tax purposes may also be subject to an additional "branch profits tax" at a 30% rate or such lower rate as may be specified by an applicable income tax treaty between the United States and such holder's country of residence.

A non-U.S. holder of our Class A common stock who claims the benefit of an applicable income tax treaty between the United States and such holder's country of residence generally will be required to provide a properly executed IRS Form W-8BEN or W-8BEN-E (or successor form) and satisfy applicable certification and other requirements. Non-U.S. holders are urged to consult their own tax advisors regarding their entitlement to benefits under a relevant income tax treaty and the specific methods available to them to satisfy these requirements.

A non-U.S. holder that is eligible for a reduced rate of U.S. withholding tax under an income tax treaty may obtain a refund or credit of any excess amounts withheld by timely filing an appropriate claim for a refund with the IRS.

Gain on Sale, Exchange, or Other Taxable Disposition of Our Class A Common Stock

Subject to the discussions below under the headings "*Information Reporting and Backup Withholding*" and "*FATCA*," a non-U.S. holder generally will not be subject to U.S. federal income tax or withholding tax on any gain realized upon such non-U.S. holder's sale, exchange, or other taxable disposition of our Class A common stock unless:

- the gain is effectively connected with the non-U.S. holder's conduct of a U.S. trade or business and, if an applicable income tax treaty so provides, the gain is attributable to a permanent establishment or fixed base maintained by the non-U.S. holder in the United States, in which case the non-U.S. holder generally will be taxed on a net income basis at the graduated U.S. federal income tax rates applicable to United States persons (as defined in the Code) and, if the non-U.S. holder is a foreign corporation, the branch profits tax described above in "*Distributions on Our Class A Common Stock*" also may apply;
- the non-U.S. holder is a non-resident alien individual present in the United States for a period or periods aggregating 183 days or more in the taxable year of the disposition and certain other conditions are met, in which case the non-U.S. holder will be subject to a 30% tax (or such lower rate as may be specified by an applicable income tax treaty between the United States and such holder's country of residence) on the net gain derived from the disposition, which may be offset by certain U.S.-source capital losses of the non-U.S. holder recognized in the taxable year of the disposition, if any; or
- we are, or have been, at any time during the five-year period preceding such disposition (or the non-U.S. holder's holding period, if shorter) a "U.S. real property holding corporation" unless our Class A common stock is regularly traded on an established securities market and the non-U.S. holder holds no more than 5% of our outstanding common stock, directly or indirectly, at any time during the shorter of the five-year period ending on the date of the disposition or the period that the non-U.S. holder held our Class A common stock. Generally, a corporation is a "U.S. real property holding corporation" if the fair market value of its "U.S. real property interests" (as defined in the Code and applicable regulations) equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests plus its other assets used or held for use in a trade or business. Although there can be no assurance, we believe that we are not currently, and we do not anticipate becoming, a "U.S. real property holding corporation" for U.S. federal income tax purposes.

Information Reporting and Backup Withholding

We must report annually to the IRS and to each non-U.S. holder the gross amount of the distributions on our Class A common stock paid to such holder and the tax withheld, if any, with respect to such distributions. Non-U.S. holders generally will have to comply with specific certification procedures to establish that the holder is not a United States person (as defined in the Code) in order to avoid backup withholding at the applicable rate with respect to dividends on our Class A common stock. Generally, a non-U.S. holder will comply with such procedures if it provides a properly executed IRS Form W-8BEN or W-8BEN-E (or other applicable Form W-8), or otherwise meets the documentary evidence requirements for establishing that it is a non-U.S. holder, or otherwise establishes an exemption (and the payor does not have actual knowledge or reason to know that such holder is a United States person). Dividends paid to non-U.S. holders subject to withholding of U.S. federal income tax, as described above under "*Distributions on Our Class A Common Stock*," will generally be exempt from U.S. backup withholding.

Information reporting and backup withholding, currently at a rate of 24%, generally will apply to the proceeds of a disposition of our Class A common stock by a non-U.S. holder effected by or through the U.S. office of any broker, whether U.S. or non-U.S., unless the holder certifies its status as a non-U.S. holder and satisfies certain other requirements, or otherwise establishes an exemption from backup withholding. Generally, information reporting and backup withholding will not apply to a payment of disposition proceeds to a non-U.S. holder where the transaction is effected outside the United States through a non-U.S. office of a broker. However, for information reporting purposes, dispositions effected through a non-U.S. office of a broker with substantial U.S. ownership or operations generally will be treated in a manner similar to dispositions effected through a U.S. office of a broker. Non-U.S. holders should consult their own tax advisors regarding the application of the information reporting and backup withholding rules to them.

Copies of information returns may be made available to the tax authorities of the country in which the non-U.S. holder resides or is incorporated under the provisions of a specific treaty or agreement.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a non-U.S. holder can be refunded or credited against the non-U.S. holder's U.S. federal income tax liability, if any, provided that an appropriate claim is timely filed with the IRS.

FATCA

The Foreign Account Tax Compliance Act ("FATCA"), generally imposes a 30% withholding tax on dividends on, and gross proceeds from the sale or disposition of, our Class A common stock paid to a foreign entity unless (i) if the foreign entity is a "foreign financial institution" (as defined for FATCA purposes) the foreign entity undertakes certain due diligence, reporting, withholding, and certification obligations, (ii) if the foreign entity is not a "foreign financial institution," the foreign entity identifies certain of its U.S. investors, if any, or (iii) the foreign entity is otherwise exempt from FATCA.

Withholding under FATCA generally applies to payments of dividends on our Class A common stock. In the case of payments made to a "foreign financial institution" (as defined for FATCA purposes), as a beneficial owner or as an intermediary, the tax generally will be imposed, subject to certain exceptions, unless such institution (i) enters into (or is otherwise subject to) and complies with a reporting agreement with the U.S. government, or FATCA Agreement or (ii) complies with applicable foreign law enacted in connection with an intergovernmental agreement between the United States and a foreign jurisdiction in either case to, among other things, collect and provide to the U.S. or other relevant tax authorities certain information regarding U.S. account holders of such institution. In the case of payments made to a foreign entity that is not a financial institution, the tax generally will be imposed, subject to certain exceptions, unless such entity provides the withholding agent with a certification that it does not have any "substantial" U.S. owners (generally, any specified U.S. person that directly or indirectly owns more than 10% of such entity) or that identifies its "substantial" U.S. owners. If our Class A common stock is held through a foreign financial institution that enters into (or is otherwise subject to) a FATCA Agreement, such foreign financial institution (or, in certain cases, a person paying amounts to such foreign financial institution) may be required, subject to applicable exceptions, to withhold such tax on payments of dividends described above made to (i) a person (including an individual) that fails to comply with certain information requests or (ii) a foreign financial institution that has not complied with its obligations under FATCA. Each non-U.S. holder should consult its own tax advisor regarding the application of FATCA to an investment in our Class A common stock.

Under certain transitional rules (and extensions thereof), FATCA was expected to also apply to payments of gross proceeds from a sale or other disposition of stock made after a certain date. However, proposed regulations would eliminate the requirements under FATCA of withholding on gross proceeds from the sale of such stock, and the U.S. Treasury Department has indicated that taxpayers may rely on these proposed regulations pending their finalization.

U.S. Federal Estate Tax

Shares of our Class A common stock that are beneficially owned or treated as beneficially owned at the time of death by an individual who is not a citizen or resident of the United States (as specially defined for U.S. federal estate tax purposes) are considered U.S. situs assets and will generally be included in the individual's gross estate for U.S. federal estate tax purposes. Such shares, therefore, may be subject to U.S. federal estate tax, unless an applicable estate tax or other treaty provides otherwise. A non-U.S. holder is urged to consult his, her or its tax advisor regarding the U.S. federal estate tax consequences of the ownership or disposition of our Class A common stock.

The preceding discussion of material U.S. federal tax considerations is for general information only It is not tax advice. Prospective investors should consult their own tax advisors regarding the particular U.S. federal, state, local, and non-U.S. tax consequences of purchasing, holding, and disposing of our Class A common stock, including the consequences of any proposed changes in applicable laws.

UNDERWRITING

Subject to the terms and conditions set forth in the underwriting agreement, dated , 2021, among us, Jefferies LLC, and William Blair & Company, L.L.C., as the representatives of the underwriters named below and the joint book-running managers of this offering, we have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from us the respective number of shares of Class A common stock shown opposite its name below:

UNDERWRITER	NUMBER OF SHARES
Jefferies LLC	
William Blair & Company, L.L.C.	
Total	

The underwriting agreement provides that the obligations of the several underwriters are subject to certain conditions precedent such as the receipt by the underwriters of officers' certificates and legal opinions and approval of certain legal matters by their counsel. The underwriting agreement provides that the underwriters will purchase all of the shares of Class A common stock if any of them are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the non-defaulting underwriters may be increased or the underwriting agreement may be terminated. We will agree to indemnify the underwriters and certain of their controlling persons against certain liabilities, including liabilities under the Securities Act, and to contribute to payments that the underwriters may be required to make in respect of those liabilities.

The underwriters have advised us that, following the consummation of this offering, they currently intend to make a market in the Class A common stock as permitted by applicable laws and regulations. However, the underwriters are not obligated to do so, and the underwriters may discontinue any market-making activities at any time without notice in their sole discretion. Accordingly, no assurance can be given as to the liquidity of the trading market for the Class A common stock, that you will be able to sell any of the Class A common stock held by you at a particular time, or that the prices that you receive when you sell will be favorable.

The underwriters are offering the shares of Class A common stock subject to their acceptance of the shares of Class A common stock from us and subject to prior sale. The underwriters reserve the right to withdraw, cancel, or modify offers to the public and to reject orders in whole or in part. In addition, the underwriters have advised us that they do not intend to confirm sales to any account over which they exercise discretionary authority.

Commission and Expenses

The underwriters have advised us that they propose to offer the shares of Class A common stock to the public at the initial public offering price set forth on the cover page of this prospectus and to certain dealers, which may include the underwriters, at that price less a concession not in excess of $ per share of Class A common stock. The underwriters may allow, and certain dealers may reallow, a discount from the concession not in excess of $ per share of Class A common stock to certain brokers and dealers. After the offering, the initial public offering price, concession, and reallowance to dealers may be reduced by the representatives. No such reduction will change the amount of proceeds to be received by us as set forth on the cover page of this prospectus.

The following table shows the public offering price, the underwriting discounts and commissions that we are to pay the underwriters, and the proceeds, before expenses, to us in connection with this offering. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	PER SHARE		TOTAL	
	WITHOUT OPTION TO PURCHASE ADDITIONAL SHARES	WITH OPTION TO PURCHASE ADDITIONAL SHARES	WITHOUT OPTION TO PURCHASE ADDITIONAL SHARES	WITH OPTION TO PURCHASE ADDITIONAL SHARES
Public offering price	$	$	$	$
Underwriting discounts and commissions paid by us	$	$	$	$
Proceeds to us, before expenses	$	$	$	$

We estimate expenses payable by us in connection with this offering, other than the underwriting discounts and commissions referred to above, will be approximately $. We have agreed to pay the filing fees incident to, and the fees and disbursements of counsel for the underwriters in connection with, the required review by the Financial Industry Regulatory Authority, Inc. in an amount up to $.

Determination of Offering Price

Prior to this offering, there has not been a public market for our Class A common stock. Consequently, the initial public offering price for our Class A common stock will be determined by negotiations between us and the representatives. Among the factors to be considered in these negotiations will be prevailing market conditions, our financial information, market valuations of other companies that we and the underwriters believe to be comparable to us, estimates of our business potential, the present state of our development, and other factors deemed relevant.

We offer no assurances that the initial public offering price will correspond to the price at which the Class A common stock will trade in the public market subsequent to the offering or that an active trading market for the Class A common stock will develop and continue after the offering.

Listing

We intend to apply to have our Class A common stock approved for listing on Nasdaq under the trading symbol "RGF." We do not intend to list the Class B common stock on any securities exchange.

Stamp Taxes

If you purchase shares of Class A common stock offered in this prospectus, you may be required to pay stamp taxes and other charges under the laws and practices of the country of purchase, in addition to the offering price listed on the cover page of this prospectus.

Option to Purchase Additional Shares

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase, from time to time, in whole or in part, up to an aggregate of shares of Class A common stock from us at the public offering price set forth on the cover page of this prospectus, less underwriting discounts and commissions. If the underwriters exercise this option, each underwriter will be obligated, subject to specified conditions, to purchase a number of additional shares proportionate to that underwriter's initial purchase commitment as indicated in the table above. This option may be exercised only if the underwriters sell more shares than the total number set forth on the cover page of this prospectus.

No Sales of Similar Securities

RGF, Inc., RGF, LLC, our officers, our directors, and holders of all or substantially all our outstanding equity securities have agreed, subject to specified exceptions, not to directly or indirectly:

- sell, offer, contract or grant any option to sell (including any short sale), pledge, transfer, establish an open "put equivalent position" within the meaning of Rule 16a-l(h) under the Exchange Act;

- otherwise dispose of any shares of Class A common stock or Class B common stock, units of RGF, LLC beneficially owned by the locked-up party, options or warrants to acquire shares of Class A common stock or units of RGF, LLC, securities exchangeable or exercisable for or convertible into shares of Class A common stock, or units of RGF, LLC currently or hereafter owned either of record or beneficially; or
- publicly announce an intention to do any of the foregoing, in each case, for a period of 180 days after the date of this prospectus without the prior written consent of Jefferies LLC.

This restriction terminates after the close of trading of the Class A common stock on and including the 180th day after the date of this prospectus.

Jefferies LLC may, in its sole discretion, and at any time or from time to time before the termination of the 180-day period, release all or any portion of the securities subject to lock-up agreements. There are no existing agreements between the underwriters and any holders of our equity securities who will execute a lock-up agreement, providing consent to the sale of shares prior to the expiration of the lock-up period.

Stabilization

The underwriters have advised us that they, pursuant to Regulation M under the Exchange Act, and certain persons participating in the offering may engage in short sale transactions, stabilizing transactions, syndicate covering transactions, or the imposition of penalty bids in connection with this offering. These activities may have the effect of stabilizing or maintaining the market price of the Class A common stock at a level above that which might otherwise prevail in the open market. Establishing short sales positions may involve either “covered” short sales or “naked” short sales.

“Covered” short sales are sales made in an amount not greater than the underwriters’ option to purchase additional shares of our Class A common stock in this offering. The underwriters may close out any covered short position by either exercising their option to purchase additional shares of our Class A common stock or purchasing shares of our Class A common stock in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the option to purchase additional shares.

“Naked” short sales are sales in excess of the option to purchase additional shares of our Class A common stock. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the shares of our Class A common stock in the open market after pricing that could adversely affect investors who purchase in this offering.

A stabilizing bid is a bid for the purchase of shares of Class A common stock on behalf of the underwriters for the purpose of fixing or maintaining the price of the Class A common stock. A syndicate covering transaction is the bid for or the purchase of shares of Class A common stock on behalf of the underwriters to reduce a short position incurred by the underwriters in connection with the offering. Similar to other purchase transactions, the underwriter’s purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our Class A common stock or preventing or retarding a decline in the market price of our Class A common stock. As a result, the price of our Class A common stock may be higher than the price that might otherwise exist in the open market. A penalty bid is an arrangement permitting the underwriters to reclaim the selling concession otherwise accruing to a syndicate member in connection with the offering if the Class A common stock originally sold by such syndicate member are purchased in a syndicate covering transaction and therefore have not been effectively placed by such syndicate member.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our Class A common stock. The underwriters are not obligated to engage in these activities and, if commenced, any of the activities may be discontinued at any time.

The underwriters may also engage in passive market making transactions in our Class A common stock on Nasdaq in accordance with Rule 103 of Regulation M during a period before the commencement of offers or sales of shares of

our Class A common stock in this offering and extending through the completion of distribution. A passive market maker must display its bid at a price not in excess of the highest independent bid of that security. However, if all independent bids are lowered below the passive market maker's bid, that bid must then be lowered when specified purchase limits are exceeded.

Electronic Distribution

A prospectus in electronic format may be made available by e-mail or through online services maintained by one or more of the underwriters or their affiliates. In those cases, prospective investors may view offering terms online and may be allowed to place orders online. The underwriters may agree with us to allocate a specific number of shares of Class A common stock for sale to online brokerage account holders. Any such allocation for online distributions will be made by the underwriters on the same basis as other allocations. Other than the prospectus in electronic format, the information on the underwriters' web sites and any information contained in any other web site maintained by any of the underwriters is not part of this prospectus, has not been approved and/or endorsed by us or the underwriters, and should not be relied upon by investors.

Other Activities and Relationships

The underwriters and certain of their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing, and brokerage activities. The underwriters and certain of their respective affiliates have, from time to time, performed, and may in the future perform, various commercial and investment banking and financial advisory services for us and our affiliates, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and certain of their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments issued by us and our affiliates. If the underwriters or their respective affiliates have a lending relationship with us, they routinely hedge their credit exposure to us consistent with their customary risk management policies. The underwriters and their respective affiliates may hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities or the securities of our affiliates, including potentially the Class A common stock offered hereby. Any such short positions could adversely affect future trading prices of the Class A common stock offered hereby. The underwriters and certain of their respective affiliates may also communicate independent investment recommendations, market color or trading ideas, and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Disclaimers About Non-U.S. Jurisdictions

Canada

Resale Restrictions

The distribution of shares of our Class A common stock in Canada is being made only in the provinces of Ontario, Quebec, Alberta, British Columbia, Manitoba, New Brunswick, and Nova Scotia on a private placement basis exempt from the requirement that we prepare and file a prospectus with the securities regulatory authorities in each province where trades of these securities are made. Any resale of the shares of Class A common stock in Canada must be made under applicable securities laws which may vary depending on the relevant jurisdiction, and which may require resales to be made under available statutory exemptions or under a discretionary exemption granted by the applicable Canadian securities regulatory authority. Purchasers are advised to seek legal advice prior to any resale of the securities.

Representations of Canadian Purchasers

By purchasing shares of our Class A common stock in Canada and accepting delivery of a purchase confirmation, a purchaser is representing to us and the dealer from whom the purchase confirmation is received that:

- the purchaser is entitled under applicable provincial securities laws to purchase the shares of Class A common stock without the benefit of a prospectus qualified under those securities laws as it is an "accredited investor" as defined under National Instrument 45-106—*Prospectus Exemptions or Section 73.3(1) of the Securities Act (Ontario), as applicable*;
- the purchaser is a "permitted client" as defined in National Instrument 31-103—*Registration Requirements, Exemptions and Ongoing Registrant Obligations*;
- where required by law, the purchaser is purchasing as principal and not as agent; and
- the purchaser has reviewed the text above under Resale Restrictions.

Conflicts of Interest

Canadian purchasers are hereby notified that certain of the underwriters are relying on the exemption set out in section 3A.3 or 3A.4, if applicable, of National Instrument 33-105—*Underwriting Conflicts* from having to provide certain conflict of interest disclosure in this prospectus.

Statutory Rights of Action

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if the prospectus (including any amendment thereto) such as this prospectus contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser of these securities in Canada should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Enforcement of Legal Rights

All of our directors and officers as well as the experts named herein may be located outside of Canada and, as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon us or those persons. All or a substantial portion of our assets and the assets of those persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against us or those persons in Canada or to enforce a judgment obtained in Canadian courts against us or those persons outside of Canada.

Taxation and Eligibility for Investment

Canadian purchasers of our shares of Class A common stock should consult their own legal and tax advisors with respect to the tax consequences of an investment in the shares in their particular circumstances and about the eligibility of the shares for investment by the purchaser under relevant Canadian legislation.

Australia

This prospectus is not a disclosure document for the purposes of Australia's Corporations Act 2001 (Cth) of Australia, or Corporations Act, has not been lodged with the Australian Securities & Investments Commission and is only directed to the categories of exempt persons set out below. Accordingly, if you receive this prospectus in Australia:

You confirm and warrant that you are either:

- a "sophisticated investor" under section 708(8)(a) or (b) of the Corporations Act;
- a "sophisticated investor" under section 708(8)(c) or (d) of the Corporations Act and that you have provided an accountant's certificate to the company which complies with the requirements of section 708(8)(c)(i) or (ii) of the Corporations Act and related regulations before the offer has been made; or
- a "professional investor" within the meaning of section 708(11)(a) or (b) of the Corporations Act.

To the extent that you are unable to confirm or warrant that you are an exempt sophisticated investor or professional investor under the Corporations Act any offer made to you under this prospectus is void and incapable of acceptance.

You warrant and agree that you will not offer any of the shares issued to you pursuant to this prospectus for resale in Australia within 12 months of those securities being issued unless any such resale offer is exempt from the requirement to issue a disclosure document under section 708 of the Corporations Act.

European Economic Area

In relation to each Member State of the European Economic Area (each, a "Relevant State"), no shares have been offered or will be offered pursuant to the offering to the public in that Relevant State prior to the publication of a prospectus in relation to the shares which have been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that the shares may be offered to the public in that Relevant State at any time:

- to any legal entity which is a "qualified investor" as defined under Article 2(e) of the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of representatives for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the shares shall require the Company or any of the representatives to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase or subscribe for any shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129 (as amended).

This European Economic Area selling restriction is in addition to any other selling restrictions set out herein.

PRC

This prospectus has not been and will not be circulated or distributed in the PRC, and no securities may be offered or sold, or will be offered or sold, to any person for re-offering or resale, directly or indirectly, to any resident of the PRC except pursuant to applicable laws and regulations of the PRC.

Hong Kong

No securities have been offered or sold, and no securities may be offered or sold, in Hong Kong, by means of any document, other than to persons whose ordinary business is to buy or sell shares or debentures, whether as principal or agent; or to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong ("SFO") and any rules made under that Ordinance; or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong; or which do not constitute an offer to the public for the purpose of the CO or the SFO. No document, invitation, or advertisement relating to the securities has been issued or may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted under the securities laws of Hong Kong) other than with respect to securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under that Ordinance.

This prospectus has not been registered with the Registrar of Companies in Hong Kong. Accordingly, this prospectus may not be issued, circulated, or distributed in Hong Kong, and the securities may not be offered for subscription to members of the public in Hong Kong. Each person acquiring the securities will be required, and is deemed by the acquisition of the securities, to confirm that he is aware of the restriction on offers of the securities described in this prospectus and the relevant offering documents and that he is not acquiring, and has not been offered any securities in circumstances that contravene any such restrictions.

Israel

This prospectus does not constitute a prospectus under the Israeli Securities Law, 5728-1968 ("Securities Law"), and has not been filed with or approved by the Israel Securities Authority. In the State of Israel, this prospectus is

being distributed only to, and is directed only at, and any offer of the shares is directed only at, (i) a limited number of persons in accordance with section 15A of the Securities Law, and (ii) investors listed in the first addendum to the Securities Law ("Addendum"), consisting primarily of joint investment in trust funds, provident funds, insurance companies, banks, portfolio managers, investment advisors, members of the Tel Aviv Stock Exchange, underwriters, venture capital funds, entities with equity in excess of NIS 50 million, and "qualified individuals," each as defined in the Addendum (as it may be amended from time to time), collectively referred to as qualified investors (in each case purchasing for their own accounts or, where permitted under the Addendum, for the accounts of their respective clients who are investors listed in the Addendum). Qualified investors will be required to submit written confirmation that they fall within the scope of the Addendum, are aware of the meaning of same and agree to it.

Japan

The offering has not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948 of Japan, as amended, or "FIEL"), and the underwriters will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means, unless otherwise provided herein, any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and any other applicable laws, regulations, and ministerial guidelines of Japan.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined under Section 4A of the Securities and Futures Act, Chapter 289 of Singapore, or "SFA") under Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to conditions set forth in the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor, the securities (as defined in Section 239(1) of the SFA) of that corporation shall not be transferable for 6 months after that corporation has acquired the shares under Section 275 of the SFA except: (i) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (ii) where such transfer arises from an offer in that corporation's securities pursuant to Section 275(1A) of the SFA, (iii) where no consideration is or will be given for the transfer, (iv) where the transfer is by operation of law, (v) as specified in Section 276(7) of the SFA, or (vi) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore ("Regulation 32").

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is a trust (where the trustee is not an accredited investor (as defined in Section 4A of the SFA)) whose sole purpose is to hold investments and each beneficiary of the trust is an accredited investor, the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for 6 months after that trust has acquired the shares under Section 275 of the SFA except: (i) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (ii) where such transfer arises from an offer that is made on terms that such rights or interest are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction (whether such amount is to be paid for in cash or by exchange of securities or other assets), (iii) where no consideration is or will be given for the transfer, (iv) where the transfer is by operation of law, (v) as specified in Section 276(7) of the SFA, or (vi) as specified in Regulation 32.

Solely for the purposes of its obligations pursuant to Section 309B of the SFA, we have determined, and hereby notify all relevant persons (as defined in the CMP Regulations 2018), that the shares are "prescribed capital markets

products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Switzerland

The securities may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This prospectus has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this prospectus nor any other offering or marketing material relating to the securities or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this prospectus nor any other offering or marketing material relating to the offering, the Company or the securities have been or will be filed with or approved by any Swiss regulatory authority. In particular, this prospectus will not be filed with, and the offer of securities will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA and the offer of securities has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of securities.

United Kingdom

No shares have been offered or will be offered pursuant to the offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the Shares which has been approved by the Financial Conduct Authority, except that the shares may be offered to the public in the United Kingdom at any time:

- to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the representatives for any such offer; or
- in any other circumstances falling within Section 86 of the Financial Services and Markets Act 2000 ("FSMA"),

provided that no such offer of the shares shall require the Issuer or any Manager to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase or subscribe for any shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

LEGAL MATTERS

The validity of the shares of common stock offered hereby will be passed upon for us by Stradling Yocca Carlson & Rauth, P.C., Newport Beach, California. Goodwin Procter LLP, Redwood City, California, is acting as counsel for the underwriters in connection with this offering.

EXPERTS

The audited financial statements of The Real Good Food Company LLC included in this prospectus and elsewhere in the registration statement have been so included in reliance upon the reports of Grant Thornton LLP, independent registered public accountants, upon the authority of said firm as experts in accounting and auditing.

The audited balance sheet of Project Clean, Inc. included in this prospectus and elsewhere in the registration statement have been so included in reliance upon the report of Grant Thornton LLP, independent registered public accountants, upon the authority of said firm as experts in accounting and auditing.

The audited statement of assets acquired and liabilities assumed of the Food Manufacturing Business of SSRE Holdings, LLC included in this prospectus and elsewhere in the registration statement have been so included in reliance upon the report of Grant Thornton LLP, independent certified public accountants, upon the authority of said firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have confidentially submitted with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of Class A common stock offered hereby. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement or the exhibits filed therewith. For further information about us and the Class A common stock offered hereby, reference is made to the registration statement and the exhibits filed therewith. Statements contained in this prospectus concerning the contents of any contract or any other document are not necessarily complete, please see the copy of the contract or document that has been filed as an exhibit for the complete contents of that contract or document. Each statement in this prospectus relating to a contract or document filed as an exhibit is qualified in all respects by the filed exhibit.

Immediately following the consummation of this offering, we will be subject to the informational requirements of the Exchange Act and, in accordance therewith, will be required to file annual, quarterly and current reports, proxy and information statements, and other information with the SEC. We plan to fulfill our obligations with respect to such requirements by filing periodic reports and other information with the SEC. The SEC maintains a website, which is located at http://www.sec.gov, which contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. You may access the registration statement of which this prospectus forms a part at the SEC's website.

Such information will also become available on the investors section of our website, which will be located at www.realgoodfoods.com. Upon consummation of this offering, you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. **However, the information contained on or accessible through our website is not part of this prospectus or the registration statement of which this prospectus forms a part, and potential investors should not rely on such information in deciding to purchase our Class A common stock in this offering.**

INDEX TO FINANCIAL STATEMENTS

PROJECT CLEAN, INC.

THE REAL GOOD FOOD COMPANY LLC

FOOD MANUFACTURING BUSINESS OF SSRE HOLDINGS, LLC

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
Project Clean, Inc.

Opinion on the financial statement

We have audited the accompanying balance sheet of Project Clean, Inc. (a Delaware corporation) ("the "Company") as of June 2, 2021, and the related notes (collectively referred to as the "financial statement"). In our opinion, the financial statement presents fairly, in all material respects, the financial position of the Company as of June 2, 2021, in conformity with accounting principles generally accepted in the United States of America.

Basis for opinion

This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statement, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.

/s/ GRANT THORNTON LLP

We have served as the Company's auditor since 2021.

Newport Beach, California
July 30, 2021

PROJECT CLEAN, INC.

Balance Sheets
(In USD)

	AS OF JUNE 2, 2021	AS OF JUNE 30, 2021 (UNAUDITED)
ASSETS		
Cash and cash equivalents	$ 1	$ 1
Total assets	$ 1	$ 1
LIABILITIES AND STOCKHOLDER'S EQUITY		
Total liabilities	$ —	$ —
Stockholder's equity:		
Common stock, $0.0001 par value per share, 10,000 authorized, 10,000 shares issued and outstanding	1	1
Additional paid-in capital	—	—
Total liabilities and stockholder's equity	$ 1	$ 1

See accompanying notes to the Financial Statements.

PROJECT CLEAN, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. DESCRIPTION OF THE BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Background and Nature of Operations

Project Clean, Inc. (the "Company") was formed as a Delaware corporation on June 2, 2021. The Company intends to change its name to The Real Good Food Company, Inc. prior to the consummation of the initial public offering discussed below. The Company was formed for the purpose of completing a public offering and related transactions (the "Transactions") in order to carry on the business of The Real Good Food Company LLC ("RGF, LLC"), which is an entity that manufactures gluten- and grain-free breakfast sandwiches, entrées, and other products within the frozen food category, and will serve as the issuer of the Class A common stock offered in this offering.

Basis of Presentation

The accompanying financial statements are presented in conformity with accounting principles generally accepted in the United States of America ("GAAP") and pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). Separate statements of income and comprehensive income, changes in stockholder's equity, and cash flows have not been presented because there have been no activities in this entity for the period from its formation through June 30, 2021 (unaudited).

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the Company's financial statements and the accompanying notes. Actual results may differ materially from the Company's estimates.

Subsequent Events

We evaluated subsequent events through July 30, 2021, which are the dates the financial statements were available to be issued.

NOTE 2. STOCKHOLDER'S EQUITY

As of June 2, 2021 and June 30, 2021 (unaudited), the Company was authorized to issue 10,000 shares of common stock, par value $0.0001 per share, and had issued 10,000 shares of common stock to RGF, LLC.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Managers and Members
The Real Good Food Company LLC

Opinion on the financial statements

We have audited the accompanying balance sheets of The Real Good Food Company LLC (a California limited liability company) (the "Company") as of December 31, 2019 and 2020, the related statements of operations, members' deficit, and cash flows for each of the two years in the period ended December 31, 2020, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2020, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

Basis for opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ GRANT THORNTON LLP

We have served as the Company's auditor since 2020.
Newport Beach, California
July 30, 2021

THE REAL GOOD FOOD COMPANY LLC

Balance Sheets

(In thousands, except unit and liquidation preference data)

	As of December 31,	
	2019	2020
ASSETS		
Current assets:		
Cash	$ 388	$ 28
Accounts receivable, net	2,528	3,533
Inventories	8,972	8,374
Prepaid slotting fees	332	—
Other current assets	23	37
Total current assets	12,243	11,972
Property and equipment, net	2,030	1,745
Operating lease right-of-use assets	132	100
Deferred loan cost	839	1,584
Other noncurrent assets	54	69
Total assets	$ 15,298	$ 15,470
LIABILITIES AND MEMBERS' DEFICIT		
Current liabilities:		
Accounts payable	$ 2,689	$ 4,818
Customer deposit liability	320	—
Operating lease liabilities	32	36
Finance lease liabilities	242	99
Accrued and other current liabilities	594	667
Loan with PPZ, LLC, a related party	1,078	1,180
Current portion of long-term debt	195	1,763
Total current liabilities	5,150	8,563
Long-term debt	24,755	36,936
Long-term operating lease liabilities	103	66
Long-term finance lease liabilities	38	72
Total Liabilities	30,046	45,637
Commitments and contingencies (Note 12)		
Members' deficit:		
Common units: 62,097 units issued and outstanding as of December 31, 2019; 62,957 units authorized, issued and outstanding as of December 31, 2020	870	1,013
Series A preferred units: 11,798 units authorized, issued and outstanding as of December 31, 2019 and 2020; liquidation preference of $7.8 million and $8.4 million as of December 31, 2019 and 2020	7,337	7,337
Series Seed preferred units: 28,428 units authorized, issued and outstanding as of December 31, 2019 and 2020; liquidation preference of $715 thousand as of December 31, 2019 and 2020	715	715
Accumulated deficit	(23,670)	(39,232)
Total members' deficit	(14,748)	(30,167)
Total liabilities and members' deficit	$ 15,298	$ 15,470

See accompanying notes to the Financial Statements.

THE REAL GOOD FOOD COMPANY LLC

Statements of Operations
(In thousands, except unit and per unit data)

	YEAR ENDED DECEMBER 31,	
	2019	2020
Net sales	$ 38,743	$ 38,984
Cost of sales	32,919	36,306
Gross profit	5,824	2,678
Operating expenses:		
Selling and distribution	8,025	7,593
Marketing	4,145	2,351
Administrative	2,409	2,592
Total operating expenses	14,579	12,536
Loss from operations	(8,755)	(9,858)
Interest expense	5,382	5,682
Other expense	51	—
Loss before income taxes	(14,188)	(15,540)
Income tax expense	—	(22)
Net loss	$(14,188)	$(15,562)
Preferred return on Series A preferred units	418	546
Net loss attributable to common unitholders	$(14,606)	$(16,108)
Net loss per common unit (basic and diluted)	$(235.21)	$(258.82)
Weighted-average common units outstanding (basic and diluted)	62,097	62,238

See accompanying notes to the Financial Statements.

THE REAL GOOD FOOD COMPANY LLC

Statements of Members' Deficit

(In thousands, except number of units)
The Real Good Food Company LLC Members

	COMMON UNITS		SERIES A PREFERRED UNITS		SERIES SEED PREFERRED UNITS		ACCUMULATED DEFICIT	TOTAL MEMBERS' DEFICIT
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT		
Balance, January 1, 2019	**62,097**	**$ 870**	**—**	**$ —**	**28,428**	**$ 715**	**$ (9,482)**	**$ (7,897)**
Issuance of Series A Preferred Units	—	—	11,798	7,337	—	—	—	**7,337**
Net loss	—	—	—	—	—	—	(14,188)	**(14,188)**
Balance, December 31, 2019	**62,097**	**$ 870**	**11,798**	**$ 7,337**	**28,428**	**$ 715**	**$ (23,670)**	**$ (14,748)**
Net loss	—	—	—	—	—	—	(15,562)	**(15,562)**
Issuance of Common Units	860	143	—	—	—	—	—	**143**
Balance, December 31, 2020	**62,957**	**$ 1,013**	**11,798**	**$ 7,337**	**28,428**	**$ 715**	**$ (39,232)**	**$ (30,167)**

See accompanying notes to the Financial Statements.

THE REAL GOOD FOOD COMPANY LLC

Statements of Cash Flows
(In thousands)

	YEAR ENDED DECEMBER 31,	
	2019	2020
Cash flows from operating activities:		
Net loss	$(14,188)	$(15,562)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	516	590
Amortization of loan costs	2,722	1,055
Bad debt expense	8	10
Non-cash interest expense and debt fees	2,258	4,254
Changes in operating assets and liabilities:		
Accounts receivable	1,393	(1,016)
Inventories	(3,066)	599
Other assets	399	335
Accounts payable and accrued and lease liabilities	(958)	1,981
Net cash used in operating activities	(10,916)	(7,754)
Cash flows from investing activities:		
Purchase of property and equipment	(498)	(149)
Net cash used in investing activities	(498)	(149)
Cash flows from financing activities:		
Proceeds from debt	11,998	7,991
Payments on debt	(7,387)	(195)
Capital contributions	7,337	—
Payments on finance lease liabilities	(287)	(253)
Net cash provided by financing activities	11,661	7,543
Net (decrease) increase in cash	$ 247	$ (360)
Beginning cash	$ 141	$ 388
Ending cash	$ 388	$ 28
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 241	$ 201
Non-cash equity compensation	$ —	$ 143
Supplemental disclosures of noncash activities:		
Seller-financed equipment	$ (209)	$ (144)

See accompanying notes to the Financial Statements.

THE REAL GOOD FOOD COMPANY LLC

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The term “RGF, LLC” refers to The Real Good Food Company LLC.

Description of Business

RGF, LLC is a frozen food company that develops, markets, and manufactures foods that are designed to be high in protein, low in sugar, and gluten- and grain-free. RGF, LLC and its co-manufacturers produce breakfast sandwiches, entrées, and other products, which are primarily sold in the U.S. frozen food category, excluding frozen and refrigerated meat. RGF, LLC’s customers include retailers, which primarily sell its products through natural and conventional grocery, drug, club, and mass merchandise stores throughout the United States. Products are also sold through RGF, LLC’s e-commerce channel, which includes direct-to-consumer sales through its website, as well as sales through its retail customers’ online platforms.

RGF, LLC was formed under the laws of the State of California in February 2016.

Basis of Presentation

The accompanying financial statements of RGF, LLC have been prepared by RGF, LLC’s management in accordance with generally accepted accounting principles in the United States of America (“GAAP”).

Liquidity and Capital Resources

Historically, RGF, LLC has financed its operations through issuances of equity securities, sales of its products, and borrowings under its credit agreements. RGF, LLC’s principal liquidity requirements are to meet working capital needs, make debt service payments, and fund capital expenditures.

RGF, LLC has experienced net losses in every period since its inception. In the years ended December 31, 2019 and 2020, RGF, LLC incurred net losses of $14.2 million and $15.6 million, respectively. As of December 31, 2020, RGF, LLC had $28.0 thousand in cash, aggregate current debt obligations of $2.9 million, long-term debt obligations of $36.9 million, and a working capital balance of $3.4 million.

The accompanying financial statements as of December 31, 2019 and 2020 have been presented on the basis that we are a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. As a result, these financial statements do not include any adjustments that might result from the outcome of going concern uncertainty. In addition, the audit report rendered with respect to the financial statements is unqualified as to audit scope.

As of December 31, 2020, RGF, LLC’s recurring net losses and the amount of its indebtedness raised doubts regarding its ability to continue as a going concern. However, subsequent to December 31, 2020, in addition to pursuing this initial public offering (“IPO”) of the Class A common stock of The Real Good Food Company, Inc. (the “Class A common stock”), RGF, LLC has taken a number of actions designed to enhance its liquidity and alleviate doubt regarding its ability to continue as a going concern, including reducing costs, extending the maturity date of certain existing indebtedness, and acquiring additional borrowing capacity. Specifically, RGF, LLC completed the following actions:

- On February 1, 2021, RGF, LLC and PPZ, LLC amended the PPZ Notes to extend the maturity dates of the notes to December 31, 2021.
- On March 29, 2021, RGF, LLC entered into an amendment to the PMC Credit Facility to extend the maturity date of the PMC Revolver from June 30, 2021 to January 31, 2023, excluding a $1.25 million fee, which RGF, LLC paid in June, 2021.
- During the three months ended March 31, 2021, RGF, LLC entered into a series of agreements pursuant to which it agreed to operate a manufacturing facility located in City of Industry, California (“City of Industry Facility”) to produce its products, which included leasing the facility, acquiring certain equipment required to operate the facility and inventory located at the facility, and hiring certain employees. The transactions closed in March 2021. Management believes that directly operating the City of Industry Facility will enable RGF, LLC to expand its production capacity, improve quality control, and enhance its gross margin.

- On May 7, 2021, RGF, LLC entered into a note purchase agreement (the "2021 Notes Agreement") with various Fidelity investment funds (collectively, the "Fidelity Investors"), pursuant to which the Fidelity Investors purchased convertible promissory notes of RGF, LLC with an aggregate principal amount of $35.0 million (the "2021 Notes"), of which $34.1 million was used to repay amounts owed pursuant to the PMC Credit Facility. In the event the IPO constitutes a Qualified Public Transaction as defined in the 2021 Notes Agreement and described in Note 8 below, the outstanding amount under the 2021 Notes will automatically convert into shares of Class A common stock. The 2021 Notes bear an interest rate of 1.0% per annum compounded annually on the unpaid principal balance. The principal and any accrued and unpaid interest are due on the first anniversary of the closing date of the 2021 Notes.

For additional information regarding RGF, LLC's indebtedness, including references to certain defined terms contained herein, refer to Note 8, *Debt*.

RGF, LLC has also taken a number of other actions, including adopting a continuous improvement cost savings program that focuses on process improvements throughout RGF, LLC's supply chain and manufacturing operations to mitigate costs; implementing an enterprise resource planning system to streamline operations, and improve inventory management and cost efficiencies; and accelerating capital expenditures to reduce labor costs at the City of Industry Facility, including through the purchase of machinery to automate certain manual labor tasks.

In the event a Qualified Public Transaction or a Qualified Financing, as defined in the 2021 Notes Agreement and described in Note 8 below, does not occur prior to the maturity date of the 2021 Notes, RGF, LLC's ability to continue as a going concern would be contingent upon its ability to repay the 2021 Notes or extend the maturity date of the notes. While RGF, LLC believes that it is probable that the Fidelity Investors would agree to extend the maturity date of the 2021 Notes if no Qualified Public Transaction or Qualified Financing occurs prior to the maturity date, there can be no assurance this will occur. If the maturity date is not extended, RGF, LLC would be required to repay or refinance the amounts owed pursuant to the 2021 Notes. If RGF, LLC is unable to generate sufficient cash flows from operations to repay the 2021 Notes, it may need to seek to borrow additional funds, dispose of its assets, or reduce or delay capital expenditures. RGF, LLC may not be able to accomplish any of these alternatives on acceptable terms, or at all. The failure to generate sufficient cash flows from operations, or to accomplish any of these alternatives, could have a material adverse impact on the Company.

If RGF, LLC is successful in consummating the IPO, the net proceeds from the offering will generate additional liquidity to fund its working capital requirements and pursue its business plan. Assuming the IPO constitutes a Qualified Public Transaction, the 2021 Notes will convert into Class A common stock upon consummation of the offering. However, there can be no assurance that RGF, LLC will be successful in consummating the IPO or that the IPO, if consummated, would constitute a Qualified Public Transaction. Further, even if RGF, LLC is successful, it may be required to seek additional equity or debt financing in order to meet its future liquidity requirements and pursue its strategic objectives. If RGF, LLC is unable to raise additional capital when desired, or on terms that are acceptable to RGF, LLC, its business, operating results, and financial condition could be adversely affected.

In light of the foregoing, and based on RGF, LLC's current level of operations and business plans, management believes that RGF, LLC's cash and cash equivalents balance, cash flows from operating activities, available borrowings under its credit agreements, and anticipated net proceeds from the IPO will be sufficient to meet its liquidity requirements for at least the next 12 months.

COVID-19 Pandemic

In March 2020, the World Health Organization declared the global novel coronavirus ("COVID-19") outbreak a pandemic. The COVID-19 pandemic has resulted in challenging operating environments and affected regions where RGF, LLC operates its business and in which RGF, LLC's products are made, manufactured, distributed, and sold. The ongoing impacts of the COVID-19 pandemic may continue to affect the ability of RGF, LLC and its co-manufacturers, suppliers, and customers to operate in certain regions, delay the development or launch of new products, disrupt the supply chain and manufacture or shipment RGF, LLC's ingredients, raw materials, or products, or have other adverse effects on RGF, LLC's business, financial condition, results of operations, and prospects. In addition, the impacts of the COVID-19 pandemic have caused substantial disruption in the financial markets and may adversely impact economies worldwide, both of which could result in adverse effects on RGF, LLC's business and operations and its ability to raise additional funds to support its operations.

In connection with the ongoing impacts of the COVID-19 pandemic, many of RGF, LLC's retail customers canceled or postponed shelf-resets, which significantly impacted RGF, LLC's net sales in the year ended December 31, 2020. Further, one of RGF, LLC's key co-manufacturers experienced financial hardship as a result of the impacts of the COVID-19 pandemic, which resulted in RGF, LLC's inability to meet demand for certain of its products in the year ended December 31, 2020 and negatively impacted RGF, LLC's financial condition and results of operations. Although RGF, LLC has taken actions to mitigate the impacts of the COVID-19 pandemic on its business, it cannot at this time predict the specific extent, duration, or full impact that the COVID-19 pandemic will have on its business, financial condition, and operations, including its ability to successfully implement its growth strategy and to obtain additional financing to achieve its strategic objectives. The impacts of the COVID-19 pandemic on RGF, LLC's financial performance will depend on future developments, including the duration and spread of the pandemic; its impact on RGF, LLC's business, including its manufacturing capacity, and other third parties with whom it does business; progress of vaccination efforts; and related governmental advisories and restrictions. These developments and the impact of the COVID-19 pandemic on the financial markets and the overall economy are highly uncertain and cannot be predicted. If the financial markets or the overall economy are impacted for an extended period, RGF, LLC's business may be materially adversely affected.

Use of Estimates

The preparation of RGF, LLC's financial statements in conformity with GAAP requires management to use its judgment to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of net sales and expenses during the reporting period. Significant estimates and assumptions reflected in the financial statements include, but are not limited to, the allowance for credit losses, the write down of obsolete or excess inventory, and revenue recognition, including variable consideration for estimated reserves for discounts, incentives, and other allowances. Management bases its estimates on historical experience and on assumptions that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Due to the inherent uncertainty involved in making assumptions and estimates, changes in circumstances could result in actual results differing from those estimates, and such differences could be material to RGF, LLC's balance sheet and statements of operations.

Management considered the impact of COVID-19 on the assumptions and estimates used to prepare RGF, LLC's financial statements and determined that there were no material adverse impacts on the financial statements for the years ended December 31, 2019 and 2020. As events continue to evolve and additional information becomes available, management's assumptions and estimates may change materially in future periods.

Segment Reporting and Geographical Information

For the years ended December 31, 2019 and 2020, RGF, LLC was managed as a single operating segment. The Chief Executive Officer, who is the Chief Operating Decision Maker, reviews financial information on an aggregate basis for purposes of allocating resources and assessing financial performance, as well as for making strategic operational decisions and managing the organization. All of RGF, LLC's assets are maintained in the United States.

Cash and Cash Equivalents

RGF, LLC considers all highly liquid investments with a maturity period of three months or less, when acquired, to be cash equivalents. There were no cash equivalents as of December 31, 2019 and 2020.

Significant Risks and Uncertainties

RGF, LLC is subject to those risks common to brands within the frozen food category within the health and wellness industry. Various factors could negatively impact its business, including RGF, LLC's need to increase its net sales from existing customers and acquire new customers in order to execute its growth strategy; ability to introduce or market new or successfully improve existing products; ability to compete successfully within its highly competitive market; dependence on key personnel, suppliers, and co-manufacturers; customer concentration risk, or the loss of a single significant customer; compliance with government regulations; and indebtedness, including the financial restrictions and operating covenants included in the agreements governing such indebtedness, as well as a possibility of being unable to obtain additional financing at terms satisfactory to RGF, LLC when needed.

Further, changes in any of the following areas could have a significant negative effect on RGF, LLC, its financial position, results of operations, and cash flows: rates of revenue growth; its ability to manage inventory or pricing; engagement and usage of its products; effectiveness of its investment of resources to pursue strategies; competition in its market; the stability of food prices; impact of interest rate changes on demand and its costs; and addition or loss of significant customers.

Concentration of Credit Risk

Financial instruments which potentially subject RGF, LLC to concentrations of credit risk consist of cash, accounts receivable, and accounts payable. RGF, LLC maintains its cash balances in highly rated financial institutions. From time to time RGF, LLC's cash balances exceed the Federal Deposit Insurance Corporation limit. RGF, LLC has not experienced any loss relating to cash in these accounts and management believes RGF, LLC is not exposed to significant risks on such accounts.

In addition, RGF, LLC's net sales and receivables are concentrated among a small number of customers. As of December 31, 2019, RGF, LLC's three largest customers accounted for 48% of its total accounts receivable balance, or 23%, 15%, and 10%, respectively. As of December 31, 2020, RGF, LLC's three largest customers accounted for a total of 46% of its accounts receivable balance, or 16%, 19%, and 11%, respectively. Under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("ASC 606"), RGF, LLC's customers are considered to be retailers who sell RGF, LLC's products to end consumers. RGF, LLC does not identify a significant risk in the recoverability of the trade account receivables considering its customers are major retailers within United States. See Note 4, *Significant Customers*, for further discussion of RGF, LLC's significant customers.

Accounts Receivable

Accounts receivable are recorded at the invoiced amount, net of allowances for estimated variable consideration and amounts payable to customers for slotting, which are fees assessed by customers for the cost of accepting new products into their store. Estimated product returns are immaterial. Management assesses the collectability of outstanding customer invoices, and if it deems necessary, maintains an allowance for credit losses resulting from the non-collection of customer receivables. In estimating this reserve, management considers factors such as historical collection experience, customer creditworthiness, specific customer risk, trends specific to the customer, and current and expected general economic conditions that may affect a customer's ability to pay. Customer balances are written off after all collection efforts are exhausted. RGF, LLC has recorded a reserve for credit losses of $0.0 and $29 thousand as of December 31, 2019 and 2020, respectively.

Inventories

Inventories are stated at the lower of cost or net realizable value. RGF, LLC records sales and other reductions in inventory through cost of sales using the first-in, first-out method. The cost of finished goods inventories include ingredients, direct labor, freight-in for ingredients, and indirect production and overhead costs.

RGF, LLC monitors its inventory to identify excess or obsolete items on hand. RGF, LLC writes down its inventories for estimated excess and obsolescence in an amount equal to the difference between the cost of inventories and estimated net realizable value. These estimates are based on management's judgment about future demand and market conditions. Once established, these adjustments are considered permanent and are not revised until the related inventory is sold or disposed of. Inventory written down was $0.5 million and $1.2 million as of December 31, 2019 and 2020, respectively.

Property and Equipment

Property and equipment are stated at acquisition cost, net of accumulated depreciation. Property and equipment are capitalized and depreciated. Depreciation is calculated using the straight-line method typically over the following range of estimated useful lives of the assets as follows:

	ESTIMATED USEFUL LIVES
Computers	3 years
Office equipment	3 years
Machinery equipment	5 years

Leasehold improvements are capitalized and amortized over the shorter of the useful life of the asset or the remaining term of the lease.

RGF, LLC reviews the recoverability of property and equipment when circumstances indicate that the carrying value may not be recoverable. Indicators of impairment could include, among other factors, significant changes in the business environment, the planned closure of a facility, or deteriorations in operating cash flows. Considerable management judgment is necessary to evaluate the impact of operating changes and to estimate future cash flows. Expenditures for repairs and maintenance which do not improve or extend the life of the assets are expensed as incurred.

Leases

RGF, LLC's leases consist of the following types of assets: corporate office space, warehouse, and equipment.

RGF, LLC determines whether a contract is or contains a lease at the time of the contract's inception based on the presence of identified assets and RGF, LLC's right to obtain substantially all the economic benefit from or to direct the use of such assets. When RGF, LLC determines a lease exists, it records a right-of-use ("ROU") asset and corresponding lease liability on its balance sheet. ROU assets represent RGF, LLC's right to use an underlying asset for the lease term. Lease liabilities represent RGF, LLC's obligation to make lease payments arising from the lease. ROU assets are recognized at the lease commencement date at the value of the lease liabilities. Lease liabilities represent RGF, LLC's obligation to make lease payments arising from the lease. ROU assets are recognized at the lease commencement date at the value of the lease liability and are adjusted for any prepayments, lease incentives received, and initial direct costs incurred. Lease liabilities are recognized at the lease commencement date based on the present value of remaining lease payments over the lease term. As the discount rate implicit in the lease is not readily determinable in most of RGF, LLC's leases, RGF, LLC uses its incremental borrowing rate based on the information available at the lease commencement date in determining the present value of lease payments. RGF, LLC's lease terms include options to extend the lease when it is reasonably certain that RGF, LLC will exercise that option.

RGF, LLC does not record lease contracts with a term of 12 months or less on its balance sheet. Expense for these short-term leases is recognized on a straight-line basis over the lease term.

RGF, LLC recognizes fixed-lease expense for operating leases on a straight-line basis over the lease term. For finance leases, RGF, LLC recognizes amortization expense over the shorter of (i) the estimated useful life of the underlying assets, or (ii) the lease term. In instances of title transfer, expense is recognized over the useful life. Interest expense on a finance lease is recognized using the effective interest method over the lease term.

RGF, LLC has lease agreements with non-lease components, such as maintenance- and utility-related charges. RGF, LLC accounts for each lease and any non-lease components associated with that lease as a single-lease component for all underlying asset classes. Accordingly, all costs associated with a lease contract are accounted for as lease costs.

Certain leasing arrangements require variable payments that are dependent on usage or output or may vary for other reasons, such as insurance and tax payments. Variable lease payments that do not depend on an index or rate are excluded from lease payments in the measurement of the ROU asset and lease liability and are recognized as expense in the period in which the payment occurs.

RGF, LLC's lease agreements do not include significant restrictions or covenants, and residual value guarantees are generally not included within its leases.

Fair Value of Financial Instruments

Fair value is an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. Fair value measurements of assets and liabilities are categorized based on the following hierarchy:

- Level 1—Quoted prices for identical instruments in active markets.
- Level 2—Quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active and model-derived valuations, in which all significant inputs are observable in active markets.

- Level 3—Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The carrying value of RGF, LLC's short-term financial instruments, such as cash, accounts receivable, notes payable, and accounts payable, approximate fair value due to the immediate or short-term maturity of these instruments. The interest rate on RGF, LLC's secured credit facility and certain other debt has a variable component, which is reflective of the market. Further, RGF, LLC has amended one of its debt agreements to reflect the same interest rate during the years ended December 31, 2019 and 2020 and believes that the fair value of debt approximates its carrying value. Cash is categorized as Level 1 fair value measurements. At fair value, receivables and payables, including debt, is categorized as Level 2 fair value measurements.

Profits Interest Units

On April 1, 2017, the board of managers of RGF, LLC granted profits interest units to CPG Solutions, LLC ("CPG") in exchange for sales and marketing services. CPG is entitled to share in RGF, LLC's net profits and to receive a settlement payment at the time of a liquidity event, including a sale transaction. A sale is defined as a sale or transfer of substantially all of the assets or membership interests in RGF, LLC. Upon the sale of RGF, LLC, CPG will receive 10.0% of the profit on the sale based on the value of RGF, LLC at the end of the term ("Capped Value"). The Capped Value will be determined by multiplying the net sale price in connection with the RGF, LLC sale (purchase price less debt and capital contributions) by a fraction of which the numerator shall be the net revenue for the 12 months prior to the end of the termination of the services to RGF, LLC, and the denominator of which shall be net revenue for the 12 months prior to the determination of the purchase price.

While the profits interest units issued to CPG have features that are similar to both equity and liabilities, they have been determined to be primarily liability-like due to the following considerations: (i) value can be realized in connection with the profits interest units, either through distributions in the normal course of business or upon a liquidity event, to the extent that there are deemed profits as a result of the transaction; (ii) ordinary distributions are payable only while the grantee is providing service; (iii) distributions associated with a liquidity event are capped by a formula which is linked to the grantee's period of service; (iv) the profits interest units are not transferrable; and (v) the profits interest units do not convey voting rights. Based upon these factors, RGF, LLC concluded that the CPG profits interest units should be accounted for in accordance with ASC Topic 710, *Compensation, General* ("ASC 710"), similar to a performance bonus, and has classified such profits interest units as liabilities. As of December 31, 2020, no compensation expense has been recognized with respect to these profits interest units.

On October 9, 2020, the board of managers of RGF, LLC approved a profits interest unit award to its Chief Executive Officer ("CEO") constituting a profit distribution percentage equal to 3%, subject to dilution down to 2.0%, fully vesting after six months of employment. Additionally, after six months of employment, the CEO has the right to receive an additional profits interest unit award in an amount equal to 5.0%, vesting in 24 equal monthly installments beginning with the 13th month following the vesting commencement date.

While the profits interest units issued to the CEO have features that are similar to both equity and liabilities, they have been determined to be primarily liability-like due to the following considerations: (i) the profits interests entitle the CEO to a payout upon a sale of RGF, LLC based on continued service through the date of an initial public offering and based upon the excess of distributable profits of RGF, LLC above a contractually agreed baseline; (ii) the profits interest units will be forfeited upon voluntary or involuntary termination of services; (iii) the profits interest units are not transferrable; and (iv) the profits interest units do not convey voting rights. Based upon these factors, RGF, LLC concluded that the CEO profits interest units should be classified as liability awards and accounted for as a performance bonus in accordance with ASC 710. Because payment with respect to the CEO profits interest units was not deemed probable or estimable as of December 31, 2020, no compensation expense was recognized for the period ended December 31, 2020.

Common Units Issued to Divario

In February 2018, RGF, LLC entered into a product placement agreement ("PPA") with Divario Ventures, LLC ("Divario"), a subsidiary of Albertsons Companies, Inc. ("Albertsons Companies"), pursuant to which RGF, LLC agreed to issue Divario common units (the "Divario Initial Equity") in exchange for achievement and maintenance of

specified distribution thresholds in retail locations operated by Albertsons Companies through October 31, 2020. Additionally, Divario may be entitled to additional common units (the “Divario Incentive Equity”) as incentive awards upon achievement of specified annual sales targets with Albertsons Companies through October 31, 2021. RGF, LLC paid $35 thousand to Divario in connection with the execution of the PPA in February 2018. The PPA authorized the issuance of up to 5,240 common units of RGF, LLC in connection with the Divario Initial Equity. Additionally, the PPA authorized issuance of a variable number of common units in connection with the Divario Incentive Equity.

As both the Divario Initial Equity and Divario Incentive Equity represent consideration due to a customer under ASC 606, the grant date fair value of the awards, measured in accordance with ASC Topic 718, *Stock Compensation*, is recognized in earnings as contra-revenue over the term of the slotting arrangements based upon the relative volume of gross sales to Albertsons Companies during each fiscal period for the duration of the agreement.

A total of 5,240 common units were issued and outstanding as of December 31, 2019 and 2020 in connection with the Divario Initial Equity. RGF, LLC estimates that 1,000 common units may be issuable in connection with the Divario Incentive Equity, of which 860 units and zero units were earned as of December 31, 2019 and 2020, respectively. RGF, LLC recognized contra-revenue of $369 and $384 thousand related to the Divario equity awards during the years ended December 31, 2019 and 2020, respectively. Total unrecognized consideration to Divario in connection with these awards was $42 thousand as of December 31, 2020.

The unamortized portion of the Divario Initial Equity and up-front cash payment made in connection with this program has been recorded within prepaid slotting fees, amounting to $332 thousand and $0.0 and as of December 31, 2019 and 2020, respectively. The estimated unearned amount of Divario Incentive Equity attributable to sales to Albertsons Companies during the term of the arrangement has been treated as constrained contract consideration under ASC 606 and recorded within other current liabilities, amounting to $73 thousand and $0.0 as of December 31, 2019 and 2020, respectively.

Additionally, in connection with this arrangement, Divario agreed to reimburse RGF, LLC for a portion of cash slotting fees that were paid to Albertsons Companies during the program term. These reimbursements represent a reduction to the consideration due to Albertsons Companies in connection with RGF, LLC’s contract and have been amortized as adjustment to the contract price over the term of the arrangement. The portion of reimbursements received to date that are attributable to future sales has been recorded within customer deposit liabilities, amounting to $320 thousand and $0.0 and as of December 31, 2019 and 2020, respectively. Reimbursements received from Divario totaled $241 thousand and $0.0 for the years ended December 31, 2019 and 2020, respectively. No further reimbursements are expected from Divario under this program as of December 31, 2020.

Revenue Recognition

RGF, LLC’s revenue is principally derived from selling goods to retailers. Revenue is recognized when performance obligations under the terms of a contract with a customer are satisfied and promised goods have been transferred to the customer. Control transfers to the customer when the product is shipped or delivered to the customer based upon applicable shipping terms. For each contract, RGF, LLC considers the transfer of products, each of which is distinct, to be the identified performance obligation. Although some payment terms may be more extended, presently the majority of RGF, LLC’s payment terms range from payment due immediately upon invoice to up to 60 days.

Variable consideration is included in revenue for trade promotions, off-invoice discounts, shrinkages and shortages, and other discounts and sales incentives. RGF, LLC uses a reserve to constrain revenue for the expected variable consideration at each period. See Note 3, *Revenue Recognition*, for additional information. Any taxes collected on behalf of government authorities are excluded from net sales.

Shipping and Handling Costs

RGF, LLC’s shipping and handling costs are included in both cost of sales and selling and distribution expense, depending on the nature of such costs. Cost of sales reflects cost incurred for inbound freight on ingredients to be used in production. Internal freight costs included in selling and distribution expenses consist primarily of those costs associated with moving products from production facilities through RGF, LLC’s distribution network. Total

internal freight costs recorded within selling and distribution expenses were $2.7 million and $1.7 million during the years ended December 31, 2019 and 2020, respectively.

Shipping and handling costs associated with outbound freight are included within selling and distribution expenses and are accounted for as a fulfillment cost as incurred. Total of these costs recorded within selling and distribution expenses were $3.8 million and $4.3 million during the years ended December 31, 2019 and 2020, respectively.

Marketing Expenses

Marketing costs are expensed as incurred. RGF, LLC incurred $4.1 million and $2.4 million for the years ended December 31, 2019 and 2020, respectively. Advertising and marketing costs are recorded in general and administrative expense in RGF, LLC's statement of operations.

Income Taxes

RGF, LLC is a pass-through entity for federal income tax purposes, and such taxes are the responsibility of the partners. As such, RGF, LLC does not record federal income taxes, and there are no deferred taxes related to state and local level income taxes.

When applicable, RGF, LLC recognizes the income tax benefit from an uncertain tax position when it is more likely than not that, based on technical merits, the position will be sustained upon examination, including resolutions of any related appeals or litigation processes. RGF, LLC recognizes accrued interest related to uncertain tax positions as a component of income tax expense, and penalties, if incurred, are recognized as a component of income taxes.

RGF, LLC has recorded in the statement of operations income tax expense of $0 and $22 thousand for the years ended December 31, 2019 and 2020, respectively, related to certain minimum state taxes as income taxes.

Loss per Unit

Loss per unit is computed by dividing RGF, LLC's net loss, after deducting any dividends on preferred units or accumulated on cumulative preferred units, by the weighted-average number of common units outstanding during the period, adjusted for the dilutive effect of any outstanding dilutive securities. As the Series Seed preferred units are participating, RGF, LLC utilizes the two-class method in computing loss per unit. The preferred unit holders participate in income but are not obligated to participate in losses. The two-class method did not impact the loss per unit calculation for the periods presented due to the net losses incurred in the years ended December 31, 2019 and 2020.

NOTE 2. RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

ASU No. 2016-02—In February 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-02, *Leases (Topic 842)* ("ASC 842"), to increase transparency and comparability by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The standard requires that entities apply the effects of these changes using a modified retrospective approach, which includes a number of optional practical expedients. In July 2018, the FASB issued ASU No. 2018-11, *Leases (Topic 842), Targeted Improvements*, which provides an additional transition election to not restate comparative periods for the effects of applying the new standard. This transition election permits entities to apply ASU No. 2016-02 on the adoption date and recognize a cumulative-effect adjustment to the opening balance of retained earnings. RGF, LLC adopted these ASUs under the modified retrospective transition method prescribed by ASU No. 2018-11 as of January 1, 2019. RGF, LLC elected to implement the optional practical expedients permitted by the transition guidance. The adoption of these ASUs did not have a material impact on RGF, LLC's statements of operations or cash flows. See Note 6, *Leases*.

ASU No. 2016-13—In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326)—Measurement of Credit Losses on Financial Instruments*, which requires financial assets measured at amortized cost to be presented at the net amount expected to be collected using an allowance for expected credit losses, to be estimated by management based on historical experience, current conditions and reasonable and supportable forecasts. The movement from an incurred loss model, required under previous GAAP, to an expected loss model will result in earlier recording of expected credit losses than the incurred loss model. RGF, LLC adopted this guidance as of January 1, 2020, using the modified retrospective approach. The movement from an incurred

loss model to an expected credit loss model will primarily result in earlier recording of expected credit losses for RGF, LLC's accounts receivable. However, due to the relatively short-term nature of RGF, LLC's accounts receivable and history of limited bad debt expense, the impact of this guidance to its financial statements as of the January 1, 2020 adoption date was immaterial.

ASU No. 2018-13—The FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820)* in August 2018 to modify disclosure requirements related to fair value measurement. The amendments in this ASU are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Implementation on a prospective or retrospective basis varies by specific disclosure requirement. RGF, LLC early adopted ASU 2018-13 on January 1, 2020, with no impact to its financial statements.

NOTE 3. REVENUE RECOGNITION

Disaggregation of Net Sales

The following table presents a disaggregation of RGF, LLC's net sales by revenue source. RGF, LLC believes that these revenue streams most appropriately depict the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with its customers.

	YEAR ENDED DECEMBER 31,	
(In thousands)	**2019**	**2020**
Entrees	$12,059	$19,562
Breakfast Sandwiches	2,491	4,453
Other Frozen	24,193	14,969
Total net sales	**$38,743**	**$38,984**

Revenue Recognition, Sales Incentives, and Accounts Receivable

Revenue is recognized upon transfer of title and risk of inventory loss to the customer. The customer can direct the use and obtain substantially all of the remaining benefits from the asset at this point in time. Revenue is recognized in an amount that reflects the consideration that RGF, LLC expects to ultimately receive in exchange for those promised goods, net of expected discounts for sales promotions and customary allowances. RGF, LLC offers sales promotions through various regional and national programs to its customers. These programs include in-store discounts as well as product coupons offered direct to consumers which may be redeemed at the point of sale. Customary allowances for early invoice payment and shrinkage are also applied by customers. The costs associated with these programs are accounted for as variable consideration as defined under ASC 606 and are reductions to the transaction price of the products. Depending on the specific type of sales incentive and other promotional program, the expected value method is used to determine the variable consideration. RGF, LLC reviews and updates its estimates and related accruals of variable consideration each period based on the terms of the agreements, historical experience, and expected levels of performance of the trade promotion or other programs. Any uncertainties in the ultimate resolution of variable consideration due to factors outside RGF, LLC's influence are typically resolved within a short timeframe therefore not requiring any additional constraint on the variable consideration. RGF, LLC also offers compensation to customers for access to shelf space in stores; associated payments are recognized as reductions to the transaction price received from the customer on sale of associated products.

Payment terms and conditions are generally consistent for customers, including credit terms to customers ranging from 30 to 60 days, and RGF, LLC's contracts do not include any significant financing component. RGF, LLC performs credit evaluations of customers and evaluates the need for allowances for potential credit losses based on historical experience, as well as current and expected general economic conditions. Accordingly, RGF, LLC has recorded immaterial losses within accounts receivable during the years ended December 31, 2019 and 2020.

RGF, LLC applies the practical expedient that allows it to exclude disclosure of performance obligations that are part of a contract that has an expected duration of one year or less. All contracts are short term in nature, and there are no unsatisfied performance obligations requiring disclosure.

Contract Assets and Liabilities

Contract assets are rights to consideration in exchange for goods or services that RGF, LLC has transferred to a customer when that right is conditional on something other than the passage of time. Contract liabilities are obligations to transfer goods or services to a customer for which RGF, LLC has received consideration, or for which an amount of consideration is due from the customer. RGF, LLC continually evaluates whether its contractual arrangements with customers result in the recognition of contract assets or liabilities. No contract assets or liabilities existed as of December 31, 2019 or December 31, 2020.

NOTE 4. SIGNIFICANT CUSTOMERS

During the years ended December 31, 2019 and December 31, 2020 RGF, LLC had three customers, respectively, which each individually comprised greater than 10% of net sales. These customers represented 66% and 57% of RGF, LLC's net sales during the years ended December 31, 2019 and 2020, respectively. RGF, LLC's largest customer accounted for approximately 37% and 28% of net sales during the years ended December 31, 2019 and 2020, respectively. RGF, LLC's second largest customer accounted for approximately 19% and 17% of net sales for the years ended December 31, 2019 and 2020, respectively. RGF, LLC's third largest customer generated approximately 0% and 12% of net sales for the years ended December 31, 2019 and 2020, respectively. RGF, LLC's fourth largest customer accounted for approximately 10% and 8% of net sales for the years ended December 31, 2019, and 2020, respectively. No other customer accounted for more than 10% of net sales during the periods presented.

NOTE 5. INVENTORIES

Inventories as of December 31, 2019 and 2020 consisted of the following:

	AS OF DECEMBER 31,	
(In thousands)	**2019**	**2020**
Ingredients and supplies	$1,543	$2,428
Finished goods	7,429	5,946
Total inventories	**$8,972**	**$8,374**

NOTE 6. PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2019 and 2020 consisted of the following:

	AS OF DECEMBER 31,	
(In thousands)	**2019**	**2020**
Computer equipment	$ 11	$ 11
Machinery and equipment	2,851	3,155
Leasehold improvements	14	14
Total property and equipment	2,876	3,180
Less: accumulated depreciation	(846)	(1,435)
Property and equipment, net	**$2,030**	**$ 1,745**

Depreciation expense was $516 thousand and $589 thousand for the years ended December 31, 2019 and 2020, respectively.

NOTE 7. LEASES

On January 1, 2019, RGF, LLC adopted ASC 842, which amends the guidance for the accounting and reporting for leases. The determination of whether an arrangement is, or contains, a lease is performed at the inception of the

arrangement. RGF, LLC has operating and finance leases for equipment and warehouse space. RGF, LLC's lease agreements do not contain any material residual value guarantees, variable lease costs, bargain purchase options, or restrictive covenants. Leases with an initial term of 12 months or less are generally not recorded on the balance sheet, and the related expense for these leases is recognized on a straight-line basis over the lease term. RGF, LLC's lease terms include options to extend the lease when it is reasonably certain that RGF, LLC will exercise that option.

ROU assets represent RGF, LLC's right to use an underlying asset for the lease term, and lease liabilities represent RGF, LLC's obligation to make lease payments arising from the lease contract. Operating lease liabilities and their corresponding ROU assets are recorded based on the present value of fixed lease payments over the expected lease term. The interest rate implicit in lease contracts was not readily determinable. As such, RGF, LLC used an incremental borrowing rate based on the information available at commencement date. In the development of the discount rate, RGF, LLC considered its internal borrowing rate, treasury security rates, collateral, and credit risk specific to it, and its lease portfolio characteristics. As of December 31, 2019 and 2020, the weighted-average discount rate of RGF, LLC's operating and finance leases was 12%.

The components of lease expense were as follows:

(In thousands)		YEAR ENDED DECEMBER 31, 2019	2020
	Statement of Operations Location		
Operating lease costs	Cost of sales	$ 47	$ 47
Finance lease costs			
Amortization of right-of-use assets	Cost of sales	136	157
Interest on lease liabilities	Interest expense	43	19
Short-term lease costs	Cost of sales	229	825
Total lease costs		**$455**	**$1,048**

Supplemental balance sheet information related to leases is as follows:

(In thousands)		AS OF DECEMBER 31, 2019	2020
Assets	**Balance Sheet Location**		
Operating lease right-of-use assets	Operating lease right-of-use assets	$ 132	$ 100
Finance lease right-of-use assets	Property and equipment, net	587	592
Total lease assets		**$ 719**	**$ 692**
Liabilities			
Current:			
Operating lease liabilities	Operating lease liabilities	$ 32	$ 36
Finance lease liabilities	Finance lease liabilities	242	99
Noncurrent:			
Operating lease liabilities	Long term operating lease liabilities	103	66
Finance lease liabilities	Long term finance lease liabilities	38	72
Total lease liabilities		**$ 415**	**$ 273**

Supplemental cash flow information related to leases is as follows:

(In thousands)	YEAR ENDED DECEMBER 31, 2019	2020
Supplemental Cash Flow Information:		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 45	$ 46
Operating cash flows from finance leases	43	19
Financing cash flows from finance leases	287	253
Supplemental noncash information on lease liabilities arising from obtaining right-of-use assets	209	144

The maturities of RGF, LLC's operating and finance lease liabilities as of December 31, 2020 were as follows:

(In thousands)	OPERATING LEASES	FINANCE LEASES
2021	$ 46	$ 113
2022	48	64
2023	24	13
2024 and thereafter	—	—
Total future lease payments	118	190
Less: Interest	(16)	(19)
Present value of lease obligations	**$ 102**	**$ 171**

As of December 31, 2019 and 2020, the weighted-average remaining term of RGF, LLC's operating and finance leases was 1.6 years and 2.5 years, respectively.

NOTE 8. DEBT

Long-term debt consisted of the following as of December 31, 2019 and 2020:

(In thousands)	MATURITY DATE	INTEREST RATE	AS OF DECEMBER 31, 2019	2020
PMC Revolver	January 2023	Prime rate plus 8.5%	$23,236	$36,871
PMC CapEx line	March 2025	Prime rate plus 8.5%	1,714	1,519
Related-party loan arrangement—PPZ Loan	December 2021	8.0% to 9.0%	1,078	1,180
PPP Loan	May 2022	1.0%	—	309
			26,028	39,879
Less: Current maturities of long-term debt			1,273	2,943
Long-term debt			$24,755	$36,936

PMC Credit Facility

On June 30, 2016, RGF, LLC entered into a loan and security agreement (the "PMC Credit Facility") with PMC Financial Services Group, LLC ("PMC"). As of December 31, 2020, the PMC Credit Facility, as amended, provided RGF, LLC with a $36.5 million line of credit repayable on June 30, 2021 (the "PMC Revolver"), and permitted RGF, LLC to make repayments without penalty. As amended, the PMC Credit Facility also provides for a $2.0 million capital expenditure line of credit, which matures on March 31, 2025 (the "PMC CapEx Line"). The PMC Revolver

and the PMC CapEx Line outstanding balances shall bear interest at an annual rate equal to the greater of the prime rate announced by Wells Fargo Bank, N.A. or 3.5%, plus 8.5% per annum. The PMC Credit Facility contains no financial covenants and is collateralized by RGF, LLC's accounts receivable, inventory, equipment, deposit accounts, and general intangibles.

As of December 31, 2019 and 2020, there was $23.2 million and $36.9 million outstanding on the PMC Revolver, respectively, which included the unpaid loan balance and fees. The balance outstanding as of December 31, 2020 is inclusive of a $1.25 million "success fee" payable upon the earlier (i) June 30, 2021, (ii) payment in full of the PMC Revolver balance, or (iii) sale of the Company. The success fee does not count toward available capacity on the PMC Credit Facility.

Effective as of March 29, 2021, RGF, LLC entered into an amendment to the PMC Credit Facility to extend the maturity date of the PMC Revolver from June 30, 2021 to January 31, 2023, excluding the $1.25 million success fee, which remained payable on June 30, 2021. In addition, effective as of June 30, 2021, RGF, LLC entered into an amendment to the PMC Credit Facility to reduce the revolving limit of the PMC Revolver from $36.5 million to 15.0 million. Refer to Note 13, *Subsequent Events*, for additional information.

Since the inception of the PMC Credit Facility, loan costs, anniversary fees, and success fees that RGF, LLC incurred associated with the PMC Revolver have been paid in kind. These fees were aggregated into RGF, LLC's debt balance and increased RGF, LLC's outstanding PMC Revolver balance, and were recorded in a deferred loan cost asset account classified in non-current assets. The presentation in the table above represents debt, including unpaid loan costs, anniversary, and success fees. The total amount of these fees included in debt for the years ended December 31, 2019 and 2020 is $4.8 million and $6.9 million, respectively. The fees assessed in connection with the PMC Revolver are capitalized and amortized over the life of the PMC Credit Facility on a straight-line basis. If the PMC Revolver is retired before its maturity date, any remaining costs would be expensed in the same period. For loan fees and success fees, the deferred loan cost asset amounts for the years ended December 31, 2019 and 2020 were $0.9 million and $1.6 million, respectively, and reported in other non-current assets. The amortization of loan costs was $2.7 million and $1.1 million for the years ended December 31, 2019 and 2020, respectively and is recorded as a part of interest expense.

As noted above, the PMC Credit Facility also provides for $2.0 million in borrowing capacity under the PMC CapEx Line. As of December 31, 2019, and 2020, the outstanding balances on the PMC CapEx Line were $1.7 million and $1.5 million, respectively. As of December 31, 2020, monthly payments of $38 thousand are due on the PMC CapEx Line until its March 31, 2025 maturity.

PPZ Loan

RGF, LLC has entered into a series of loan arrangements with PPZ, LLC, a member of RGF, LLC (collectively the "PPZ Loan"). The PPZ Loan was initially entered into on February 21, 2017, pursuant to which RGF, LLC issued to PPZ, LLC a promissory note in the principal amount of $40.0 thousand. Subsequently, RGF, LLC increased borrowings on the PPZ Loan on June 1, 2017 and October 25, 2018 by $400.0 thousand and $500.0 thousand, respectively. The $40.0 thousand borrowing on the PPZ Loan bears interest at a rate of 8.0% per annum, and the $400.0 thousand and $500.0 thousand borrowings on the PPZ Loan each bear interest at a rate of 9.0% per annum. The PPZ Loan is collateralized by RGF, LLC's assets, including its deposit accounts, inventory, accounts receivable, property, plant, and equipment. RGF, LLC was in compliance with the covenants as of December 31, 2020. As of December 31, 2019 and 2020, the outstanding balance on the PPZ Loan was $1.1 million and $1.2 million, respectively. The PPZ Loan balance has been included in current liabilities as of December 31, 2019 and 2020 as all borrowings were due within one year based on the respective agreements in effect as of the balance sheet date. The PPZ Loan matures on December 31, 2021.

PPP Loan

On May 9, 2020, RGF, LLC received loan proceeds in the amount of $309 thousand under the Paycheck Protection Program ("PPP") from Carter Federal Credit Union (the "PPP Loan"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act, provides for loans to qualifying businesses for amounts of up to 2.5 times the average monthly payroll expenses of the qualifying business. Under the terms of the PPP Loan, the entire amount of principal and accrued interest may be forgiven to the extent the borrower uses the proceeds for

qualifying expenses as determined by the U.S. Small Business Administration ("SBA") under the PPP, including payroll, benefits, rent and utilities, and maintains its payroll levels. As of December 31, 2020, the outstanding balance on the PPP Loan was $309 thousand. The unforgiven portion of the PPP Loan, if any, is payable over two years at an interest rate of 1.0% per annum, with a payment deferral for the first six months, and fully repayable on May 9, 2022. RGF, LLC believes that it used the proceeds for purposes consistent with the PPP. There can be no assurance, however, that the PPP Loan will be forgiven in whole or in part. In March 2021 RGF, LLC applied for forgiveness of the full $309 thousand principal amount and $3.6 thousand of accrued interest payable. As of July 30, 2021, this forgiveness application remains under view by the SBA and lender.

Interest Expense

Interest expense was $5.4 million and $5.7 million for the years ended December 31, 2019 and 2020, including amortization expense related to deferred loan and success fees in the amounts of $2.7 million and $1.1 million, respectively.

The effective weighted-average interest rate represents the aggregate rate of interest incurred (including loan costs included in interest expense) on outstanding debt and is substantially greater than the stated interest rate due to the fees discussed above. The effective weighted-average interest rate as of December 31, 2019 and 2020 was as follows:

	WEIGHTED AVERAGE INTEREST RATE	
	2019	2020
PMC Revolver	25.0%	17.0%
PMC CapEx Line	16.0%	22.0%
PPZ Loan Arrangement	9.0%	9.0%
PPP Loan	N/A	1.0%

Debt Maturities

Contractual future payments for all borrowings as of December 31, 2020 are as follows:

For the Year Ending December 31: **(In thousands)**	
2021	$ 2,943
2022	415
2023 and thereafter	36,521
Total payment outstanding	**$39,879**

NOTE 9. EQUITY

Membership interests in RGF, LLC consist of common units, Series A preferred units, and Series Seed preferred units. All units have equal voting rights.

Common Units

Common units outstanding as of December 31, 2019 and 2020 were 62,097 and 62,957, respectively. As a limited liability company, the liability of each member and manager of RGF, LLC to third parties for obligations of RGF, LLC are limited.

Series A Preferred Units

In March 2019, RGF, LLC issued 11,798 units of Series A preferred units at a price of $626.12 per unit. Such units are not convertible and are redeemable only upon contingent events. The Series A preferred units are participating securities in periods of income, as the Series A preferred unit holders participate in undistributed earnings on a pro rata basis in accordance with the percentage of total membership units held. The Series A preferred unit holders do not share in losses.

The Series A preferred units provide for a cumulative annual return at a rate of 7.0%, and they receive liquidation preference over holders of common units and Series Seed preferred units after the Series Seed preferred unit holder receives payout of its capital contribution. As of December 31, 2019 and 2020, undeclared cumulative unpaid preferred returns were approximately $418 thousand and $964 thousand, respectively.

Series Seed Preferred Units

The Series Seed preferred units are participating securities in periods of income, as the Series Seed preferred unit holders participate in undistributed earnings on a pro rata basis in accordance with the percentage of total membership units held. The Series Seed preferred unit holders do not share in losses. In the event of a deemed liquidation event, the Series Seed preferred unit holder receives payout of its capital contribution before other members. Cumulative unpaid preferred returns increase in the liquidation preference attributable to Series A preferred units.

NOTE 10. LOSS PER UNIT

The following table sets forth the computation of loss per unit:

(In thousands, except unit and per unit data)	YEAR ENDED DECEMBER 31, 2019	2020
Numerator:		
Net loss	$(14,188)	$(15,562)
Less: Series A cumulative preferred dividends	418	546
Net loss available to common members	$(14,606)	$(16,108)
Denominator:		
Weighted-average common units outstanding (basic and diluted)	62,097	62,238
Net loss per common unit (basic and diluted)	**$(235.21)**	**$(258.82)**

NOTE 11. RELATED-PARTY TRANSACTIONS

RGF, LLC entered into multiple related-party loan arrangements in 2017 and 2018 with a member of RGF, LLC who holds the Series Seed membership units and is a holder of more than 5% of RGF, LLC's membership interests. The outstanding balance of the debt from related parties was $1.1 million and $1.2 million as of December 31, 2019 and 2020, respectively, and the interest expense was $100 thousand and $90 thousand for the years ended December 31, 2019 and 2020, respectively. See Note 8, *Debt*, for discussion of RGF, LLC's debt.

RGF, LLC also obtained marketing services from one of RGF, LLC's members that holds 28,428 common units during May 2020 totaling $22 thousand for the year ended December 31, 2020.

Additionally, four members of RGF, LLC's Board of Directors each hold more than 10% ownership of the common units, Series A preferred units, and Series Seed preferred units of the Company.

NOTE 12. COMMITMENTS AND CONTINGENCIES

Purchase Commitments

RGF, LLC has entered into various contracts, in the normal course of business, obligating it to purchase minimum quantities of ingredients used in its production and distribution processes, including cheese, chicken, and other ingredients that are inputs into its finished products. RGF, LLC entered into these contracts from time to time to ensure a sufficient supply of raw ingredients. None of these commitments are for durations greater than a year.

Legal Matters

RGF, LLC is party in the ordinary course of business to certain claims, litigation, audits, and investigations. RGF, LLC records an accrual for a loss contingency when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. RGF, LLC believes that it has adequate accruals for liabilities with any such currently pending or threatened matter, none of which are significant. In RGF, LLC's opinion, the settlement of any such currently pending or threatened matter is not expected to have a material impact on RGF, LLC's financial position, results of operations, or cash flows.

NOTE 13. SUBSEQUENT EVENTS

RGF, LLC has evaluated subsequent events through July 30, 2021, the date these financial statements are available to be issued. RGF, LLC believes there were no material events or transactions discovered during this evaluation that requires recognition or disclosure in the financial statements other than the items discussed below.

Acquisition of Co-Manufacturing Operation

During the year ended December 31, 2020, the original sublessor of the City of Industry Facility, one of RGF, LLC's largest co-manufacturers during such period, experienced financial hardship as a result of the impacts of the COVID-19 pandemic, which resulted in a default under the facility lease, as well as a default pursuant to a credit agreement with PMC, under which the co-manufacturer had secured its borrowings with its assets, including equipment and inventory. In January 2021, RGF, LLC entered into a transfer agreement to sublease the premise and take possession of such equipment and inventory in the premise for $12.5 million. Of this amount, $10.0 million is payable upon the sale, liquidation, or disposition of substantially, all of RGF, LLC's membership, with the remaining $2.5 million payable in installments through July 2022. In connection with the sublease, in February 2021 RGF, LLC entered into a purchase agreement with PMC to consummate the purchase of such equipment and inventory for an estimated purchase price of $6.5 million, of which $4.5 million was payable in cash at the close of the transaction.

These agreements (collectively the "Transaction") represent the acquisition of a co-manufacturing business belonging to one of RGF, LLC's former suppliers. The Transaction closed in March 2021. To partially fund the Transaction, RGF, LLC entered into an agreement with PMC during February 2021 to obtain a term loan of $4.5 million with payments due over 54 months commencing on September 30, 2021. The term loan shall bear interest at an annual rate equal to the greater of the prime rate announced by Wells Fargo Bank, N.A., or 3.25%, plus 8.60% per annum.

Extension of Debt Maturity

On March 29, 2021, RGF, LLC entered into an amendment to the PMC Credit Facility which extended the maturity date for amounts due under the PMC Revolver to January 31, 2023, excluding the $1.25 million success fee which remained payable on June 30, 2021.

Profits Interest

On January 24, 2021, the board of managers of RGF, LLC approved a profits interest unit award to its Chief Financial Officer constituting a profit distribution percentage equal to 2.0%. An additional 2.5% profits interest unit grant was also made, vesting contingent upon the successful execution of an initial public offering or other specified corporate events, and continued employment for two years thereafter.

Fidelity Secured Financing

On May 7, 2021, RGF, LLC entered into the 2021 Notes Agreement with the Fidelity Investors, pursuant to which the Fidelity Investors purchased the 2021 Notes from RGF, LLC in the amount of $35.0 million. The 2021 Notes bear an interest rate of 1.0% per annum compounded annually on the unpaid principal balance. The principal and any accrued and unpaid interest are due on the first anniversary of the closing date of the 2021 Notes.

According to the terms of the 2021 Notes, upon the occurrence of a Qualified Financing, the notes will convert into fully paid and non-assessable preferred units of RGF, LLC. A "Qualified Financing" is defined in the 2021 Notes Agreement as a transaction or series of related transactions, conducted with the principal purpose of raising capital, pursuant to which RGF, LLC issues and sells its preferred units (as may be adjusted for any security split, security dividend, combination, or other recapitalization or reclassification effected after May 7, 2021), with aggregate gross proceeds to RGF, LLC of at least $50.0 million (excluding all proceeds from the 2021 Notes and from any incurrence, conversion, or cancelation of other indebtedness or other securities converting into Units in the financing). The discount rate in connection with a Qualified Financing is 20.0%.

Further, pursuant to the terms of the 2021 Notes, the notes will convert into common units of RGF, LLC upon the occurrence of a Qualified Public Transaction. A "Qualified Public Transaction" includes the closing of the issuance and sale of equity securities RGF, LLC in RGF, LLC's first firmly underwritten public offering with gross proceeds to RGF, LLC of not less than $75.0 million pursuant to an effective registration statement under the Securities Act,

and in connection with such offering, RGF, LLC's common units (as may be adjusted for any security split, security dividend, combination or other recapitalization or reclassification effected after May 7, 2021) are listed for trading on Nasdaq or the New York Stock Exchange. The discount rate in connection with a Qualified Public Transaction is 20.0%.

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Managers and Members
The Real Good Food Company LLC

We have audited the accompanying statement of assets acquired and liabilities assumed of the Food Manufacturing Business of SSRE Holdings, LLC (the “Acquired Business”) as of March 10, 2021, and the related notes to the statement.

Management’s responsibility for the statement

Management is responsible for the preparation and fair presentation of this statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the statement that is free from material misstatement, whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to express an opinion on the statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the statement referred to above presents fairly, in all material respects, the assets acquired and liabilities assumed of the Food Manufacturing Business of SSRE Holdings, LLC as of March 10, 2021 in accordance with accounting principles generally accepted in the United States of America.

Emphasis of matter

We draw attention to Note 1 – Basis of presentation to the financial statement, which describes that the statement was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission under Rule 3-05 of Regulation S-X and are not intended to be a complete presentation of assets and liabilities of the Acquired Business. Our opinion is not modified with respect to this matter.

/s/ GRANT THORNTON LLP

Newport Beach, California
July 30, 2021

FOOD MANUFACTURING BUSINESS OF SSRE HOLDINGS, LLC

STATEMENT OF ASSETS ACQUIRED AND LIABILITIES ASSUMED

(In thousands)

	AS OF MARCH 10, 2021
ASSETS ACQUIRED	
Inventories	$ 500
Property, plant, and equipment	3,577
Operating lease right-of-use assets	3,158
Goodwill	12,486
Total assets acquired	$ 19,721
LIABILITIES ASSUMED	
Operating lease liabilities—current	$ 174
Operating lease liabilities—non-current	2,777
Total liabilities assumed	2,951
Net assets acquired	$ 16,770

See accompanying notes to the Statement of Assets Acquired and Liabilities Assumed.

FOOD MANUFACTURING BUSINESS OF SSRE HOLDINGS, LLC

NOTES TO STATEMENT OF ASSETS ACQUIRED AND LIABILITIES ASSUMED

March 10, 2021

NOTE 1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

On January 4, 2021, The Real Good Food Company LLC ("RGF, LLC" or the "Company") entered into a Transfer Agreement with LO Entertainment, LLC ("LO Entertainment") to become the sublessee of a food manufacturing facility formerly operated by SSRE Holdings, LLC ("SSRE") located in City of Industry, California (the "Facility"), as well as take possession of food manufacturing equipment, raw materials, and finished goods inventory on the premises (the "Personal Property"). On February 16, 2021, RGF, LLC entered into a Purchase Agreement with PMC Financial Services Group, LLC ("PMC") to acquire title to the Personal Property. Prior to the acquisition of the Facility and Personal Property, RGF, LLC had a vendor relationship with SSRE pursuant to which RGF, LLC used the Facility to produce RGF, LLC's products and provided supervisory support to RGF, LLC's employees.

During the second half of calendar year 2020, SSRE became in default of a debt facility with PMC under which the Personal Property was pledged as collateral, which led to seizure of the Personal Property by PMC. Additionally, SSRE became in default under its lease agreement with LTG Property, LLC ("LTG") for the Facility, which led to reassignment of the lease by LTG to a related party of SSRE, which in turn reassigned the lease to LO Entertainment. As the Facility was a primary food manufacturing facility for RGF, LLC, the Company sought during the first quarter of calendar year 2021 to acquire a lease on the Facility and title to the Personal Property. All conditions precedent to closing of the transactions were satisfied on March 10, 2021, and effectively resulted in RGF, LLC continuing its food manufacturing operations at the Facility (the "Transaction").

Basis of Presentation

The accompanying financial statement is prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Statement of Assets Acquired and Liabilities Assumed is not a complete set of financial statements, but rather it presents the net assets acquired and liabilities assumed in the acquisition of SSRE at fair value as of March 10, 2021, in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 805, *Business Combinations* ("ASC 805"). RGF, LLC utilized the services of an independent valuation consultant, along with estimates and assumptions provided by management, to estimate the fair value of the assets acquired and liabilities assumed.

In accordance with a request for relief granted by the Securities and Exchange Commission ("SEC"), the Statement of Assets Acquired and Liabilities Assumed of SSRE on the basis of RGF, LLC's allocation of the purchase price is provided in lieu of certain historical financial information of SSRE required by Rule 3-05 and Article 11 of SEC Regulation S-X.

The allocation of the purchase price to the assets acquired and liabilities assumed was accounted for under the purchase method of accounting in accordance with ASC 805. Assets acquired and liabilities assumed in the transaction were recorded at their estimated acquisition date fair values, while transaction costs associated with the acquisition were expensed as incurred by RGF, LLC. RGF, LLC's preliminary allocation represents management's best estimate based on available data.

RGF, LLC is in the process of finalizing valuations of current assets, property, plant, and equipment (including estimated useful lives), goodwill, intangible assets (including estimated useful lives), and all current and noncurrent liabilities. The final determination of the fair value of assets and liabilities will be completed within the one-year measurement period as allowed by ASC 805.

Summary of Significant Accounting Policies

Use of Estimates. The preparation of financial statements in accordance with U.S. GAAP requires management to use estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statement and certain financial statement disclosures. Significant estimates in the Statement of Assets Acquired and Liabilities Assumed (the "Statement") include net realizable value of inventories and useful lives of property, plant, and equipment. Actual results could differ from these estimates.

Inventories. Inventories were initially recorded at fair value, which establishes a new cost basis, on the date of purchase. Estimated values for the inventory acquired were subject to reliable estimates, as of the acquisition date, of future sales volumes, replacement costs, costs of selling effort, anticipated selling prices, and normal profit margins.

Property, Plant, and Equipment. Property, plant, and equipment were recorded at fair value, which establishes a new cost basis on the date of purchase. Estimated values for the acquired property, plant, and equipment were based on current market values and replacement costs of similar assets. Assets are generally depreciated using the straight-line method over the following estimated useful life of the assets:

Machinery and production equipment	5 – 10 years

Goodwill. The preliminary purchase price allocation resulted in the recognition of $12.4 million of goodwill. Goodwill represents the excess of consideration transferred over the fair value of assets acquired and liabilities assumed and is attributable to the benefits of using the acquired set in future food manufacturing operations.

Goodwill is tested for impairment on an annual basis and more often if an event occurs or circumstances change that would more likely than not reduce the fair value of its carrying amount. The impairment tests consist of comparing the fair value with its carrying amount that includes goodwill. If the carrying amount exceeds its fair value, the Company compares the fair value of goodwill with the recorded carrying amount of goodwill. If the carrying amount of goodwill exceeds the fair value of goodwill, an impairment loss would be recognized to reduce the carrying amount to its fair value.

Operating Lease. The operating lease consists of the sublease acquired on the Facility. Right-of-use ("ROU") asset and corresponding lease liability are recorded on the balance sheet as of the date of the acquisition of the Facility. ROU assets represent the right to use an underlying asset for the lease term. Lease liability represents RGF, LLC's obligation to make lease payments arising from the lease. Lease liabilities have been recognized based on the present value of remaining lease payments over the lease term, measured in accordance with ASC Topic 842, *Leases*. ROU assets have been recognized equal to the lease liability, adjusted by the fair value of any favorable or unfavorable lease terms. As the discount rate implicit in the lease is not readily determinable, RGF, LLC used its incremental borrowing rate based on the information available at the Transaction date in determining the present value of lease payments. As RGF, LLC determined that it is reasonably certain to exercise an available extension under the lease, the option to extend has been included in the lease term.

NOTE 2. INVENTORIES

The components of inventories are as follows:

(In thousands)	AS OF MARCH 10, 2021
Raw materials	$ 225
Finished goods	275
Total inventories	**$ 500**

NOTE 3. PROPERTY, PLANT, AND EQUIPMENT

The components of property, plant, and equipment are as follows:

(In thousands)	AS OF MARCH 10, 2021
Machinery and production equipment	$ 3,577

NOTE 4. LEASES

In connection with the Transaction, RGF, LLC obtained a sublease on the Facility. RGF, LLC recognized a ROU asset and corresponding lease liability of $3.2 million and $3.0 million respectively. The ROU asset includes a $0.2 million adjustment for favorable lease terms measured at fair value. The ROU asset will be amortized as lease expense on a straight-line basis over the term of the lease.

Future minimum lease payments under the lease are as follows:

Year Ended December 31 (In thousands):	
2021	$ 401
2022	548
2023	564
2024	572
2025	572
Thereafter	2,051
Total future lease payments	4,708
Less: Interest	(1,757)
Present value of lease obligations	**$ 2,951**

NOTE 5. SUBSEQUENT EVENTS

Subsequent events have been evaluated through July 30, 2021, the date the Statement was issued.

Shares

Class A Common Stock

Prospectus

Jefferies

William Blair

, 2021

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution

The following table sets forth the fees and expenses, other than underwriting discounts and commissions, payable by us in connection with the offering described in this registration statement. All amounts shown are estimates other than the registration fee, the FINRA filing fee, and the listing fee.

	AMOUNT TO BE PAID*
SEC registration fee	$
FINRA filing fee	
Nasdaq listing fee	
Transfer agent's fees	
Printing expenses	
Legal fees and expenses	
Accounting fees and expenses	
Miscellaneous	
Total	$

* To be provided by amendment.

Item 14. Indemnification of Directors and Officers

We have entered into indemnification agreements with each of our current directors and executive officers. These agreements require us to indemnify these individuals to the fullest extent permitted under the DGCL against liabilities that may arise by reason of their service to us, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified. We also intend to enter into indemnification agreements with our future directors and executive officers.

Section 145 of the DGCL provides that a corporation may indemnify directors and officers as well as other employees and individuals against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by such person in connection with any threatened, pending or completed actions, suits, or proceedings in which such person is made a party by reason of such person being or having been a director, officer, employee, or agent to the registrant. The DGCL provides that Section 145 is not exclusive of other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors, or otherwise. Our Bylaws provide for indemnification by the registrant of its directors, officers, and employees to the fullest extent permitted by the DGCL.

Section 102(b)(7) of the DGCL permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for unlawful payments of dividends or unlawful stock repurchases, redemptions, or other distributions, or (iv) for any transaction from which the director derived an improper personal benefit. Our Certificate of Incorporation will provide for such limitation of liability.

We maintain standard policies of insurance under which coverage is provided (a) to our directors and officers against loss arising from claims made by reason of breach of duty or other wrongful act, and (b) to us with respect to payments we may make to our officers and directors pursuant to the above indemnification provision or otherwise as a matter of law.

In any underwriting agreement we enter into in connection with the sale of common stock being registered hereby, the underwriters will agree to indemnify, under certain conditions, us, our directors, our officers, and persons who control us within the meaning of the Securities Act against certain liabilities.

Item 15. Recent Sales of Unregistered Securities

In the three years preceding the filing of this Registration Statement, we have issued and sold the following unregistered securities:

On June 2, 2021, RGF, Inc. issued 10,000 shares of its common stock to RGF, LLC for $1.00. The issuance of such shares of Class B common stock was not registered under the Securities Act because the shares were offered and sold in a transaction exempt from registration under Section 4(a)(2) of the Securities Act.

Item 16. Exhibits and Financial Statement Schedules

(a) The following exhibits are filed as part of this registration statement:

EXHIBIT NO.	DESCRIPTION OF EXHIBIT
1.1*	Form of Underwriting Agreement.
2.1*	Plan of Conversion.
3.1*	Form of Amended and Restated Certificate of Incorporation of RGF, Inc., to be effective upon the closing of this offering.
3.2*	Form of Amended and Restated Bylaws of RGF, Inc., to be effective upon the closing of this offering.
4.1*	Form of Class A common stock certificate.
5.1*	Opinion of Stradling Yocca Carlson & Rauth, P.C.
10.1*	Form of Tax Receivable Agreement, by and among RGF, Inc., RGF, LLC, and the Members, to be effective upon the closing of this offering.
10.2*	Form of Registration Rights Agreement, by and among RGF, Inc. and the Members, Bryan Freeman, Gerard G. Law, and Akshay Jagdale, to be effective upon the closing of this offering.
10.3*	Form of Fourth Amended and Restated Operating Agreement of RGF, LLC, to be effective upon the closing of this offering.
10.4*#	Form of Indemnification Agreement, to be entered into by and between RGF, Inc. and its directors and officers, to be effective upon the closing of this offering.
10.5*#	RGF, Inc. 2021 Stock Incentive Plan and related forms of stock award agreements.
10.6*#	RGF, Inc. 2021 Employee Stock Purchase Plan.
10.7*	Form of Exchange Agreement, by and among RGF, Inc., RGF, LLC, and the Members, to be effective upon the closing of this offering.
10.8*	Employment Agreement, dated , 2021, by and between RGF, LLC and Bryan Freeman.
10.9*	Employment Agreement, dated , 2021, by and between RGF, LLC and Gerard G. Law.
10.10*	Employment Agreement, dated , 2021, by and between RGF, LLC and Akshay Jagdale.
10.11*	Employment Agreement, dated , 2021, by and between RGF, LLC and Andrew J. Stiffelman.
10.12	Standard Industrial/Commercial Single-Tenant Lease—Gross, dated February 26, 2021, by and between RGF, LLC and DAHSCO Properties Yeager Avenue, LLC.
10.13	Standard Industrial/Commercial Multi-Tenant Lease—Gross, dated March 11, 2014, by and between LTG Property, LLC and Dumpling Delight, LLC.
10.14	Sublease for a Single Sublessee, dated March 9, 2021, by and between RGF, LLC and LO Entertainment, LLC.
10.15†	Purchase Agreement, dated February 16, 2021, by and between RGF, LLC and PMC Financial Services Group, LLC.
10.16	Profit Participation Agreement, dated April 1, 2017, by and between CPG Solutions, LLC and RGF, LLC.
10.17†	Lease, dated June 1, 2021, by and between RGF, LLC and 3 ECCH Owner LLC.
10.18	Loan and Security Agreement, dated June 30, 2016, by between RGF, LLC and PMC Financial Services Group, LLC.
10.19	Schedule to Loan and Security Agreement, dated June 30, 2016, by and between RGF, LLC and PMC Financial Services Group, LLC.
10.20†	Schedule #2 to Loan and Security Agreement, dated December 1, 2019, by and between RGF, LLC and PMC Financial Services Group, LLC.
10.21	Amendment Number Fifteen to Loan Security Agreement, dated December 7, 2020, by and between RGF, LLC and PMC Financial Services Group, LLC.
10.22	Amendment Number Sixteen to Loan Security Agreement, dated February 16, 2021, by and between RGF, LLC and PMC Financial Services Group, LLC.
10.23	Amendment Number Seventeen to Loan Security Agreement, dated March 29, 2021, by and between RGF, LLC and PMC Financial Services Group, LLC.
10.24	Amendment Number Eighteen to Loan Security Agreement, dated June 30, 2021, by and between RGF, LLC and PMC Financial Services Group, LLC.

EXHIBIT NO.	DESCRIPTION OF EXHIBIT
10.25	Promissory Note, dated February 21, 2017, by and between RGF, LLC and PPZ, LLC.
10.26†	Loan Agreement, dated June 1, 2017, by and between RGF, LLC and PPZ, LLC.
10.27	Second Amendment to Promissory Note, dated February 1, 2021, by and between RGF, LLC and PPZ, LLC.
10.28†	Loan and Security Agreement, dated October 25, 2018, by and between RGF, LLC and PPZ, LLC.
10.29	Paycheck Protection Loan Simplified Loan Agreement, dated May 9, 2020, by and between RGF, LLC and Carter Federal Credit Union.
10.30†	Contract Packing Agreement, dated November 5, 2018, by and between RGF, LLC and Me Gusta Gourmet Foods, Inc.
21.1	Subsidiaries of RGF, Inc.
23.1*	Consent of Grant Thornton LLP, independent registered public accounting firm.
23.2*	Consent of Stradling Yocca Carlson & Rauth, P.C. (included in Exhibit 5.1).
24.1	Powers of Attorney (included on signature page).

* To be filed by amendment.

\# Management contract or compensatory plan, contract, or arrangement.

† Certain of the exhibits and schedules to this Exhibit have been omitted in accordance with Item 601(a)(5) of Regulation S-K. A copy of any omitted schedule or exhibit will be furnished to the SEC upon request.

(b) No financial statement schedules are provided because the information called for is not required or is shown either in the financial statements or the notes thereto.

Item 17. Undertakings

(a) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer, or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

(b) The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-1 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Cherry Hill, State of New Jersey, on this day of , 2021.

THE REAL GOOD FOOD COMPANY, INC.

By: _____
Name: Gerard G. Law
Title: Chief Executive Officer and Director

SIGNATURES AND POWER OF ATTORNEY

KNOWN BY ALL PRESENT, that each person whose signature appears below constitutes and appoints Gerard G. Law and Akshay Jagdale, and each of them, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement and any and all additional registration statements pursuant to Rule 462(b) of the Securities Act of 1933, as amended, and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, granting unto each said attorney-in-fact and agents full power and authority to do and perform each and every act in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or either of them or their or his or her substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities and on the dates indicated:

SIGNATURE	TITLE	DATE
Gerard G. Law	Chief Executive Officer and Director (Principal Executive Officer)	, 2021
Akshay Jagdale	Chief Financial Officer (Principal Financial and Accounting Officer)	, 2021
Bryan Freeman	Executive Chairman and Director	, 2021

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

February 26, 2021

Gerard Law
The Real Good Food Company, LLC

RE: 1820 Yeager Avenue, La Verne, CA

Dear Gerard:

I have enclosed the leases for the above referenced property for your review.

If the agreements are acceptable to you, please initial the bottom of each page and sign your name in the signature areas. Additionally, you should contact the City and any necessary agencies to answer any questions that you have about your occupancy in the premises or your business license. Submission of the Lease to the Landlord does not guarantee acceptance. These agreements will only be enforceable when signed by both parties.

Please return the leases to me with an insurance binder or certificate and a check for the first month's rent and security deposit as described below:

- **Insurance Certificate:** **Additionally, insured is: DAHSCO Properties Yeager Avenue, LLC**
- **Check Amount:** **Forty-One Thousand Seven Hundred Eighty-One and no/100 Dollars ($41,781.00).**
- **Make check out to:** **DAHSCO Properties Yeager Avenue, LLC**

Also, please provide a copy of Articles of Incorporation and a Corporate Resolution authorizing a transaction (if Lessee is a corporation).

Sincerely,

LEE & ASSOCIATES®-ONTARIO
Corporate License #00976995

/s/ TODD LAUNCHBAUGH, SIOR
TODD LAUNCHBAUGH, SIOR
Principal/Senior Vice President
License #01059250

/s/ JUSTIN LEEWOOD
JUSTIN LEEWOOD
Senior Vice President
License #01837452

TL:gr

Enclosures

AIR CRE contracts

STANDARD INDUSTRIAL/COMMERCIAL SINGLE-TENANT LEASE - GROSS
(DO NOT USE THIS FORM FOR MULTI-TENANT BUILDINGS)

1. Basic Provisions ("Basic Provisions").

1.1 **Parties.** This Lease ("**Lease**"), dated for reference purposes only February 26, 2021, is made by and between DAHSCO Properties Yeager Avenue, LLC ("**Lessor**") and The Real Good Food Company, LLC ("**Lessee**"), (collectively the "**Parties**," or individually a "**Party**").

1.2 **Premises:** That certain real property, including all improvements therein or to be provided by Lessor under the terms of this Lease, commonly known as (street address, city, state, zip): 1820 Yeager Avenue, La Verne, CA ("**Premises**"). The Premises are located in the County of Los Angeles, and are generally described as (describe briefly the nature of the property and, if applicable, the "**Project**," if the property is located within a Project): An approximately 19,506 square foot industrial building. (See also Paragraph 2)

1.3 **Term:** Five (5) years and zero (0) months ("**Original Term**") commencing April 1, 2021 ("**Commencement Date**") and ending March 31, 2026 ("**Expiration Date**"). (See also Paragraph 3)

1.4 **Early Possession:** If the Premises are available Lessee may have non-exclusive possession of the Premises commencing Upon execution of leases ("**Early Possession Date**"). (See also Paragraphs 3.2 and 3.3)

1.5 **Base Rent:** $19,311.00 per month ("**Base Rent**"), payable on the First (1st) day of each month commencing April 1, 2021. (See also Paragraph 4)

☒ If this box is checked, there are provisions in this Lease for the Base Rent to be adjusted. See Paragraph 51.

1.6 **Base Rent and Other Monies Paid Upon Execution:**

(a) **Base Rent:** $19,311.00 for the period April 1, 2021 – April 30, 2021.

(b) **Security Deposit:** $22,000.00 ("**Security Deposit**"). (See also Paragraph 5)

(c) **Association Fees:** $470.00 for the period April 1, 2021 – April 30, 2021.

(d) **Other:** _____ for _____.

(e) **Total Due Upon Execution of this Lease:** $41,781.00.

1.7 **Agreed Use:** Warehouse and distribution of packaged food and packaging materials and general office administration. (See also Paragraph 6)

1.8 **Insuring Party.** Lessor is the "**Insuring Party**". The annual "**Base Premium**" is _____. (See also Paragraph 8)

1.9 **Real Estate Brokers.** (See also Paragraph 15 and 25)

(a) **Representation:** Each Party acknowledges receiving a Disclosure Regarding Real Estate Agency Relationship, confirms and consents to the following agency relationships in this Lease with the following real estate brokers ("**Broker(s)**") and/or their agents ("Agent(s)"):

Lessor's Brokerage Firm Lee & Associates – Ontario License No. 00976995 Is the broker of (check one): ☒ the Lessor; or ☐ both the Lessee and Lessor (dual agent).

Lessor's Agent Todd Launchbaugh/Justin Leewood License No. 01059250/01837452 is (check one): ☒ the Lessor's Agent (salesperson or broker associate); or ☐ both the Lessee's Agent and the Lessor's Agent (dual agent).

Lessee's Brokerage Firm Colliers International, Greater Los Angeles, Inc. License No. _____ Is the broker of (check one): ☒ the Lessee; or ☐ both the Lessee and Lessor (dual agent).

Lessee's Agent Jeff Kim License No. 01814427 is (check one): ☒ the Lessee's Agent (salesperson or broker associate); or ☐ both the Lessee's Agent and the Lessor's Agent (dual agent).

(b) **Payment to Brokers.** Upon execution and delivery of this Lease by both Parties, Lessor shall pay to the Brokers the brokerage fee agreed to in a separate written agreement (or if there is no such agreement, the sum of _____ or _____ % of the total Base Rent) for the brokerage services rendered by the Brokers.

1.10 **Guarantor.** The obligations of the Lessee under this Lease are to be guaranteed by _____ ("**Guarantor**"). See also Paragraph 37)

1.11 **Attachments.** Attached hereto are the following, all of which constitute a part of this Lease:

☒ an Addendum consisting of Paragraphs 51 through 58;

☐ a plot plan depicting the Premises;

☐ a current set of the Rules and Regulations;

☐ a Work Letter;

☒ other (specify): Uniform Disclaimer Form, Disclosure Regarding Real Estate Agency.

2. Premises.

2.1 **Letting.** Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Premises, for the term, at the rental, and upon all of the terms, covenants and conditions set forth in this Lease. While the approximate square footage of the Premises may have been used in the marketing of the Premises for purposes of comparison, the Base Rent stated herein is NOT tied to square footage and is not subject to adjustment should the actual size be determined to be different. **NOTE: Lessee is advised to verify the actual size prior to executing this Lease.**

2.2 **Condition.** Lessor shall deliver the Premises to Lessee broom clean and free of debris on the Commencement Date or the Early Possession Date, whichever first occurs ("**Start Date**"), and, so long as the required service contracts described in Paragraph 7.1(b) below are obtained by Lessee and in effect within thirty days following the Start Date, warrants that the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and air conditioning systems ("**HVAC**"), loading doors, sump pumps, if any, and all other such elements in the Premises, other than those constructed by Lessee, shall be in good operating condition on said date, that the surface and structural elements of the roof, bearing walls and foundation of any buildings on the Premises (the "**Building**")

/s/ DH _____ */s/ GL* _____

shall be free of material defects, and that the Unit does not contain hazardous levels of any mold or fungi defined as toxic under applicable state or federal law. If a non-compliance with said warranty exists as of the Start Date, or if one of such systems or elements should malfunction or fail within the appropriate warranty period, Lessor shall, as Lessor's sole obligation with respect to such matter, except as otherwise provided in this Lease, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, malfunction or failure, rectify same at Lessor's expense. The warranty periods shall be as follows: (i) 6 months as to the HVAC systems, and (ii) 30 days as to the remaining systems and other elements of the Building. If Lessee does not give Lessor the required notice within the appropriate warranty period, correction of any such non-compliance, malfunction or failure shall be the obligation of Lessee at Lessee's sole cost and expense, except for the roof, foundations, and bearing walls which are handled as provided in paragraph 7. Lessor also warrants, that unless otherwise specified in writing, Lessor is unaware of (i) any recorded Notices of Default affecting the Premise; (ii) any delinquent amounts due under any loan secured by the Premises; and (iii) any bankruptcy proceeding affecting the Premises.

2.3 **Compliance.** Lessor warrants that to the best of its knowledge the improvements on the Premises comply with the building codes, applicable laws, covenants or restrictions of record, regulations, and ordinances ("**Applicable Requirements**") that were in effect at the time that each improvement, or portion thereof, was constructed. Said warranty does not apply to the use to which Lessee will put the Premises, modifications which may be required by the Americans with Disabilities Act or any similar laws as result of Lessee's use (see Paragraph 50), or to any Alterations or Utility Installations (as defined in Paragraph 7.3(a)) made or to be made by Lessee. **NOTE: Lessee is responsible for determining whether or not the Applicable Requirements, and especially the zoning, are appropriate for Lessee's intended use, and acknowledges that past uses of the Premises may no longer be allowed.** If the Premises do not comply with said warranty, Lessor shall, except as otherwise provided, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, rectify the same at Lessor's expense. If Lessee does not give Lessor written notice of a non-compliance with this warranty within 6 months following the Start Date, correction of that non-compliance shall be the obligation of Lessee at Lessee's sole cost and expense. If the Applicable Requirements are hereafter changed so as to require during the term of this Lease the construction of an addition to or an alteration of the Premises and/or Building, the remediation of any Hazardous Substance, or the reinforcement or other physical modification of the Unit, Premises and/or Building ("**Capital Expenditure**"), Lessor and Lessee shall allocate the cost of such work as follows:

(a) Subject to Paragraph 2.3(c) below, if such Capital Expenditures are required as a result of the specific and unique use of the Premises by Lessee as compared with uses by tenants in general, Lessee shall be fully responsible for the cost thereof, provided, however, that if such Capital Expenditure is required during the last 2 years of this Lease and the cost thereof exceeds 6 months' Base Rent, Lessee may instead terminate this Lease unless Lessor notifies Lessee, in writing, within 10 days after receipt of Lessee's termination notice that Lessor has elected to pay the difference between the actual cost thereof and an amount equal to 6 months' Base Rent. If Lessee elects termination, Lessee shall immediately cease the use of the Premises which requires such Capital Expenditure and deliver to Lessor written notice specifying a termination date at least 90 days thereafter. Such termination date shall, however, in no event be earlier than the last day that Lessee could legally utilize the Premises without commencing such Capital Expenditure.

(b) If such Capital Expenditure is not the result of the specific and unique use of the Premises by Lessee (such as, governmentally mandated seismic modifications), then Lessor shall pay for such Capital Expenditure and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease or any extension thereof, on the date that on which the Base Rent is due, an amount equal to 1/144th of the portion of such costs reasonably attributable to the Premises. Lessee shall pay interest on the balance but may prepay its obligation at any time. If, however, such Capital Expenditure is required during the last 2 years of this Lease or if Lessor reasonably determines that it is not economically feasible to pay its share thereof, Lessor shall have the option to terminate this Lease upon 90 days prior written notice to Lessee unless Lessee notifies Lessor, in writing, within 10 days after receipt of Lessor's termination notice that Lessee will pay for such Capital Expenditure. If Lessor does not elect to terminate, and fails to tender its share of any such Capital Expenditure, Lessee may advance such funds and deduct same, with Interest, from Rent until Lessor's share of such costs have been fully paid. If Lessee is unable to finance Lessor's share, or if the balance of the Rent due and payable for the remainder of this Lease is not sufficient to fully reimburse Lessee on an offset basis, Lessee shall have the right to terminate this Lease upon 30 days written notice to Lessor.

(c) Notwithstanding the above, the provisions concerning Capital Expenditures are intended to apply only to non-voluntary, unexpected, and new Applicable Requirements. If the Capital Expenditures are instead triggered by Lessee as a result of an actual or proposed change in use, change in intensity of use, or modification to the Premises then, and in that event, Lessee shall either: (i) immediately cease such changed use or intensity of use and/or take such other steps as may be necessary to eliminate the requirement for such Capital Expenditure, or (ii) complete such Capital Expenditure at its own expense. Lessee shall not, however, have any right to terminate this Lease.

2.4 **Acknowledgements.** Lessee acknowledges that: (a) it has been given an opportunity to inspect and measure the Premises, (b) it has been advised by Lessor and/or Brokers to satisfy itself with respect to the size and condition of the Premises (including but not limited to the electrical, HVAC and fire sprinkler systems, security, environmental aspects, and compliance with Applicable Requirements and the Americans with Disabilities Act), and their suitability for Lessee's intended use, (c) Lessee has made such investigation as it deems necessary with reference to such matters and assumes all responsibility therefor as the same relate to its occupancy of the Premises, (d) it is not relying on any representation as to the size of the Premises made by Brokers or Lessor, (e) the square footage of the Premises was not material to Lessee's decision to lease the Premises and pay the Rent stated herein, and (f) neither Lessor, Lessor's agents, nor Brokers have made any oral or written representations or warranties with respect to said matters other than as set forth in this Lease. In addition, Lessor acknowledges that: (i) Brokers have made no representations, promises or warranties concerning Lessee's ability to honor the Lease or suitability to occupy the Premises, and (ii) it is Lessor's sole responsibility to investigate the financial capability and/or suitability of all proposed tenants.

2.5 **Lessee as Prior Owner/Occupant.** The warranties made by Lessor in Paragraph 2 shall be of no force or effect if immediately prior to the start Date Lessee was the owner or occupant of the Premises. In such event, Lessee shall be responsible for any necessary corrective work.

3. Term.

3.1 **Term.** The Commencement Date, Expiration Date and Original Term of this Lease are as specified in Paragraph 1.3.

3.2 **Early Possession.** Any provision herein granting Lessee Early Possession of the Premises is subject to and conditioned upon the Premises being available for such possession prior to the Commencement Date. Any grant of Early Possession only conveys a non-exclusive right to occupy the Premises.

If Lessee totally or partially occupies the Premises prior to the Commencement Date, the obligation to pay Base Rent shall be abated for the period of such Early Possession. All other terms of this Lease (including but not limited to the obligations to pay Real Property Taxes and insurance premiums and to maintain the Premises) shall be in effect during such period. Any such Early Possession shall not affect the Expiration Date.

3.3 **Delay In Possession.** Lessor agrees to use commercially reasonable efforts to deliver exclusive possession of the Premises to Lessee by the Commencement Date. If, despite said efforts, Lessor is unable to deliver possession by such date, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or change the Expiration Date. Lessee shall not, however, be obligated to pay Rent or perform its other obligations until Lessor delivers possession of the Premises and any period of rent abatement that Lessee would otherwise have enjoyed shall run from the date of delivery of possession and continue for a period equal to what Lessee would otherwise have enjoyed under the terms hereof, but minus any days of delay caused by the acts or omissions of Lessee. If possession is not delivered within 60 days after the Commencement Date, as the same may be extended under the terms of any Work Letter executed by Parties, Lessee may, at its option, by notice in writing within 10 days after the end of such 60 day period, cancel this Lease, in which event the Parties shall be discharged from all obligations hereunder. If such written notice is not received by Lessor within said 10 day period, Lessee's right to cancel shall terminate. If possession of the Premises is not delivered within 120 days after the Commencement Date, this Lease shall terminate unless other agreements are reached between Lessor and Lessee, in writing.

3.4 **Lessee Compliance.** Lessor shall not be required to tender possession of the Premises to Lessee until Lessee complies with its obligation to provide evidence of insurance (Paragraph 8.5). Pending delivery of such evidence, Lessee shall be required to perform all of its obligations under this Lease from and after the Start Date, including the payment of Rent, notwithstanding Lessor's election to withhold possession pending receipt of such evidence of insurance. Further, if Lessee is required to perform any other conditions prior to or concurrent with the Start Date, the Start Date shall occur but Lessor may elect to withhold possession until such conditions are satisfied.

4. Rent.

4.1 **Rent Defined.** All monetary obligations of Lessee to Lessor under the terms of this Lease (except for the Security Deposit) are deemed to be rent ("**Rent**").

4.2 **Payment.** Lessee shall cause payment of Rent to be received by Lessor in lawful money of the United States, without offset or deduction (except as specifically permitted in this Lease), on or before the day on which it is due. All monetary amounts shall be rounded to the nearest whole dollar. In the event that any invoice prepared by Lessor is inaccurate such inaccuracy shall not constitute a waiver and Lessee shall be obligated to pay the amount set forth in this Lease. Rent for any period during the term hereof which is for less than one full calendar month shall be prorated based upon the actual number of days of said month. Payment of Rent shall be made to Lessor at its address stated herein or to such other persons or place as Lessor may from time to time designate in writing. Acceptance of a payment which is less than the amount then due shall not be a waiver of Lessor's rights to the balance of such Rent, regardless of Lessor's endorsement of any check so stating. In the event that any check, draft, or other instrument of payment given by Lessee to Lessor is dishonored for any reason, Lessee agrees to pay to Lessor the sum of $25 in addition to any Late Charge and Lessor, at its option, may require all future payments to be made by Lessee to be by cashier's check. Payments will be applied first to accrued late charges and attorney's fees, second to accrued interest, then to Base Rent, Insurance and Real Property Taxes, and any remaining amount to any other outstanding charges or costs.

4.3 **Association Fees.** In addition to the Base Rent, Lessee shall pay to Lessor each month an amount equal to any owner's association or condominium fees levied or assessed against the Premises. Said monies shall be paid at the same time and in the same manner as the Base Rent.

5. Security Deposit. (See paragraph 52) Lessee shall deposit with Lessor upon execution hereof the Security Deposit as security for Lessee's faithful performance of its obligations under this Lease. If Lessee fails to pay Rent, or otherwise Defaults under this Lease, Lessor may use, apply or retain all or any portion of said Security Deposit for the payment of any amount already due Lessor, for Rents which will be due in the future, and/ or to reimburse or compensate Lessor for any liability, expense, loss or damage which Lessor may suffer or incur by reason thereof. If Lessor uses or applies all or any portion of the Security Deposit, Lessee shall within 10 days after written request therefor deposit monies with Lessor sufficient to restore said Security Deposit to the full amount required by this Lease. If the Base Rent increases during the term of this Lease, Lessee shall, upon written request from Lessor, deposit additional monies with Lessor so that the total amount of the Security Deposit shall at all times bear the same proportion to the increased Base Rent as the initial Security Deposit bore to the initial Base Rent. Should the Agreed Use be amended to accommodate a material change in the business of Lessee or to accommodate a sublessee or assignee, Lessor shall have the right to increase the Security Deposit to the extent necessary, in Lessor's reasonable judgment, to account for any increased wear and tear that the Premises may suffer as a result thereof. If a change in control of Lessee occurs during this Lease and following such change the financial condition of Lessee is, in Lessor's reasonable judgment, significantly reduced, Lessee shall deposit such additional monies with Lessor as shall be sufficient to cause the Security Deposit to be at a commercially reasonable level based on such change in financial condition. Lessor shall not be required to keep the Security Deposit separate from its general accounts. Within 90 days after the expiration or termination of this Lease, Lessor shall return that portion of the Security Deposit not used or applied by Lessor. Lessor shall upon written request provide Lessee with an accounting showing how that portion of the Security Deposit that was not returned was applied. No part of the Security Deposit shall be considered to be held in trust, to bear interest or to be prepayment for any monies to be paid by Lessee under this Lease. THE SECURITY DEPOSIT SHALL NOT BE USED BY LESSEE IN LIEU OF PAYMENT OF THE LAST MONTH'S RENT.

6. Use.

6.1 **Use.** Lessee shall use and occupy the Premises only for the Agreed Use, or any other legal use which is reasonably comparable thereto, and for no other purpose. Lessee shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste or a nuisance, or that disturbs occupants of or causes damage to neighboring premises or properties. Other than guide, signal and seeing eye dogs, Lessee shall not keep or allow in the Premises any pets, animals, birds, fish, or reptiles. Lessor shall not unreasonably withhold or delay its consent to any written request for a modification of the Agreed Use, so long as the same will not impair the structural integrity of the improvements on the Premises or the mechanical or electrical systems therein, and/or is not significantly more burdensome to the Premises. If Lessor elects to withhold consent, Lessor shall within 7 days after such request give written notification of same, which notice shall include an explanation of Lessor's objections to the change in the Agreed Use.

6.2 **Hazardous Substances.**

(a) **Reportable Uses Require Consent**. The term "**Hazardous Substance**" as used in this Lease shall mean any product, substance, or waste whose presence, use, manufacture, disposal, transportation, or release, either by itself or in combination with other materials expected to be on the Premises, is either: (i) potentially injurious to the public health, safety or welfare, the environment or the Premises, (ii) regulated or monitored by any governmental authority, or (iii) a basis for potential liability of Lessor to any governmental agency or third party under any applicable statute or common law theory. Hazardous Substances shall include, but not be limited to, hydrocarbons, petroleum, gasoline, and/or crude oil or any products, by-products or fractions thereof. Lessee shall not engage in any activity in or on the Premises which constitutes a Reportable Use of Hazardous Substances without the express prior written consent of Lessor and timely compliance (at Lessee's expense) with all Applicable Requirements. "**Reportable Use**" shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority, and/or (iii) the presence at the Premises of a Hazardous Substance with respect to which any Applicable Requirements requires that a notice be given to persons entering or occupying the Premises or neighboring properties. Notwithstanding the foregoing, Lessee may use any ordinary and customary materials reasonably required to be used in the normal course of the Agreed Use, ordinary office supplies (copier toner, liquid paper, glue, etc.) and common household cleaning materials, so long as such use is in compliance with all Applicable Requirements, is not a Reportable Use, and does not expose the Premises or neighboring property to any meaningful risk of contamination or damage or expose Lessor to any liability therefor. In addition, Lessor may condition its consent to any Reportable Use upon receiving such additional assurances as Lessor reasonably deems necessary to protect itself, the public, the Premises and/or the environment against damage, contamination, injury and/or liability, including, but not limited to, the installation (and removal on or before Lease expiration or termination) of protective modifications (such as concrete encasements) and/or increasing the Security Deposit.

(b) **Duty to Inform Lessor**. If Lessee knows, or has reasonable cause to believe, that a Hazardous Substance has come to be located in, on, under or about the Premises, other than as previously consented to by Lessor, Lessee shall immediately give written notice of such fact to Lessor, and provide Lessor with a copy of any report, notice, claim or other documentation which it has concerning the presence of such Hazardous Substance.

(c) **Lessee Remediation**. Lessee shall not cause or permit any Hazardous Substance to be spilled or released in, on, under, or about the Premises (including through the plumbing or sanitary sewer system) and shall promptly, at Lessee's expense, comply with all Applicable Requirements and take all investigatory and/or remedial action reasonably recommended, whether or not formally ordered or required, for the cleanup of any contamination of, and for the maintenance, security and/or monitoring of the Premises or neighboring properties, that was caused or materially contributed to by Lessee, or pertaining to or involving any Hazardous Substance brought onto the Premises during the term of this Lease, by or for Lessee, or any third party.

(d) **Lessee Indemnification**. Lessee shall indemnify, defend and hold Lessor, its agents, employees, lenders and ground lessor, if any, harmless from and against any and all loss of rents and/or damages, liabilities, judgments, claims, expenses, penalties, and attorneys' and consultants' fees arising out of or involving any Hazardous Substance brought onto the Premises by or for Lessee, or any third party (provided, however, that Lessee shall have no liability under this Lease with respect to underground migration of any Hazardous Substance under the Premises from adjacent properties not caused or contributed to by Lessee). Lessee's obligations shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Lessee, and the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease. **No termination, cancellation or release agreement entered into by Lessor and Lessee shall release Lessee from its obligations under this Lease with respect to Hazardous Substances, unless specifically so agreed by Lessor in writing at the time of such agreement.**

(e) L**essor Indemnification**. Except as otherwise provided in paragraph 8.7, Lessor and its successors and assigns shall indemnify, defend, reimburse and hold Lessee, its employees and lenders, harmless from and against any and all environmental damages, including the cost of remediation, which result from Hazardous Substances which existed on the Premises prior to Lessee's occupancy or which are caused by the gross negligence or willful misconduct of Lessor, its agents or employees. Lessor's obligations, as and when required by the Applicable Requirements, shall include, but not be limited to, the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease.

(f) **Investigations and Remediations**. Lessor shall retain the responsibility and pay for any investigations or remediation measures required by governmental entities having jurisdiction with respect to the existence of Hazardous Substances on the Premises prior to Lessee's occupancy, unless such remediation measure is required as a result of Lessee's use (including "Alterations", as defined in paragraph 7.3(a) below) of the Premises, in which event Lessee shall be responsible for such payment. Lessee shall cooperate fully in any such activities at the request of Lessor, including allowing Lessor and Lessor's agents to have reasonable access to the Premises at reasonable times in order to carry out Lessor's investigative and remedial responsibilities.

(g) L**essor Termination Option**. If a Hazardous Substance Condition (see Paragraph 9.1(e)) occurs during the term of this Lease, unless Lessee is legally responsible therefor (in which case Lessee shall make the investigation and remediation thereof required by the Applicable Requirements and this Lease shall continue in full force and effect, but subject to Lessor's rights under Paragraph 6.2(d) and Paragraph 13), Lessor may, at Lessor's option, either (i) investigate and remediate such Hazardous Substance Condition, if required, as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) if the estimated cost to remediate such condition exceeds 12 times the then monthly Base Rent or $100,000, whichever is greater, give written notice to Lessee, within 30 days after receipt by Lessor of knowledge of the occurrence of such Hazardous Substance Condition, of Lessor's desire to terminate this Lease as of the date 60 days following the date of such notice. In the event Lessor elects to give a termination notice, Lessee may, within 10 days thereafter, give written notice to Lessor of Lessee's commitment to pay the amount by which the cost of the remediation of such Hazardous Substance Condition exceeds an amount equal to 12 times the then monthly Base Rent or $100,000, whichever is greater. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days following such commitment. In such event, this Lease shall continue in full force and effect, and Lessor shall proceed to make such remediation as soon as reasonably possible after the required funds are available. If Lessee does not give such notice and provide the required funds or assurance thereof within the time provided, this Lease shall terminate as of the date specified in Lessor's notice of termination.

6.3 **Lessee's Compliance with Applicable Requirements.** Except as otherwise provided in this Lease, Lessee shall, at Lessee's sole expense, fully, diligently and in a timely manner, materially comply with all Applicable Requirements, the requirements of any applicable fire insurance underwriter or rating bureau, and the recommendations of Lessor's engineers and/or consultants which relate in any manner to the Premises, without regard to whether said Applicable Requirements are now in effect or become effective

after the Start Date. Lessee shall, within 10 days after receipt of Lessor's written request, provide Lessor with copies of all permits and other documents, and other information evidencing Lessee's compliance with any Applicable Requirements specified by Lessor, and shall immediately upon receipt, notify Lessor in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving the failure of Lessee or the Premises to comply with any Applicable Requirements. Likewise, Lessee shall immediately give written notice to Lessor of: (i) any water damage to the Premises and any suspected seepage, pooling, dampness or other condition conducive to the production of mold; or (ii) any mustiness or other odors that might indicate the presence of mold in the Premises. In addition, Lessee shall provide Lessor with copies of its business license, certificate of occupancy and/or any similar document within 10 days of the receipt of a written request therefor.

6.4 **Inspection; Compliance.** Lessor and Lessor's "**Lender**" (as defined in Paragraph 30) and consultants authorized by Lessor shall have the right to enter into Premises at any time in the case of an emergency, and otherwise at reasonable times after reasonable notice, for the purpose of inspecting and/or testing the condition of the Premises and/or for verifying compliance by Lessee with this Lease. The cost of any such inspections shall be paid by Lessor, unless a violation of Applicable Requirements, or a Hazardous Substance Condition (see Paragraph 9.1(e)) is found to exist or be imminent, or the inspection is requested or ordered by a governmental authority. In such case, Lessee shall upon request reimburse Lessor for the cost of such inspection, so long as such inspection is reasonably related to the violation or contamination. In addition, Lessee shall provide copies of all relevant material safety data sheets (**MSDS**) to Lessor within 10 days of the receipt of a written request therefor. Lessee acknowledges that any failure on its part to allow such inspections or testing will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, should the Lessee fail to allow such inspections and/or testing in a timely fashion the Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or $100, whichever is greater for the remainder to the Lease. The Parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to allow such inspection and/or testing. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to such failure nor prevent the exercise of any of the other rights and remedies granted hereunder.

7. Maintenance; Repairs; Utility Installations; Trade Fixtures and Alterations.

7.1 **Lessee's Obligations.**

(a) **In General.** Subject to the provisions of Paragraph 2.2 (Condition), 2.3 (Compliance), 6.3 (Lessee's Compliance with Applicable Requirements), 7.2 (Lessor's Obligations), 9 (Damage or Destruction), and 14 (Condemnation), Lessee shall, at Lessee's sole expense, keep the Premises, Utility Installations (intended for Lessee's exclusive use, no matter where located), and Alterations in good order, condition and repair (whether or not the portion of the Premises requiring repairs, or the means of repairing the same, are reasonably or readily accessible to Lessee, and whether or not the need for such repairs occurs as a result of Lessee's use, any prior use, the elements or the age of such portion of the Premises), including, but not limited to, all equipment or facilities, such as plumbing, HVAC equipment, electrical, lighting facilities, boilers, pressure vessels, fire protection system, fixtures, walls (interior and exterior), ceilings, floors, stairs, windows, doors, plate glass, skylights, landscaping, driveways, parking lots, fences, retaining walls, signs, sidewalks and parkways located in, on, or adjacent to the Premises. Lessee is also responsible for keeping the roof and roof drainage clean and free of debris. Lessor shall keep the surface and structural elements of the roof, foundations, and bearing walls in good repair (see paragraph 7.2). Lessee, in keeping the Premises in good order, condition and repair, shall exercise and perform good maintenance practices, specifically including the procurement and maintenance of the service contracts required by Paragraph 7.1(b) below. Lessee's obligations shall include restorations, replacements or renewals when necessary to keep the Premises and all improvements thereon or a part thereof in good order, condition and state of repair. Lessee shall, during the term of this Lease, keep the exterior appearance of the Building in a first-class condition (including, e.g. graffiti removal) consistent with the exterior appearance of other similar facilities of comparable age and size in the vicinity, including, when necessary, the exterior repainting of the Building.

(b) **Service Contracts.** Lessee shall, at Lessee's sole expense, procure and maintain contracts, with copies to Lessor, in customary form and substance for, and with contractors specializing and experienced in the maintenance of the following equipment and improvements, if any, if and when installed on the Premises: (i) HVAC equipment, (ii) boiler, and pressure vessels, (iii) fire extinguishing systems, including fire alarm and/or smoke detection, (iv) landscaping and irrigation systems, and (v) clarifiers. However, Lessor reserves the right, upon notice to Lessee, to procure and maintain any or all of such service contracts, and Lessee shall reimburse Lessor, upon demand, for the cost thereof.

(c) **Failure to Perform.** If Lessee fails to perform Lessee's obligations under this Paragraph 7.1, Lessor may enter upon the Premises after 10 days' prior written notice to Lessee (except in the case of an emergency, in which case no notice shall be required), perform such obligations on Lessee's behalf, and put the Premises in good order, condition and repair, and Lessee shall promptly pay to Lessor a sum equal to 115% of the cost thereof.

(d) **Replacement.** Subject to Lessee's indemnification of Lessor as set forth in Paragraph 8.7 below, and without relieving Lessee of liability resulting from Lessee's failure to exercise and perform good maintenance practices, if an item described in Paragraph 7.1(b) cannot be repaired other than at a cost which is in excess of 50% of the cost of replacing such item, then such item shall be replaced by Lessor, and the cost thereof shall be prorated between the Parties and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease or any extension thereof, on the date on which Base Rent is due, an amount equal to the product of multiplying the cost of such replacement by a fraction, the numerator of which is one, and the denominator of which is 144 (i.e. 1/144th of the cost per month). Lessee shall pay Interest on the unamortized balance but may prepay its obligation at any time.

7.2 **Lessor's Obligations.** Subject to the provisions of Paragraphs 2.2 (Condition), 2.3 (Compliance), 9 (Damage or Destruction) and 14 (Condemnation), it is intended by the Parties hereto that Lessor have no obligation, in any manner whatsoever, to repair and maintain the Premises, or the equipment therein, all of which obligations are intended to be that of the Lessee, except for the surface and structural elements of the roof, foundations and bearing walls, the repair of which shall be the responsibility of Lessor upon receipt of written notice that such a repair is necessary. It is the intention of the Parties that the terms of this Lease govern the respective obligations of the Parties as to maintenance and repair of the Premises.

7.3 **Utility Installations; Trade Fixtures; Alterations.**

(a) **Definitions.** The term "**Utility Installations**" refers to all floor and window coverings, air and/or vacuum lines, power panels, electrical distribution, security and fire protection systems, communication cabling, lighting fixtures, HVAC equipment, plumbing, and fencing in or on the Premises.

The term **"Trade Fixtures"** shall mean Lessee's machinery and equipment that can be removed without doing material damage to the Premises. The term "**Alterations**" shall mean any modification of the improvements, other than Utility Installations or Trade Fixtures, whether by addition or deletion. **"Lessee Owned Alterations and/or Utility Installations"** are defined as Alterations and/or Utility Installations made by Lessee that are not yet owned by Lessor pursuant to Paragraph 7.4(a).

(b) **Consent.** Lessee shall not make any Alterations or Utility Installations to the Premises without Lessor's prior written consent. Lessee may, however, make non-structural Alterations or Utility Installations to the interior of the Premises (excluding the roof) without such consent but upon notice to Lessor, as long as they are not visible from the outside, do not involve puncturing, relocating or removing the roof or any existing walls, will not affect the electrical, plumbing, HVAC, and/or life safety systems, do not trigger the requirement for additional modifications and/or improvements to the Premises resulting from Applicable Requirements, such as compliance with Title 24, and the cumulative cost thereof during this Lease as extended does not exceed a sum equal to 3 month's Base Rent in the aggregate or a sum equal to one month's Base Rent in any one year. Notwithstanding the foregoing, Lessee shall not make or permit any roof penetrations and/or install anything on the roof without the prior written approval of Lessor. Lessor may, as a precondition to granting such approval, require Lessee to utilize a contractor chosen and/or approved by Lessor. Any Alterations or Utility Installations that Lessee shall desire to make and which require the consent of the Lessor shall be presented to Lessor in written form with detailed plans. Consent shall be deemed conditioned upon Lessee's: (i) acquiring all applicable governmental permits, (ii) furnishing Lessor with copies of both the permits and the plans and specifications prior to commencement of the work, and (iii) compliance with all conditions of said permits and other Applicable Requirements in a prompt and expeditious manner. Any Alterations or Utility Installations shall be performed in a workmanlike manner with good and sufficient materials. Lessee shall promptly upon completion furnish Lessor with as-built plans and specifications. For work which costs an amount in excess of one month's Base Rent, Lessor may condition its consent upon Lessee providing a lien and completion bond in an amount equal to 150% of the estimated cost of such Alteration or Utility Installation and/or upon Lessee's posting an additional Security Deposit with Lessor.

(c) **Liens; Bonds**. Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use on the Premises, which claims are or may be secured by any mechanic's or materialmen's lien against the Premises or any interest therein. Lessee shall give Lessor not less than 10 days notice prior to the commencement of any work in, on or about the Premises, and Lessor shall have the right to post notices of non-responsibility. If Lessee shall contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend and protect itself, Lessor and the Premises against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof. If Lessor shall require, Lessee shall furnish a surety bond in an amount equal to 150% of the amount of such contested lien, claim or demand, indemnifying Lessor against liability for the same. If Lessor elects to participate in any such action, Lessee shall pay Lessor's attorneys' fees and costs.

7.4 **Ownership; Removal; Surrender; and Restoration.**

(a) **Ownership.** Subject to Lessor's right to require removal or elect ownership as hereinafter provided, all Alterations and Utility Installations made by Lessee shall be the property of Lessee, but considered a part of the Premises. Lessor may, at any time, elect in writing to be the owner of all or any specified part of the Lessee Owned Alterations and Utility Installations. Unless otherwise instructed per paragraph 7.4(b) hereof, all Lessee Owned Alterations and Utility Installations shall, at the expiration or termination of this Lease, become the property of Lessor and be surrendered by Lessee with the Premises.

(b) **Removal**. By delivery to Lessee of written notice from Lessor not earlier than 90 and not later than 30 days prior to the end of the term of this Lease, Lessor may require that any or all Lessee Owned Alterations or Utility Installations be removed by the expiration or termination of this Lease. Lessor may require the removal at any time of all or any part of any Lessee Owned Alterations or Utility Installations made without the required consent.

(c) **Surrender; Restoration.** Lessee shall surrender the Premises by the Expiration Date or any earlier termination date, with all of the improvements, parts and surfaces thereof broom clean and free of debris, and in good operating order, condition and state of repair, ordinary wear and tear excepted. "Ordinary wear and tear" shall not include any damage or deterioration that would have been prevented by good maintenance practice. Notwithstanding the foregoing and the provisions of Paragraph 7.1(a), if the Lessee occupies the Premises for 12 months or less, then Lessee shall surrender the Premises in the same condition as delivered to Lessee on the Start Date with NO allowance for ordinary wear and tear. Lessee shall repair any damage occasioned by the installation, maintenance or removal of Trade Fixtures, Lessee owned Alterations and/or Utility Installations, furnishings, and equipment as well as the removal of any storage tank installed by or for Lessee. Lessee shall also completely remove from the Premises any and all Hazardous Substances brought onto the Premises by or for Lessee, or any third party (except Hazardous Substances which were deposited via underground migration from areas outside of the Premises) to the level specified in Applicable Requirements. Trade Fixtures shall remain the property of Lessee and shall be removed by Lessee. Any personal property of Lessee not removed on or before the Expiration Date or any earlier termination date shall be deemed to have been abandoned by Lessee and may be disposed of or retained by Lessor as Lessor may desire. The failure by Lessee to timely vacate the Premises pursuant to this Paragraph 7.4(c) without the express written consent of Lessor shall constitute a holdover under the provisions of Paragraph 26 below.

8. Insurance; Indemnity.

8.1 **Payment of Premium Increases.**

(a) Lessee shall pay to Lessor any insurance cost increase **("Insurance Cost Increase")** occurring during the term of this Lease. Insurance Cost Increase is defined as any increase in the actual cost of the insurance required under Paragraph 8.2(b), 8.3(a) and 8.3(b), over and above the Base Premium as hereinafter defined calculated on an annual basis. Insurance Cost Increase shall include but not be limited to increases resulting from the nature of Lessee's occupancy, any act or omission of Lessee, requirements of the holder of mortgage or deed of trust covering the Premises, increased valuation of the Premises and/or a premium rate increase. The parties are encouraged to fill in the Base Premium in Paragraph 1.8 with a reasonable premium for the Required Insurance based on the Agreed Use of the Premises. If the parties fail to insert a dollar amount in Paragraph 1.8, then the Base Premium shall be the lowest annual premium reasonably obtainable for the Required Insurance as of the commencement of the Original Term for the Agreed Use of the Premises. In no event, however, shall Lessee be responsible for any portion of the increase in the premium cost attributable to liability insurance carried by Lessor under Paragraph 8.2(b) in excess of $2,000,000 per occurrence.

(b) Lessee shall pay any such Insurance Cost Increase to Lessor within 30 days after receipt by Lessee of a copy of the premium statement or other reasonable evidence of the amount due. If the insurance policies maintained hereunder cover other

property besides the Premises, Lessor shall also deliver to Lessee a statement of the amount of such Insurance Cost Increase attributable only to the Premises showing in reasonable detail the manner in which such amount was computed. Premiums for policy periods commencing prior to, or extending beyond the term of this Lease, shall be prorated to correspond to the term of this Lease.

8.2 **Liability Insurance.**

(a) **Carried by Lessee.** Lessee shall obtain and keep in force a Commercial General Liability policy of insurance protecting Lessee and Lessor as an additional insured against claims for bodily injury, personal injury and property damage based upon or arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than $1,000,000 per occurrence with an annual aggregate of not less than $2,000,000. Lessee shall add Lessor as an additional insured by means of an endorsement at least as broad as the Insurance Service Organization's "Additional Insured-Managers or Lessors of Premises" Endorsement. The policy shall not contain any intra-insured exclusions as between insured persons or organizations, but shall include coverage for liability assumed under this Lease as an "**insured contract**" for the performance of Lessee's indemnity obligations under this Lease. The limits of said insurance shall not, however, limit the liability of Lessee nor relieve Lessee of any obligation hereunder. Lessee shall provide an endorsement on its liability policy(ies) which provides that its insurance shall be primary to and not contributory with any similar insurance carried by Lessor, whose insurance shall be considered excess insurance only.

(b) **Carried by Lessor.** Lessor shall maintain liability insurance as described in Paragraph 8.2(a), in addition to, and not in lieu of, the insurance required to be maintained by Lessee. Lessee shall not be named as an additional insured therein.

8.3 **Property Insurance - Building, Improvements and Rental Value.**

(a) **Building and Improvements.** The Insuring Party shall obtain and keep in force a policy or policies in the name of Lessor, with loss payable to Lessor, any ground-lessor, and to any Lender insuring loss or damage to the Premises. The amount of such insurance shall be equal to the full insurable replacement cost of the Premises, as the same shall exist from time to time, or the amount required by any Lender, but in no event more than the commercially reasonable and available insurable value thereof. Lessee Owned Alterations and Utility Installations, Trade Fixtures, and Lessee's personal property shall be insured by Lessee not by Lessor. If the coverage is available and commercially appropriate, such policy or policies shall insure against all risks of direct physical loss or damage (except the perils of flood and/or earthquake unless required by a Lender or included in the Base Premium), including coverage for debris removal and the enforcement of any Applicable Requirements requiring the upgrading, demolition, reconstruction or replacement of any portion of the Premises as the result of a covered loss. Said policy or policies shall also contain an agreed valuation provision in lieu of any coinsurance clause, waiver of subrogation, and inflation guard protection causing an increase in the annual property insurance coverage amount by a factor of not less than the adjusted U.S. Department of Labor Consumer Price Index for All Urban Consumers for the city nearest to where the Premises are located. If such insurance coverage has a deductible clause, the deductible amount shall not exceed $5,000 per occurrence, and Lessee shall be liable for such deductible amount in the event of an Insured Loss.

(b) **Rental Value.** The Insuring Party shall obtain and keep in force a policy or policies in the name of Lessor with loss payable to Lessor and any Lender, insuring the loss of the full Rent for one year with an extended period of indemnity for an additional 180 days ("Rental Value insurance"). Said insurance shall contain an agreed valuation provision in lieu of any coinsurance clause, and the amount of coverage shall be adjusted annually to reflect the projected Rent otherwise payable by Lessee, for the next 12 month period. Lessee shall be liable for any deductible amount in the event of such loss.

(c) **Adjacent Premises.** If the Premises are part of a larger building, or of a group of buildings owned by Lessor which are adjacent to the Premises, the Lessee shall pay for any increase in the premiums for the property insurance of such building or buildings if said increase is caused by Lessee's acts, omissions, use or occupancy of the Premises.

8.4 **Lessee's Property; Business Interruption Insurance; Worker's Compensation Insurance.**

(a) **Property Damage.** Lessee shall obtain and maintain insurance coverage on all of Lessee's personal property, Trade Fixtures, and Lessee Owned Alterations and Utility Installations. Such insurance shall be full replacement cost coverage with a deductible of not to exceed $1,000 per occurrence. The proceeds from any such insurance shall be used by Lessee for the replacement of personal property, Trade Fixtures and Lessee Owned Alterations and Utility Installations.

(b) **Business Interruption.** Lessee shall obtain and maintain loss of income and extra expense insurance in amounts as will reimburse Lessee for direct or indirect loss of earnings attributable to all perils commonly insured against by prudent lessees in the business of Lessee or attributable to prevention of access to the Premises as a result of such perils.

(c) **Worker's Compensation Insurance.** Lessee shall obtain and maintain Worker's Compensation Insurance in such amount as may be required by Applicable Requirements. Such policy shall include a 'Waiver of Subrogation' endorsement. Lessee shall provide Lessor with a copy of such endorsement along with the certificate of insurance or copy of the policy required by paragraph 8.5.

(d) **No Representation of Adequate Coverage.** Lessor makes no representation that the limits or forms of coverage of insurance specified herein are adequate to cover Lessee's property, business operations or obligations under this Lease.

8.5 **Insurance Policies.** Insurance required herein shall be by companies maintaining during the policy term a "General Policyholders Rating" of at least A-, VII, as set forth in the most current issue of "Best's Insurance Guide", or such other rating as may be required by a Lender. Lessee shall not do or permit to be done anything which invalidates the required insurance policies. Lessee shall, prior to the Start Date, deliver to Lessor certified copies of policies of such insurance or certificates with copies of the required endorsements evidencing the existence and amounts of the required insurance. No such policy shall be cancelable or subject to modification except after 30 days prior written notice to Lessor. Lessee shall, at least 10 days prior to the expiration of such policies, furnish Lessor with evidence of renewals or "insurance binders" evidencing renewal thereof, or Lessor may increase his liability insurance coverage and charge the cost thereof to Lessee, which amount shall be payable by Lessee to Lessor upon demand. Such policies shall be for a term of at least one year, or the length of the remaining term of this Lease, whichever is less. If either Party shall fail to procure and maintain the insurance required to be carried by it, the other Party may, but shall not be required to, procure and maintain the same.

8.6 **Waiver of Subrogation.** Without affecting any other rights or remedies, Lessee and Lessor each hereby release and relieve the other, and waive their entire right to recover damages against the other, for loss of or damage to its property arising out of or incident to the perils required to be insured against herein. The effect of such releases and waivers is not limited by the amount of insurance

carried or required, or by any deductibles applicable hereto. The Parties agree to have their respective property damage insurance carriers waive any right to subrogation that such companies may have against Lessor or Lessee, as the case may be, so long

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as the insurance is not invalidated thereby.

8.7 **Indemnity.** Except for Lessor's gross negligence or willful misconduct, Lessee shall indemnify, protect, defend and hold harmless the Premises, Lessor and its agents, Lessor's master or ground lessor, partners and Lenders, from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving, or in connection with, a Breach of the Lease by Lessee and/or the use and/or occupancy of the Premises and/or Project by Lessee and/or by Lessee's employees, contractors or invitees. If any action or proceeding is brought against Lessor by reason of any of the foregoing matters, Lessee shall upon notice defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessee in such defense. Lessor need not have first paid any such claim in order to be defended or indemnified.

8.8 **Exemption of Lessor and its Agents from Liability.** Notwithstanding the negligence or breach of this Lease by Lessor or its agents, neither Lessor nor its agents shall be liable under any circumstances for: (i) injury or damage to the person or goods, wares, merchandise or other property of Lessee, Lessee's employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, indoor air quality, the presence of mold or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, HVAC or lighting fixtures, or from any other cause, whether the said injury or damage results from conditions arising upon the Premises or upon other portions of the building of which the Premises are a part, or from other sources or places, (ii) any damages arising from any act or neglect of any other tenant of Lessor or from the failure of Lessor or its agents to enforce the provisions of any other lease in the Project, or (iii) injury to Lessee's business or for any loss of income or profit therefrom. Instead, it is intended that Lessee's sole recourse in the event of such damages or injury be to file a claim on the insurance policy(ies) that Lessee is required to maintain pursuant to the provisions of paragraph 8.

8.9 **Failure to Provide Insurance.** Lessee acknowledges that any failure on its part to obtain or maintain the insurance required herein will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, for any month or portion thereof that Lessee does not maintain the required insurance and/or does not provide Lessor with the required binders or certificates evidencing the existence of the required insurance, the Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or $100, whichever is greater. The parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to maintain the required insurance. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to maintain such insurance, prevent the exercise of any of the other rights and remedies granted hereunder, nor relieve Lessee of its obligation to maintain the insurance specified in this Lease.

9. Damage or Destruction.

9.1 **Definitions.**

(a) "**Premises Partial Damage**" shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations, which can reasonably be repaired in 6 months or less from the date of the damage or destruction. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(b) "**Premises Total Destruction**" shall mean damage or destruction to the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which cannot reasonably be repaired in 6 months or less from the date of the damage or destruction. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(c) "**Insured Loss**" shall mean damage or destruction to improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which was caused by an event required to be covered by the insurance described in Paragraph 8.3(a), irrespective of any deductible amounts or coverage limits involved.

(d) "**Replacement Cost**" shall mean the cost to repair or rebuild the improvements owned by Lessor at the time of the occurrence to their condition existing immediately prior thereto, including demolition, debris removal and upgrading required by the operation of Applicable Requirements, and without deduction for depreciation.

(e) "**Hazardous Substance Condition**" shall mean the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Substance, in, on, or under the Premises which requires restoration.

9.2 **Partial Damage - Insured Loss.** If a Premises Partial Damage that is an Insured Loss occurs, then Lessor shall, at Lessor's expense, repair such damage (but not Lessee's Trade Fixtures or Lessee Owned Alterations and Utility Installations) as soon as reasonably possible and this Lease shall continue in full force and effect; provided, however, that Lessee shall, at Lessor's election, make the repair of any damage or destruction the total cost to repair of which is $10,000 or less, and, in such event, Lessor shall make any applicable insurance proceeds available to Lessee on a reasonable basis for that purpose. Notwithstanding the foregoing, if the required insurance was not in force or the insurance proceeds are not sufficient to effect such repair, the Insuring Party shall promptly contribute the shortage in proceeds (except as to the deductible which is Lessee's responsibility) as and when required to complete said repairs. In the event, however, such shortage was due to the fact that, by reason of the unique nature of the improvements, full replacement cost insurance coverage was not commercially reasonable and available, Lessor shall have no obligation to pay for the shortage in insurance proceeds or to fully restore the unique aspects of the Premises unless Lessee provides Lessor with the funds to cover same, or adequate assurance thereof, within 10 days following receipt of written notice of such shortage and request therefor. If Lessor receives said funds or adequate assurance thereof within said 10 day period, the party responsible for making the repairs shall complete them as soon as reasonably possible and this Lease shall remain in full force and effect. If such funds or assurance are not received, Lessor may nevertheless elect by written notice to Lessee within 10 days thereafter to: (i) make such restoration and repair as is commercially reasonable with Lessor paying any shortage in proceeds, in which case this Lease shall remain in full force and effect, or (ii) have this Lease terminate 30 days thereafter. Lessee shall not be entitled to reimbursement of any funds contributed by Lessee to repair any such damage or destruction. Premises Partial Damage due to flood or earthquake shall be subject to Paragraph 9.3, notwithstanding that there may be some insurance coverage, but the net proceeds of any such insurance shall be made available for the repairs if made by either Party.

9.3 **Partial Damage - Uninsured Loss.** If a Premises Partial Damage that is not an Insured Loss occurs, unless caused by a negligent or willful act of Lessee (in which event Lessee shall make the repairs at Lessee's expense), Lessor may either: (i) repair such damage as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) terminate this Lease by giving written notice to Lessee within 30 days after receipt by Lessor of knowledge of the occurrence of such damage.

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Such termination shall be effective 60 days following the date of such notice. In the event Lessor elects to terminate this Lease, Lessee shall have the right within 10 days after receipt of the termination notice to give written notice to Lessor of Lessee's commitment to pay for the repair of such damage without reimbursement from Lessor. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days after making such commitment. In such event this Lease shall continue in full force and effect, and Lessor shall proceed to make such repairs as soon as reasonably possible after the required funds are available. If Lessee does not make the required commitment, this Lease shall terminate as of the date specified in the termination notice.

9.4 **Total Destruction.** Notwithstanding any other provision hereof, if a Premises Total Destruction occurs, this Lease shall terminate 60 days following such Destruction. If the damage or destruction was caused by the gross negligence or willful misconduct of Lessee, Lessor shall have the right to recover Lessor's damages from Lessee, except as provided in Paragraph 8.6.

9.5 **Damage Near End of Term.** If at any time during the last 6 months of this Lease there is damage for which the cost to repair exceeds one month's Base Rent, whether or not an Insured Loss, Lessor may terminate this Lease effective 60 days following the date of occurrence of such damage by giving a written termination notice to Lessee within 30 days after the date of occurrence of such damage. Notwithstanding the foregoing, if Lessee at that time has an exercisable option to extend this Lease or to purchase the Premises, then Lessee may preserve this Lease by, (a) exercising such option and (b) providing Lessor with any shortage in insurance proceeds (or adequate assurance thereof) needed to make the repairs on or before the earlier of (i) the date which is 10 days after Lessee's receipt of Lessor's written notice purporting to terminate this Lease, or (ii) the day prior to the date upon which such option expires. If Lessee duly exercises such option during such period and provides Lessor with funds (or adequate assurance thereof) to cover any shortage in insurance proceeds, Lessor shall, at Lessor's commercially reasonable expense, repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. If Lessee fails to exercise such option and provide such funds or assurance during such period, then this Lease shall terminate on the date specified in the termination notice and Lessee's option shall be extinguished.

9.6 **Abatement of Rent; Lessee's Remedies.**

(a) **Abatement.** In the event of Premises Partial Damage or Premises Total Destruction or a Hazardous Substance Condition for which Lessee is not responsible under this Lease, the Rent payable by Lessee for the period required for the repair, remediation or restoration of such damage shall be abated in proportion to the degree to which Lessee's use of the Premises is impaired, but not to exceed the proceeds received from the Rental Value insurance. All other obligations of Lessee hereunder shall be performed by Lessee, and Lessor shall have no liability for any such damage, destruction, remediation, repair or restoration except as provided herein.

(b) **Remedies.** If Lessor is obligated to repair or restore the Premises and does not commence, in a substantial and meaningful way, such repair or restoration within 90 days after such obligation shall accrue, Lessee may, at any time prior to the commencement of such repair or restoration, give written notice to Lessor and to any Lenders of which Lessee has actual notice, of Lessee's election to terminate this Lease on a date not less than 60 days following the giving of such notice. If Lessee gives such notice and such repair or restoration is not commenced within 30 days thereafter, this Lease shall terminate as of the date specified in said notice. If the repair or restoration is commenced within such 30 days, this Lease shall continue in full force and effect. "Commence" shall mean either the unconditional authorization of the preparation of the required plans, or the beginning of the actual work on the Premises, whichever first occurs.

9.7 **Termination; Advance Payments.** Upon termination of this Lease pursuant to Paragraph 6.2(g) or Paragraph 9, an equitable adjustment shall be made concerning advance Base Rent and any other advance payments made by Lessee to Lessor. Lessor shall, in addition, return to Lessee so much of Lessee's Security Deposit as has not been, or is not then required to be, used by Lessor.

10. Real Property Taxes.

10.1 **Definition.** As used herein, the term "**Real Property Taxes**" shall include any form of assessment; real estate, general, special, ordinary or extraordinary, or rental levy or tax (other than inheritance, personal income or estate taxes); improvement bond; and/or license fee imposed upon or levied against any legal or equitable interest of Lessor in the Premises or the Project, Lessor's right to other income therefrom, and/or Lessor's business of leasing, by any authority having the direct or indirect power to tax and where the funds are generated with reference to the Building address. Real Property Taxes shall also include any tax, fee, levy, assessment or charge, or any increase therein: (i) imposed by reason of events occurring during the term of this Lease, including but not limited to, a change in the ownership of the Premises, and (ii) levied or assessed on machinery or equipment provided by Lessor to Lessee pursuant to this Lease.

10.2 **Payment of Taxes.** Lessor shall pay the Real Property Taxes applicable to the Premises provided, however, that Lessee shall pay to Lessor the amount, if any, by which Real Property Taxes applicable to the Premises increase over the fiscal tax year during which the Commencement Date Occurs ("Tax Increase"). Payment of any such Tax Increase shall be made by Lessee to Lessor within 30 days after receipt of Lessors written statement setting forth the amount due and computation thereof. If any such taxes shall cover any period of time prior to or after the expiration or termination of this Lease, Lessee's share of such taxes shall be prorated to cover only that portion of the tax bill applicable to the period that this Lease is in effect. In the event Lessee incurs a late charge on any Rent payment, Lessor may estimate the current Real Property Taxes, and require that the Tax Increase be paid in advance to Lessor by Lessee monthly in advance with the payment of the Base Rent. Such monthly payment shall be an amount equal to the amount of the estimated installment of the Tax Increase divided by the number of months remaining before the month in which said installment becomes delinquent. When the actual amount of the applicable Tax Increase is known, the amount of such equal monthly advance payments shall be adjusted as required to provide the funds needed to pay the applicable Tax Increase. If the amount collected by Lessor is insufficient to pay the Tax Increase when due, Lessee shall pay Lessor, upon demand, such additional sums as are necessary to pay such obligations. Advance payments may be intermingled with other moneys of Lessor and shall not bear interest. In the event of a Breach by Lessee in the performance of its obligations under this Lease, then any such advance payments may be treated by Lessor as an additional Security Deposit.

10.3 **Additional Improvements.** Notwithstanding anything to the contrary in this Paragraph 10.2, Lessee shall pay to Lessor upon demand therefor the entirety of any increase in Real Property Taxes assessed by reason of Alterations or Utility Installations placed upon the Premises by Lessee or at Lessee's request or by reason of any alterations or improvements to the Premises made by Lessor subsequent to the execution of this Lease by the Parties.

10.4 **Joint Assessment.** If the Premises are not separately assessed, Lessee's liability shall be an equitable proportion of the Tax Increase for all of the land and improvements included within the tax parcel assessed, such proportion to be conclusively determined by Lessor from the respective valuations assigned in the assessor's work sheets or such other information as may be reasonably available.

10.5 **Personal Property Taxes.** Lessee shall pay, prior to delinquency, all taxes assessed against and levied upon Lessee Owned Alterations, Utility Installations, Trade Fixtures, furnishings, equipment and all personal property of Lessee. When possible, Lessee shall cause its Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Lessor. If any of Lessee's said property shall be assessed with Lessor's real property, Lessee shall pay Lessor the taxes attributable to Lessee's property within 10 days after receipt of a written statement setting forth the taxes applicable to Lessee's property.

11. Utilities and Services.

11.1 Lessee shall pay for all water, gas, heat, light, power, telephone, trash disposal and other utilities and services supplied to the Premises, together with any taxes thereon. If any such services are not separately metered or billed to Lessee, Lessee shall pay a reasonable proportion, to be determined by Lessor, of all charges jointly metered or billed. There shall be no abatement of rent and Lessor shall not be liable in any respect whatsoever for the inadequacy, stoppage, interruption or discontinuance of any utility or service due to riot, strike, labor dispute, breakdown, accident, repair or other cause beyond Lessor's reasonable control or in cooperation with governmental request or directions.

11.2 Within fifteen days of Lessor's written request, Lessee agrees to deliver to Lessor such information, documents and/or authorization as Lessor needs in order for Lessor to comply with new or existing Applicable Requirements relating to commercial building energy usage, ratings, and/or the reporting thereof.

12. Assignment and Subletting.

12.1 **Lessor's Consent Required.**

(a) Lessee shall not voluntarily or by operation of law assign, transfer, mortgage or encumber (collectively, "**assign or assignment**") or sublet all or any part of Lessee's interest in this Lease or in the Premises without Lessor's prior written consent.

(b) Unless Lessee is a corporation and its stock is publicly traded on a national stock exchange, a change in the control of Lessee shall constitute an assignment requiring consent. The transfer, on a cumulative basis, of 25% or more of the voting control of Lessee shall constitute a change in control for this purpose.

(c) The involvement of Lessee or its assets in any transaction, or series of transactions (by way of merger, sale, acquisition, financing, transfer, leveraged buy-out or otherwise), whether or not a formal assignment or hypothecation of this Lease or Lessee's assets occurs, which results or will result in a reduction of the Net Worth of Lessee by an amount greater than 25% of such Net Worth as it was represented at the time of the execution of this Lease or at the time of the most recent assignment to which Lessor has consented, or as it exists immediately prior to said transaction or transactions constituting such reduction, whichever was or is greater, shall be considered an assignment of this Lease to which Lessor may withhold its consent. "**Net Worth of Lessee**" shall mean the net worth of Lessee (excluding any guarantors) established under generally accepted accounting principles.

(d) An assignment or subletting without consent shall, at Lessor's option, be a Default curable after notice per Paragraph 13.1(d), or a noncurable Breach without the necessity of any notice and grace period. If Lessor elects to treat such unapproved assignment or subletting as a noncurable Breach, Lessor may either: (i) terminate this Lease, or (ii) upon 30 days written notice, increase the monthly Base Rent to 110% of the Base Rent then in effect. Further, in the event of such Breach and rental adjustment, (i) the purchase price of any option to purchase the Premises held by Lessee shall be subject to similar adjustment to 110% of the price previously in effect, and (ii) all fixed and non-fixed rental adjustments scheduled during the remainder of the Lease term shall be increased to 110% of the scheduled adjusted rent.

(e) Lessee's remedy for any breach of Paragraph 12.1 by Lessor shall be limited to compensatory damages and/or injunctive relief.

(f) Lessor may reasonably withhold consent to a proposed assignment or subletting if Lessee is in Default at the time consent is requested.

(g) Notwithstanding the foregoing, allowing a de minimis portion of the Premises, ie. 20 square feet or less, to be used by a third party vendor in connection with the installation of a vending machine or payphone shall not constitute a subletting.

12.2 **Terms and Conditions Applicable to Assignment and Subletting.**

(a) Regardless of Lessor's consent, no assignment or subletting shall : (i) be effective without the express written assumption by such assignee or sublessee of the obligations of Lessee under this Lease, (ii) release Lessee of any obligations hereunder, or (iii) alter the primary liability of Lessee for the payment of Rent or for the performance of any other obligations to be performed by Lessee.

(b) Lessor may accept Rent or performance of Lessee's obligations from any person other than Lessee pending approval or disapproval of an assignment. Neither a delay in the approval or disapproval of such assignment nor the acceptance of Rent or performance shall constitute a waiver or estoppel of Lessor's right to exercise its remedies for Lessee's Default or Breach.

(c) Lessor's consent to any assignment or subletting shall not constitute a consent to any subsequent assignment or subletting.

(d) In the event of any Default or Breach by Lessee, Lessor may proceed directly against Lessee, any Guarantors or anyone else responsible for the performance of Lessee's obligations under this Lease, including any assignee or sublessee, without first exhausting Lessor's remedies against any other person or entity responsible therefor to Lessor, or any security held by Lessor.

(e) Each request for consent to an assignment or subletting shall be in writing, accompanied by information relevant to Lessor's determination as to the financial and operational responsibility and appropriateness of the proposed assignee or sublessee, including but not limited to the intended use and/or required modification of the Premises, if any, together with a fee of $500 as consideration for Lessor's considering and processing said request. Lessee agrees to provide Lessor with such other or additional information and/or documentation as may be reasonably requested. (See also Paragraph 36)

(f) Any assignee of, or sublessee under, this Lease shall, by reason of accepting such assignment, entering into such sublease, or entering into possession of the Premises or any portion thereof, be deemed to have assumed and agreed to conform and comply with each and every term, covenant, condition and obligation herein to be observed or performed by Lessee during the term of said assignment or sublease, other than such obligations as are contrary to or inconsistent with provisions of an assignment or sublease to which Lessor has specifically consented to in writing.

(g) Lessor's consent to any assignment or subletting shall not transfer to the assignee or sublessee any Option granted to the original Lessee by this Lease unless such transfer is specifically consented to by Lessor in writing. (See Paragraph 39.2)

12.3 **Additional Terms and Conditions Applicable to Subletting.** The following terms and conditions shall apply to any subletting by Lessee of all or any part of the Premises and shall be deemed included in all subleases under this Lease whether or not expressly incorporated therein:

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(a) Lessee hereby assigns and transfers to Lessor all of Lessee's interest in all Rent payable on any sublease, and Lessor may collect such Rent and apply same toward Lessee's obligations under this Lease; provided, however, that until a Breach shall occur in the performance of Lessee's obligations, Lessee may collect said Rent. In the event that the amount collected by Lessor exceeds Lessee's then outstanding obligations any such excess shall be refunded to Lessee. Lessor shall not, by reason of the foregoing or any assignment of such sublease, nor by reason of the collection of Rent, be deemed liable to the sublessee for any failure of Lessee to perform and comply with any of Lessee's obligations to such sublessee. Lessee hereby irrevocably authorizes and directs any such sublessee, upon receipt of a written notice from Lessor stating that a Breach exists in the performance of Lessee's obligations under this Lease, to pay to Lessor all Rent due and to become due under the sublease. Sublessee shall rely upon any such notice from Lessor and shall pay all Rents to Lessor without any obligation or right to inquire as to whether such Breach exists, notwithstanding any claim from Lessee to the contrary.

(b) In the event of a Breach by Lessee, Lessor may, at its option, require sublessee to attorn to Lessor, in which event Lessor shall undertake the obligations of the sublessor under such sublease from the time of the exercise of said option to the expiration of such sublease; provided, however, Lessor shall not be liable for any prepaid rents or security deposit paid by such sublessee to such sublessor or for any prior Defaults or Breaches of such sublessor.

(c) Any matter requiring the consent of the sublessor under a sublease shall also require the consent of Lessor.

(d) No sublessee shall further assign or sublet all or any part of the Premises without Lessor's prior written consent.

(e) Lessor shall deliver a copy of any notice of Default or Breach by Lessee to the sublessee, who shall have the right to cure the Default of Lessee within the grace period, if any, specified in such notice. The sublessee shall have a right of reimbursement and offset from and against Lessee for any such Defaults cured by the sublessee.

13. Default; Breach; Remedies.

13.1 **Default; Breach.** A "**Default**" is defined as a failure by the Lessee to comply with or perform any of the terms, covenants, conditions or Rules and Regulations under this Lease. A "**Breach**" is defined as the occurrence of one or more of the following Defaults, and the failure of Lessee to cure such Default within any applicable grace period:

(a) The abandonment of the Premises; the vacating of the Premises prior to the expiration or termination of this Lease without providing a commercially reasonable level of security, or where the coverage of the property insurance described in Paragraph 8.3 is jeopardized as a result thereof, or without providing reasonable assurances to minimize potential vandalism; or failure to deliver to Lessor exclusive possession of the entire Premises in accordance herewith prior to the expiration or termination of this Lease.

(b) The failure of Lessee to make any payment of Rent or any Security Deposit required to be made by Lessee hereunder, whether to Lessor or to a third party, when due, to provide reasonable evidence of insurance or surety bond, or to fulfill any obligation under this Lease which endangers or threatens life or property, where such failure continues for a period of 3 business days following written notice to Lessee. THE ACCEPTANCE BY LESSOR OF A PARTIAL PAYMENT OF RENT OR SECURITY DEPOSIT SHALL NOT CONSTITUTE A WAIVER OF ANY OF LESSOR'S RIGHTS, INCLUDING LESSOR'S RIGHT TO RECOVER POSSESSION OF THE PREMISES.

(c) The failure of Lessee to allow Lessor and/or its agents access to the Premises or the commission of waste, act or acts constituting public or private nuisance, and/or an illegal activity on the Premises by Lessee, where such actions continue for a period of 3 business days following written notice to Lessee. In the event that Lessee commits waste, a nuisance or an illegal activity a second time then, the Lessor may elect to treat such conduct as a non-curable Breach rather than a Default.

(d) The failure by Lessee to provide (i) reasonable written evidence of compliance with Applicable Requirements, (ii) the service contracts, (iii) the rescission of an unauthorized assignment or subletting, (iv) an Estoppel Certificate or financial statements, (v) a requested subordination, (vi) evidence concerning any guaranty and/or Guarantor, (vii) any document requested under Paragraph 42, (viii) material safety data sheets (MSDS), or (ix) any other documentation or information which Lessor may reasonably require of Lessee under the terms of this Lease, where any such failure continues for a period of 10 days following written notice to Lessee.

(e) A Default by Lessee as to the terms, covenants, conditions or provisions of this Lease, or of the rules adopted under Paragraph 40 hereof, other than those described in subparagraphs 13.1(a), (b), (c) or (d), above, where such Default continues for a period of 30 days after written notice; provided, however, that if the nature of Lessee's Default is such that more than 30 days are reasonably required for its cure, then it shall not be deemed to be a Breach if Lessee commences such cure within said 30 day period and thereafter diligently prosecutes such cure to completion.

(f) The occurrence of any of the following events: (i) the making of any general arrangement or assignment for the benefit of creditors; (ii) becoming a "**debtor**" as defined in 11 U.S.C. § 101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within 60 days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within 30 days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within 30 days; provided, however, in the event that any provision of this subparagraph is contrary to any applicable law, such provision shall be of no force or effect, and not affect the validity of the remaining provisions.

(g) The discovery that any financial statement of Lessee or of any Guarantor given to Lessor was materially false.

(h) If the performance of Lessee's obligations under this Lease is guaranteed: (i) the death of a Guarantor, (ii) the termination of a Guarantor's liability with respect to this Lease other than in accordance with the terms of such guaranty, (iii) a Guarantor's becoming insolvent or the subject of a bankruptcy filing, (iv) a Guarantor's refusal to honor the guaranty, or (v) a Guarantor's breach of its guaranty obligation on an anticipatory basis, and Lessee's failure, within 60 days following written notice of any such event, to provide written alternative assurance or security, which, when coupled with the then existing resources of Lessee, equals or exceeds the combined financial resources of Lessee and the Guarantors that existed at the time of execution of this Lease.

13.2 **Remedies.** If Lessee fails to perform any of its affirmative duties or obligations, within 10 days after written notice (or in case of an emergency, without notice), Lessor may, at its option, perform such duty or obligation on Lessee's behalf, including but not limited to

the obtaining of reasonably required bonds, insurance policies, or governmental licenses, permits or approvals. Lessee shall pay to Lessor an amount equal to 115% of the costs and expenses incurred by Lessor in such performance upon receipt of an invoice therefor. In the event of a Breach, Lessor may, with or without further notice or demand, and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such Breach:

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession to Lessor. In such event Lessor shall be entitled to recover from Lessee: (i) the unpaid Rent which had been earned at the time of termination;

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(ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that the Lessee proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by the Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, and that portion of any leasing commission paid by Lessor in connection with this Lease applicable to the unexpired term of this Lease. The worth at the time of award of the amount referred to in provision (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of the District within which the Premises are located at the time of award plus one percent. Efforts by Lessor to mitigate damages caused by Lessee's Breach of this Lease shall not waive Lessor's right to recover any damages to which Lessor is otherwise entitled. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Lessor shall have the right to recover in such proceeding any unpaid Rent and damages as are recoverable therein, or Lessor may reserve the right to recover all or any part thereof in a separate suit. If a notice and grace period required under Paragraph 13.1 was not previously given, a notice to pay rent or quit, or to perform or quit given to Lessee under the unlawful detainer statute shall also constitute the notice required by Paragraph 13.1. In such case, the applicable grace period required by Paragraph 13.1 and the unlawful detainer statute shall run concurrently, and the failure of Lessee to cure the Default within the greater of the two such grace periods shall constitute both an unlawful detainer and a Breach of this Lease entitling Lessor to the remedies provided for in this Lease and/or by said statute.

(b) Continue the Lease and Lessee's right to possession and recover the Rent as it becomes due, in which event Lessee may sublet or assign, subject only to reasonable limitations. Acts of maintenance, efforts to relet, and/or the appointment of a receiver to protect the Lessor's interests, shall not constitute a termination of the Lessee's right to possession.

(c) Pursue any other remedy now or hereafter available under the laws or judicial decisions of the state wherein the Premises are located. The expiration or termination of this Lease and/or the termination of Lessee's right to possession shall not relieve Lessee from liability under any indemnity provisions of this Lease as to matters occurring or accruing during the term hereof or by reason of Lessee's occupancy of the Premises.

13.3 **Inducement Recapture.** Any agreement for free or abated rent or other charges, the cost of tenant improvements for Lessee paid for or performed by Lessor, or for the giving or paying by Lessor to or for Lessee of any cash or other bonus, inducement or consideration for Lessee's entering into this Lease, all of which concessions are hereinafter referred to as "**Inducement Provisions**," shall be deemed conditioned upon Lessee's full and faithful performance of all of the terms, covenants and conditions of this Lease. Upon Breach of this Lease by Lessee, any such Inducement Provision shall automatically be deemed deleted from this Lease and of no further force or effect, and any rent, other charge, bonus, inducement or consideration theretofore abated, given or paid by Lessor under such an Inducement Provision shall be immediately due and payable by Lessee to Lessor, notwithstanding any subsequent cure of said Breach by Lessee. The acceptance by Lessor of rent or the cure of the Breach which initiated the operation of this paragraph shall not be deemed a waiver by Lessor of the provisions of this paragraph unless specifically so stated in writing by Lessor at the time of such acceptance.

13.4 **Late Charges.** Lessee hereby acknowledges that late payment by Lessee of Rent will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Lessor by any Lender. Accordingly, if any Rent shall not be received by Lessor within 5 days after such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall immediately pay to Lessor a one-time late charge equal to 10% of each such overdue amount or $100, whichever is greater. The Parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of such late payment. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's Default or Breach with respect to such overdue amount, nor prevent the exercise of any of the other rights and remedies granted hereunder. In the event that a late charge is payable hereunder, whether or not collected, for 3 consecutive installments of Base Rent, then notwithstanding any provision of this Lease to the contrary, Base Rent shall, at Lessor's option, become due and payable quarterly in advance.

13.5 **Interest.** Any monetary payment due Lessor hereunder, other than late charges, not received by Lessor, when due shall bear interest from the 31st day after it was due. The interest ("**Interest**") charged shall be computed at the rate of 10% per annum but shall not exceed the maximum rate allowed by law. Interest is payable in addition to the potential late charge provided for in Paragraph 13.4.

13.6 **Breach by Lessor.**

(a) **Notice of Breach.** Lessor shall not be deemed in breach of this Lease unless Lessor fails within a reasonable time to perform an obligation required to be performed by Lessor. For purposes of this Paragraph, a reasonable time shall in no event be less than 30 days after receipt by Lessor, and any Lender whose name and address shall have been furnished to Lessee in writing for such purpose, of written notice specifying wherein such obligation of Lessor has not been performed; provided, however, that if the nature of Lessor's obligation is such that more than 30 days are reasonably required for its performance, then Lessor shall not be in breach if performance is commenced within such 30 day period and thereafter diligently pursued to completion.

~~(b) **Performance by Lessee on Behalf of Lessor.** In the event that neither Lessor nor Lender cures said breach within 30 days after receipt of said notice, or if having commenced said cure they do not diligently pursue it to completion, then Lessee may elect to cure said breach at Lessee's expense and offset from Rent the actual and reasonable cost to perform such cure, provided however, that such offset shall not exceed an amount equal to the greater of one month's Base Rent or the Security Deposit, reserving Lessee's right to seek reimbursement from Lessor for any such expense in excess of such offset. Lessee shall document the cost of said cure and supply said documentation to Lessor.~~

14. Condemnation. If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively "**Condemnation**"), this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than 10% of the Building, or more than 25% of that portion of the Premises not occupied by any building, is taken by Condemnation, Lessee may, at Lessee's option, to be exercised in writing within 10 days after Lessor shall have given Lessee written notice of such taking (or in the absence of such notice, within 10 days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession.

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If Lessee does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Base Rent shall be reduced in proportion to the reduction in utility of the Premises caused by such Condemnation. Condemnation awards and/or payments shall be the property of Lessor, whether such award shall be made as compensation for diminution in value of the leasehold, the value of the part taken, or for severance damages; provided, however, that Lessee shall be entitled to any compensation paid by the condemnor for Lessee's relocation expenses, loss of business goodwill and/or Trade Fixtures, without regard to whether or not this Lease is terminated pursuant to the provisions of this Paragraph. All Alterations and Utility Installations made to the Premises by Lessee, for purposes of Condemnation only, shall be considered the property of the Lessee and Lessee shall be entitled to any and all compensation which is payable therefor. In the event that this Lease is not terminated by reason of the Condemnation, Lessor shall repair any damage to the Premises caused by such Condemnation.

15. Brokerage Fees.

15.1 **Additional Commission.** In addition to the payments owed pursuant to Paragraph 1.9 above, Lessor agrees that: (a) if Lessee exercises any Option, (b) if Lessee or anyone affiliated with Lessee acquires any rights to the Premises or other premises owned by Lessor and located within the same Project, if any, within which the Premises is located, (c) if Lessee remains in possession of the Premises, with the consent of Lessor, after the expiration of this Lease, or (d) if Base Rent is increased, whether by agreement or operation of an escalation clause herein, then, Lessor shall pay Brokers a fee in accordance with the fee schedule of the Brokers in effect at the time the Lease was executed. The provisions of this paragraph are intended to supersede the provisions of any earlier agreement to the contrary.

15.2 **Assumption of Obligations.** Any buyer or transferee of Lessor's interest in this Lease shall be deemed to have assumed Lessor's obligation hereunder. Brokers shall be third party beneficiaries of the provisions of Paragraphs 1.9,15, 22 and 31. If Lessor fails to pay to Brokers any amounts due as and for brokerage fees pertaining to this Lease when due, then such amounts shall accrue Interest. In addition, if Lessor fails to pay any amounts to Lessee's Broker when due, Lessee's Broker may send written notice to Lessor and Lessee of such failure and if Lessor fails to pay such amounts within 10 days after said notice, Lessee shall pay said monies to its Broker and offset such amounts against Rent. In addition, Lessee's Broker shall be deemed to be a third party beneficiary of any commission agreement entered into by and/or between Lessor and Lessor's Broker for the limited purpose of collecting any brokerage fee owed.

15.3 **Representations and Indemnities of Broker Relationships.** Lessee and Lessor each represent and warrant to the other that it has had no dealings with any person, firm, broker, agent or finder (other than the Brokers and Agents, if any) in connection with this Lease, and that no one other than said named Brokers and Agents is entitled to any commission or finder's fee in connection herewith. Lessee and Lessor do each hereby agree to indemnify, protect, defend and hold the other harmless from and against liability for compensation or charges which may be claimed by any such unnamed broker, finder or other similar party by reason of any dealings or actions of the indemnifying Party, including any costs, expenses, attorneys' fees reasonably incurred with respect thereto.

16. Estoppel Certificates.

(a) Each Party (as "**Responding Party**") shall within 10 days after written notice from the other Party (the "**Requesting Party**") execute, acknowledge and deliver to the Requesting Party a statement in writing in form similar to the then most current "**Estoppel Certificate**" form published by AIR CRE, plus such additional information, confirmation and/or statements as may be reasonably requested by the Requesting Party.

(b) If the Responding Party shall fail to execute or deliver the Estoppel Certificate within such 10 day period, the Requesting Party may execute an Estoppel Certificate stating that: (i) the Lease is in full force and effect without modification except as may be represented by the Requesting Party, (ii) there are no uncured defaults in the Requesting Party's performance, and (iii) if Lessor is the Requesting Party, not more than one month's rent has been paid in advance. Prospective purchasers and encumbrancers may rely upon the Requesting Party's Estoppel Certificate, and the Responding Party shall be estopped from denying the truth of the facts contained in said Certificate. In addition, Lessee acknowledges that any failure on its part to provide such an Estoppel Certificate will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, should the Lessee fail to execute and/or deliver a requested Estoppel Certificate in a timely fashion the monthly Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or $100, whichever is greater for remainder of the Lease. The Parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to provide the Estoppel Certificate. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to provide the Estoppel Certificate nor prevent the exercise of any of the other rights and remedies granted hereunder.

(c) If Lessor desires to finance, refinance, or sell the Premises, or any part thereof, Lessee and all Guarantors shall within 10 days after written notice from Lessor deliver to any potential lender or purchaser designated by Lessor such financial statements as may be reasonably required by such lender or purchaser, including but not limited to Lessee's financial statements for the past 3 years. All such financial statements shall be received by Lessor and such lender or purchaser in confidence and shall be used only for the purposes herein set forth.

17. Definition of Lessor. The term "**Lessor**" as used herein shall mean the owner or owners at the time in question of the fee title to the Premises, or, if this is a sublease, of the Lessee's interest in the prior lease. In the event of a transfer of Lessor's title or interest in the Premises or this Lease, Lessor shall deliver to the transferee or assignee (in cash or by credit) any unused Security Deposit held by Lessor. Upon such transfer or assignment and delivery of the Security Deposit, as aforesaid, the prior Lessor shall be relieved of all liability with respect to the obligations and/or covenants under this Lease thereafter to be performed by the Lessor. Subject to the foregoing, the obligations and/or covenants in this Lease to be performed by the Lessor shall be binding only upon the Lessor as hereinabove defined.

18. Severability. The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

19. Days. Unless otherwise specifically indicated to the contrary, the word "**days**" as used in this Lease shall mean and refer to calendar days.

20. Limitation on Liability. The obligations of Lessor under this Lease shall not constitute personal obligations of Lessor, or its partners, members, directors, officers or shareholders, and Lessee shall look to the Premises, and to no other assets of Lessor, for the

satisfaction of any liability of Lessor with respect to this Lease, and shall not seek recourse against Lessor's partners, members, directors, officers or shareholders, or any of their personal assets for such satisfaction.

21. Time of Essence. Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties under this Lease.

22. No Prior or Other Agreements; Broker Disclaimer. This Lease contains all agreements between the Parties with respect to any matter mentioned herein, and no other prior or contemporaneous agreement or understanding shall be effective. Lessor and Lessee each represents and warrants to the Brokers that it has made, and is relying solely upon, its own investigation as to the nature, quality, character and financial responsibility of the other Party to this Lease and as to the use, nature, quality and character of the Premises. Brokers have no responsibility with respect thereto or with respect to any default or breach hereof by either Party.

23. Notices.

23.1 **Notice Requirements.** All notices required or permitted by this Lease or applicable law shall be in writing and may be delivered in person (by hand or by courier) or may be sent by regular, certified or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by facsimile transmission, or by email, and shall be deemed sufficiently given if served in a manner specified in this Paragraph 23. The addresses noted adjacent to a Party's signature on this Lease shall be that Party's address for delivery or mailing of notices. Either Party may by written notice to the other specify a different address for notice, except that upon Lessee's taking possession of the Premises, the Premises shall constitute Lessee's address for notice. A copy of all notices to Lessor shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to time hereafter designate in writing.

23.2 **Date of Notice.** Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. If sent by regular mail the notice shall be deemed given 72 hours after the same is addressed as required herein and mailed with postage prepaid. Notices delivered by United States Express Mail or overnight courier that guarantees next day delivery shall be deemed given 24 hours after delivery of the same to the Postal Service or courier. Notices delivered by hand, or transmitted by facsimile transmission or by email shall be deemed delivered upon actual receipt. If notice is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

23.3 **Options.** Notwithstanding the foregoing, in order to exercise any Options (see paragraph 39), the Notice must be sent by Certified Mail (return receipt requested), Express Mail (signature required), courier (signature required) or some other methodology that provides a receipt establishing the date the notice was received by the Lessor.

24. Waivers.

(a) No waiver by Lessor of the Default or Breach of any term, covenant or condition hereof by Lessee, shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent Default or Breach by Lessee of the same or of any other term, covenant or condition hereof. Lessor's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Lessor's consent to, or approval of, any subsequent or similar act by Lessee, or be construed as the basis of an estoppel to enforce the provision or provisions of this Lease requiring such consent.

(b) The acceptance of Rent by Lessor shall not be a waiver of any Default or Breach by Lessee. Any payment by Lessee may be accepted by Lessor on account of monies or damages due Lessor, notwithstanding any qualifying statements or conditions made by Lessee in connection therewith, which such statements and/or conditions shall be of no force or effect whatsoever unless specifically agreed to in writing by Lessor at or before the time of deposit of such payment.

(c) THE PARTIES AGREE THAT THE TERMS OF THIS LEASE SHALL GOVERN WITH REGARD TO ALL MATTERS RELATED THERETO AND HEREBY WAIVE THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE TO THE EXTENT THAT SUCH STATUTE IS INCONSISTENT WITH THIS LEASE.

25. Disclosures Regarding The Nature of a Real Estate Agency Relationship.

(a) When entering into a discussion with a real estate agent regarding a real estate transaction, a Lessor or Lessee should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction. Lessor and Lessee acknowledge being advised by the Brokers in this transaction, as follows:

(i) *Lessor's Agent*. A Lessor's agent under a listing agreement with the Lessor acts as the agent for the Lessor only. A Lessor's agent or subagent has the following affirmative obligations: *To the Lessor*: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessor. *To the Lessee and the Lessor*: (a) Diligent exercise of reasonable skills and care in performance of the agent's duties. (b) A duty of honest and fair dealing and good faith. (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(ii) *Lessee's Agent*. An agent can agree to act as agent for the Lessee only. In these situations, the agent is not the Lessor's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Lessor. An agent acting only for a Lessee has the following affirmative obligations. *To the Lessee*: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessee. *To the Lessee and the Lessor*: (a) Diligent exercise of reasonable skills and care in performance of the agent's duties. (b) A duty of honest and fair dealing and good faith. (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(iii) *Agent Representing Both Lessor and Lessee*. *A* real estate agent, either acting directly or through one or more associate licenses, can legally be the agent of both the Lessor and the Lessee in a transaction, but only with the knowledge and consent of both the Lessor and the Lessee. In a dual agency situation, the agent has the following affirmative obligations to both the Lessor and the Lessee: (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Lessor or the Lessee. (b) Other duties to the Lessor and the Lessee as stated above in subparagraphs (i) or (ii). In representing both Lessor and Lessee, the agent may not, without the express permission of the respective Party, disclose to the other Party confidential information, including, but not limited to,

facts relating to either Lessee's or Lessor's financial position, motivations, bargaining position, or other personal information that may impact rent, including Lessor's willingness to accept a rent less than the listing rent or Lessee's willingness to pay rent greater than the rent offered. The above duties of the agent in a real estate transaction do not relieve a Lessor or Lessee from the responsibility to protect their own interests. Lessor and Lessee should carefully read all

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agreements to assure that they adequately express their understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional. Both Lessor and Lessee should strongly consider obtaining tax advice from a competent professional because the federal and state tax consequences of a transaction can be complex and subject to change.

(b) Brokers have no responsibility with respect to any default or breach hereof by either Party. The Parties agree that no lawsuit or other legal proceeding involving any breach of duty, error or omission relating to this Lease may be brought against Broker more than one year after the Start Date and that the liability (including court costs and attorneys' fees), of any Broker with respect to any such lawsuit and/or legal proceeding shall not exceed the fee received by such Broker pursuant to this Lease; provided, however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker.

(c) Lessor and Lessee agree to identify to Brokers as "Confidential" any communication or information given Brokers that is considered by such Party to be confidential.

26. No Right To Holdover. Lessee has no right to retain possession of the Premises or any part thereof beyond the expiration or termination of this Lease. At or prior to the expiration or termination of this Lease Lessee shall deliver exclusive possession of the Premises to Lessor. For purposes of this provision and Paragraph 13.1(a), exclusive possession shall mean that Lessee shall have vacated the Premises, removed all of its personal property therefrom and that the Premises have been returned in the condition specified in this Lease. In the event that Lessee does not deliver exclusive possession to Lessor as specified above, then Lessor's damages during any holdover period shall be computed at the amount of the Rent (as defined in Paragraph 4.1) due during the last full month before the expiration or termination of this Lease (disregarding any temporary abatement of Rent that may have been in effect), but with Base Rent being 150% of the Base Rent payable during such last full month. Nothing contained herein shall be construed as consent by Lessor to any holding over by Lessee.

27. Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

28. Covenants and Conditions; Construction of Agreement. All provisions of this Lease to be observed or performed by Lessee are both covenants and conditions. In construing this Lease, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Lease. Whenever required by the context, the singular shall include the plural and vice versa. This Lease shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

29. Binding Effect; Choice of Law. This Lease shall be binding upon the Parties, their personal representatives, successors and assigns and be governed by the laws of the State in which the Premises are located. Any litigation between the Parties hereto concerning this Lease shall be initiated in the county in which the Premises are located. Signatures to this Lease accomplished by means of electronic signature or similar technology shall be legal and binding.

30. Subordination; Attornment; Non-Disturbance.

30.1 **Subordination.** This Lease and any Option granted hereby shall be subject and subordinate to any ground lease, mortgage, deed of trust, or other hypothecation or security device (collectively, "**Security Device**"), now or hereafter placed upon the Premises, to any and all advances made on the security thereof, and to all renewals, modifications, and extensions thereof. Lessee agrees that the holders of any such Security Devices (in this Lease together referred to as "**Lender**") shall have no liability or obligation to perform any of the obligations of Lessor under this Lease. Any Lender may elect to have this Lease and/or any Option granted hereby superior to the lien of its Security Device by giving written notice thereof to Lessee, whereupon this Lease and such Options shall be deemed prior to such Security Device, notwithstanding the relative dates of the documentation or recordation thereof.

30.2 **Attornment.** In the event that Lessor transfers title to the Premises, or the Premises are acquired by another upon the foreclosure or termination of a Security Device to which this Lease is subordinated (i) Lessee shall, subject to the non-disturbance provisions of Paragraph 30.3, attorn to such new owner, and upon request, enter into a new lease, containing all of the terms and provisions of this Lease, with such new owner for the remainder of the term hereof, or, at the election of the new owner, this Lease will automatically become a new lease between Lessee and such new owner, and (ii) Lessor shall thereafter be relieved of any further obligations hereunder and such new owner shall assume all of Lessor's obligations, except that such new owner shall not: (a) be liable for any act or omission of any prior lessor or with respect to events occurring prior to acquisition of ownership; (b) be subject to any offsets or defenses which Lessee might have against any prior lessor, (c) be bound by prepayment of more than one month's rent, or (d) be liable for the return of any security deposit paid to any prior lessor which was not paid or credited to such new owner.

30.3 **Non-Disturbance.** With respect to Security Devices entered into by Lessor after the execution of this Lease, Lessee's subordination of this Lease shall be subject to receiving a commercially reasonable non-disturbance agreement (a "**Non-Disturbance Agreement**") from the Lender which Non-Disturbance Agreement provides that Lessee's possession of the Premises, and this Lease, including any options to extend the term hereof, will not be disturbed so long as Lessee is not in Breach hereof and attorns to the record owner of the Premises. Further, within 60 days after the execution of this Lease, Lessor shall, if requested by Lessee, use its commercially reasonable efforts to obtain a Non-Disturbance Agreement from the holder of any pre-existing Security Device which is secured by the Premises. In the event that Lessor is unable to provide the Non-Disturbance Agreement within said 60 days, then Lessee may, at Lessee's option, directly contact Lender and attempt to negotiate for the execution and delivery of a Non-Disturbance Agreement.

30.4 **Self-Executing.** The agreements contained in this Paragraph 30 shall be effective without the execution of any further documents; provided, however, that, upon written request from Lessor or a Lender in connection with a sale, financing or refinancing of the Premises, Lessee and Lessor shall execute such further writings as may be reasonably required to separately document any subordination, attornment and/or Non-Disturbance Agreement provided for herein.

31. Attorneys' Fees. If any Party or Broker brings an action or proceeding involving the Premises whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term, "**Prevailing Party**" shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The attorneys' fees award shall not

be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. In addition, Lessor shall be entitled to attorneys' fees, costs and expenses incurred in the preparation and service of notices of Default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such Default or resulting Breach ($200 is a reasonable minimum per occurrence for such services and consultation).

32. Lessor's Access; Showing Premises; Repairs. Lessor and Lessor's agents shall have the right to enter the Premises at any time, in the case of an emergency, and otherwise at reasonable times after reasonable prior notice for the purpose of showing the same to prospective purchasers, lenders, or tenants, and making such alterations, repairs, improvements or additions to the Premises as Lessor may deem necessary or desirable and the erecting, using and maintaining of utilities, services, pipes and conduits through the Premises and/or other premises as long as there is no material adverse effect on Lessee's use of the Premises. All such activities shall be without abatement of rent or liability to Lessee.

33. Auctions. Lessee shall not conduct, nor permit to be conducted, any auction upon the Premises without Lessor's prior written consent. Lessor shall not be obligated to exercise any standard of reasonableness in determining whether to permit an auction.

34. Signs. Lessor may place on the Premises ordinary "For Sale" signs at any time and ordinary "For Lease" signs during the last 6 months of the term hereof. Except for ordinary "for sublease" signs, Lessee shall not place any sign upon the Premises without Lessor's prior written consent. All signs must comply with all Applicable Requirements.

35. Termination; Merger. Unless specifically stated otherwise in writing by Lessor, the voluntary or other surrender of this Lease by Lessee, the mutual termination or cancellation hereof, or a termination hereof by Lessor for Breach by Lessee, shall automatically terminate any sublease or lesser estate in the Premises; provided, however, that Lessor may elect to continue any one or all existing subtenancies. Lessor's failure within 10 days following any such event to elect to the contrary by written notice to the holder of any such lesser interest, shall constitute Lessor's election to have such event constitute the termination of such interest.

36. Consents. All requests for consent shall be in writing. Except as otherwise provided herein, wherever in this Lease the consent of a Party is required to an act by or for the other Party, such consent shall not be unreasonably withheld or delayed. Lessor's actual reasonable costs and expenses (including but not limited to architects', attorneys', engineers' and other consultants' fees) incurred in the consideration of, or response to, a request by Lessee for any Lessor consent, including but not limited to consents to an assignment, a subletting or the presence or use of a Hazardous Substance, shall be paid by Lessee upon receipt of an invoice and supporting documentation therefor. Lessor's consent to any act, assignment or subletting shall not constitute an acknowledgment that no Default or Breach by Lessee of this Lease exists, nor shall such consent be deemed a waiver of any then existing Default or Breach, except as may be otherwise specifically stated in writing by Lessor at the time of such consent. The failure to specify herein any particular condition to Lessor's consent shall not preclude the imposition by Lessor at the time of consent of such further or other conditions as are then reasonable with reference to the particular matter for which consent is being given. In the event that either Party disagrees with any determination made by the other hereunder and reasonably requests the reasons for such determination, the determining party shall furnish its reasons in writing and in reasonable detail within 10 business days following such request.

37. Guarantor.

37.1 **Execution.** The Guarantors, if any, shall each execute a guaranty in the form most recently published by AIR CRE.

37.2 **Default.** It shall constitute a Default of the Lessee if any Guarantor fails or refuses, upon request to provide: (a) evidence of the execution of the guaranty, including the authority of the party signing on Guarantor's behalf to obligate Guarantor, and in the case of a corporate Guarantor, a certified copy of a resolution of its board of directors authorizing the making of such guaranty, (b) current financial statements, (c) an Estoppel Certificate, or (d) written confirmation that the guaranty is still in effect.

38. Quiet Possession. Subject to payment by Lessee of the Rent and performance of all of the covenants, conditions and provisions on Lessee's part to be observed and performed under this Lease, Lessee shall have quiet possession and quiet enjoyment of the Premises during the term hereof.

39. Options. If Lessee is granted any Option, as defined below, then the following provisions shall apply.

39.1 **Definition.** "**Option**" shall mean: (a) the right to extend or reduce the term of or renew this Lease or to extend or reduce the term of or renew any lease that Lessee has on other property of Lessor; (b) the right of first refusal or first offer to lease either the Premises or other property of Lessor; (c) the right to purchase, the right of first offer to purchase or the right of first refusal to purchase the Premises or other property of Lessor.

39.2 **Options Personal To Original Lessee.** Any Option granted to Lessee in this Lease is personal to the original Lessee, and cannot be assigned or exercised by anyone other than said original Lessee and only while the original Lessee is in full possession of the Premises and, if requested by Lessor, with Lessee certifying that Lessee has no intention of thereafter assigning or subletting.

39.3 **Multiple Options.** In the event that Lessee has any multiple Options to extend or renew this Lease, a later Option cannot be exercised unless the prior Options have been validly exercised.

39.4 **Effect of Default on Options.**

(a) Lessee shall have no right to exercise an Option: (i) during the period commencing with the giving of any notice of Default and continuing until said Default is cured, (ii) during the period of time any Rent is unpaid (without regard to whether notice thereof is given Lessee), (iii) during the time Lessee is in Breach of this Lease, or (iv) in the event that Lessee has been given 3 or more notices of separate Default, whether or not the Defaults are cured, during the 12 month period immediately preceding the exercise of the Option.

(b) The period of time within which an Option may be exercised shall not be extended or enlarged by reason of Lessee's inability to exercise an Option because of the provisions of Paragraph 39.4(a).

(c) An Option shall terminate and be of no further force or effect, notwithstanding Lessee's due and timely exercise of the Option, if, after such exercise and prior to the commencement of the extended term or completion of the purchase, (i) Lessee fails to pay Rent for a period of 30 days after such Rent becomes due (without any necessity of Lessor to give notice thereof), or (ii) if Lessee commits a Breach of this Lease.

40. Multiple Buildings. If the Premises are a part of a group of buildings controlled by Lessor, Lessee agrees that it will abide by and conform to all reasonable rules and regulations which Lessor may make from time to time for the management, safety, and care of said properties, including the care and cleanliness of the grounds and including the parking, loading and unloading of vehicles, and to

/s/ DH */s/ GL*

cause its employees, suppliers, shippers, customers, contractors and invitees to so abide and conform. Lessee also agrees to pay its fair share of common expenses incurred in connection with such rules and regulations.

41. Security Measures. Lessee hereby acknowledges that the Rent payable to Lessor hereunder does not include the cost of guard service or other security measures, and that Lessor shall have no obligation whatsoever to provide same. Lessee assumes all responsibility for the protection of the Premises, Lessee, its agents and invitees and their property from the acts of third parties.

42. Reservations. Lessor reserves to itself the right, from time to time, to grant, without the consent or joinder of Lessee, such easements, rights and dedications that Lessor deems necessary, and to cause the recordation of parcel maps and restrictions, so long as such easements, rights, dedications, maps and restrictions do not unreasonably interfere with the use of the Premises by Lessee. Lessee agrees to sign any documents reasonably requested by Lessor to effectuate any such easement rights, dedication, map or restrictions.

43. Performance Under Protest. If at any time a dispute shall arise as to any amount or sum of money to be paid by one Party to the other under the provisions hereof, the Party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" and such payment shall not be regarded as a voluntary payment and there shall survive the right on the part of said Party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said Party to pay such sum or any part thereof, said Party shall be entitled to recover such sum or so much thereof as it was not legally required to pay. A Party who does not initiate suit for the recovery of sums paid "under protest" within 6 months shall be deemed to have waived its right to protest such payment.

44. Authority; Multiple Parties; Execution.

(a) If either Party hereto is a corporation, trust, limited liability company, partnership, or similar entity, each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on its behalf. Each Party shall, within 30 days after request, deliver to the other Party satisfactory evidence of such authority.

(b) If this Lease is executed by more than one person or entity as "Lessee", each such person or entity shall be jointly and severally liable hereunder. It is agreed that any one of the named Lessees shall be empowered to execute any amendment to this Lease, or other document ancillary thereto and bind all of the named Lessees, and Lessor may rely on the same as if all of the named Lessees had executed such document.

(c) This Lease may be executed by the Parties in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

45. Conflict. Any conflict between the printed provisions of this Lease and the typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions.

46. Offer. Preparation of this Lease by either Party or their agent and submission of same to the other Party shall not be deemed an offer to lease to the other Party. This Lease is not intended to be binding until executed and delivered by all Parties hereto.

47. Amendments. This Lease may be modified only in writing, signed by the Parties in interest at the time of the modification. As long as they do not materially change Lessee's obligations hereunder, Lessee agrees to make such reasonable non-monetary modifications to this Lease as may be reasonably required by a Lender in connection with the obtaining of normal financing or refinancing of the Premises.

48. Waiver of Jury Trial. THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING INVOLVING THE PROPERTY OR ARISING OUT OF THIS LEASE.

49. Arbitration of Disputes. An Addendum requiring the Arbitration of all disputes between the Parties and/or Brokers arising out of this Lease ☐ is ☑is not attached to this Lease.

50. Accessibility; Americans with Disabilities Act.

(a) The Premises:

☑ have not undergone an inspection by a Certified Access Specialist (CASp). Note: A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

☐ have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises met all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq. Lessee acknowledges that it received a copy of the inspection report at least 48 hours prior to executing this Lease and agrees to keep such report confidential.

☐ have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises did not meet all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq. Lessee acknowledges that it received a copy of the inspection report at least 48 hours prior to executing this Lease and agrees to keep such report confidential except as necessary to complete repairs and corrections of violations of construction related accessibility standards.

In the event that the Premises have been issued an inspection report by a CASp the Lessor shall provide a copy of the disability access inspection certificate to Lessee within 7 days of the execution of this Lease.

(b) Since compliance with the Americans with Disabilities Act (ADA) and other state and local accessibility statutes are dependent upon Lessee's specific use of the Premises, Lessor makes no warranty or representation as to whether or not the Premises comply with ADA or any similar legislation. In the event that Lessee's use of the Premises requires modifications or additions to the Premises in order to be in compliance with ADA or other accessibility statutes, Lessee agrees to make any such necessary modifications and/or additions at Lessee's expense.

LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN, AND BY THE EXECUTION OF THIS LEASE SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY

/s/ DH

/s/ GL

AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALLY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES.

ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY AIR CRE OR BY ANY BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS LEASE OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS LEASE.

2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PREMISES. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING OF THE PREMISES, THE STRUCTURAL INTEGRITY, THE CONDITION OF THE ROOF AND OPERATING SYSTEMS, AND THE SUITABILITY OF THE PREMISES FOR LESSEE'S INTENDED USE.

WARNING: IF THE PREMISES ARE LOCATED IN A STATE OTHER THAN CALIFORNIA, CERTAIN PROVISIONS OF THE LEASE MAY NEED TO BE REVISED TO COMPLY WITH THE LAWS OF THE STATE IN WHICH THE PREMISES ARE LOCATED.

The parties hereto have executed this Lease at the place and on the dates specified above their respective signatures.

Executed at:_____
On: 3/3/2021

By LESSOR:

DAHSCO Properties Yeager Avenue, LLC

By: */s/ Dan Hanson*
Name Printed: Dan Hanson
Title: Managing Member
Phone: [***]
Fax: _____
Email: _____

By: _____
Name Printed: _____
Title: _____
Phone: _____
Fax: ____m__
Email: _____

Address: 1655 Puddingstone Drive, La Verne, CA 91750
Federal ID No.: _____

Executed at: CHERRYHILL NJ
on: 3.3.21

By LESSEE:

The Real Good Food Company, LLC

By: */s/ Gerard Law*
Name Printed: Gerard Law
Title: CEO
Phone: [***]
Fax: _____
Email: _____

By: _____
Name Printed: _____
Title: _____
Phone: _____
Fax: _____
Email: _____

Address: _____
Federal ID No.: _____

BROKER

Lee & Associates – Ontario

Attn: Todd Launchbaugh/Justin Leewood
Title: Senior Vice President/Senior Vice President

Address: 3535 Inland Empire Blvd., Ontario, CA 91764
Phone: [***]
Fax: [***]
Email: [***]
Federal ID No.: 33-0263082
Broker DRE License#: 00976995
Agent DRE License #: 01059250/01837452

BROKER

Colliers International, Greater Los Angeles, Inc.

Attn: Jeff Kim
Title: Vice President

Address:17800 Castleton St., #495, City of Industry, CA
Phone: [***]
Fax: _____
Email: _____
Federal ID No.: _____
Broker DRE License #: _____
Agent DRE License#: 01814427

/s/ DH

/s/ GL

ADDENDUM TO LEASE
DATED FEBRUARY 26, 2021,
FOR THE PROPERTY LOCATED AT
1820 YEAGER AVENUE
LA VERNE, CALIFORNIA 91750

51. Rent Schedule:

Months 1-12	$19,311.00 per month
Months 13-24	$19,890.33 per month
Months 25-36	$20,487.04 per month
Months 37-48	$21,101.65 per month
Months 49-60	$21,734.70 per month

52. Security Deposit: Lessee hereby waivers the provisions of section 1950.7 of the California Civil Code, or any successor statute, and agrees that Lessor may hold and apply the security deposit to any amounts as provided in paragraph 5.

53. Lessee's Responsibilities: Lessee pays their own utilities and trash services and association fees currently estimated to be $470.00 per month.

54. Lessor's Responsibilities: Lessor pays the fire alarm monitoring.

55. Electronic Signature: Landlord and Tenant acknowledge that this Lease may be executed via electronic signature and agree that a signature in electronic form has the same legal effect and validity as a handwritten signature.

56. Lessor's Improvements: Lessor shall replace the damaged truck dock bumper in the loading area.

57. Option to Extend: See attached.

58. Independent Investigation: Lessor, and Agents are making no warranties or representations as to the condition of the property or its suitability for Lessee's use. Lessor and Lessor's Agents have provided estimated building sizes. Lessee is to only rely on their own investigations to determine property size, zoning, usability, condition, expenses, utilities, internet connectivity and will satisfy any contingencies prior to signing Leases. The parties are urged to research all items and seek the advice of relevant experts as to the legal, construction and tax consequences of this transaction.

Initials
/s/ DH

Initials
/s/ GL

AIRCRE contracts

OPTION(S) TO EXTEND
STANDARD LEASE ADDENDUM

Dated: February 26, 2021
By and Between
Lessor: DAHSCO Properties Yeager Avenue, LLC
Lessee: The Real Good Food Company, LLC
Property Address: 1820 Yeager Avenue, La Verne, CA
(street address, city, state, zip)

Paragraph: 57

A. OPTION(S) TO EXTEND:

Lessor hereby grants to Lessee the option to extend the term of this Lease for one (1) additional sixty (60) month period(s) commencing when the prior term expires upon each and all of the following terms and conditions:

(i) In order to exercise an option to extend, Lessee must give written notice of such election to Lessor and Lessor must receive the same at least six (6) but not more than nine (9) months prior to the date that the option period would commence, time being of the essence. If proper notification of the exercise of an option is not given and/or received, such option shall automatically expire. Options (if there are more than one) may only be exercised consecutively.

(ii) The provisions of paragraph 39, including those relating to Lessee's Default set forth in paragraph 39.4 of this Lease, are conditions of this Option.

(iii) Except for the provisions of this Lease granting an option or options to extend the term, all of the terms and conditions of this Lease except where specifically modified by this option shall apply.

(iv) This Option is personal to the original Lessee, and cannot be assigned or exercised by anyone other than said original Lessee and only while the original Lessee is in full possession of the Premises and without the intention of thereafter assigning or subletting.

(v) The monthly rent for each month of the option period shall be calculated as follows, using the method(s) indicated below:

(Check Method(s) to be Used and Fill in Appropriately)

~~☐ **I. Cost of Living Adjustment(s) (COLA)**~~

~~a. On (Fill in COLA Dates): _____ the Base Rent Shall be adjusted by the change, if any, from the Base Month specified below, in the Consumer Price Index of the Bureau of Labor Statistics of the U.S. Department of Labor for (select one): ☐ CPI W (Urban Wage Earners and Clerical Workers) or ☐ CPI U (All Urban Consumers), for (Fill in Urban Area): _____. All Items (1982-1984 = 100), herein referred to as "CPI".~~

~~b. The monthly Base Rent payable in accordance with paragraph A.I.a. of this Addendum shall be calculated as follows: the Base Rent set forth in paragraph 1.5 of the attached Lease, shall be multiplied by a fraction the numerator of which shall be the CPI of the calendar month 2 months prior to the month(s) specified in paragraph A.I.a. above during which the adjustment is to take effect, and the denominator of which shall be the CPI of the calendar month which is 2 months prior to (select one): ☐ the first month of the term of this Lease as set forth in paragraph 1.3 ("Base Month") or ☐ (Fill in Other "Base Month"): _____. The sum so calculated shall constitute the new monthly Base Rent hereunder, but in no event, shall any such new monthly Base Rent be less than the Base Rent payable for the month immediately preceding the rent adjustment.~~

~~c. In the event the compilation and/or publication of the CPI shall be transferred to any other governmental department or bureau or agency or shall be discontinued, then the index most nearly the same as the CPI shall be used to make such calculation. In the event that the parties cannot agree on such alternative index, then the matter shall be submitted for decision to the American Arbitration Association in accordance with the then rules of said Association and the decision of the arbitrators shall be binding upon the parties. The cost of said Arbitration shall be paid equally by the Parties.~~

☒ **II. Market Rental Value Adjustment(s) (MRV)**

a. On (Fill in MRV Adjustment Date(s)) April 1, 2026 the Base Rent shall be adjusted 95% of the then ~~to the~~ "Market Rental Value" of the property as follows:

1) Four months prior to each Market Rental Value Adjustment Date described above, the Parties shall attempt to agree upon what the new MRV will be on the adjustment date. If agreement cannot be reached, within thirty days, then:

(a) Lessor and Lessee shall immediately appoint a mutually acceptable appraiser or broker to establish the new MRV within the next 30 days. Any associated costs will be split equally between the Parties, or

(b) Both Lessor and Lessee shall each immediately make a reasonable determination of the MRV and submit such determination, in writing, to arbitration in accordance with the following provisions:

(i) Within 15 days thereafter, Lessor and Lessee shall each select an independent third party ☐ appraiser or ☐ broker ("Consultant" - check one) of their choice to act as an arbitrator (Note: the parties may not select either of the Brokers that was involved in negotiating the Lease). The two arbitrators so appointed shall immediately select a third mutually acceptable Consultant to act as a third arbitrator.

/s/ DH INITIALS

/s/ GL INITIALS

(ii) The 3 arbitrators shall within 30 days of the appointment of the third arbitrator reach a decision as to what the actual MRV for the Premises is, and whether Lessor's or Lessee's submitted MRV is the closest thereto. The decision of a majority of the arbitrators shall be binding on the Parties. The submitted MRV which is determined to be the closest to the actual MRV shall thereafter be used by the Parties.

(iii) If either of the Parties fails to appoint an arbitrator within the specified 15 days, the arbitrator timely appointed by one of them shall reach a decision on his or her own, and said decision shall be binding on the Parties.

(iv) The entire cost of such arbitration shall be paid by the party whose submitted MRV is not selected, ie. the one that is NOT the closest to the actual MRV.

2) When determining MRV, the Lessor, Lessee and Consultants shall consider the terms of comparable market transactions which shall include, but not be limited to, rent, rental adjustments, abated rent, lease term and financial condition of tenants.

3) Notwithstanding the foregoing, the new Base Rent shall not be less than the rent payable for the month immediately preceding the rent adjustment.

b. Upon the establishment of each New Market Rental Value:

1) the new MRV will become the new "Base Rent" for the purpose of calculating any further Adjustments, and

2) the first month of each Market Rental Value term shall become the new "Base Month" for the purpose of calculating any further Adjustments.

☐ **III. Fixed Rental Adjustment(s) (FRA)**

The Base Rent shall be increased to the following amounts on the dates set forth below:

On (Fill in FRA Adjustment Date(s)):	The New Base Rent shall be:

☒ **IV. Initial Term Adjustments**

The formula used to calculate adjustments to the Base Rent during the original Term of the Lease shall continue to be used during the extended term after the initial adjustment on April 1, 2026 above.

B. NOTICE:

Unless specified otherwise herein, notice of any rental adjustments, other than Fixed Rental Adjustments, shall be made as specified in paragraph 23 of the Lease.

C. BROKER'S FEE:

The Brokers shall be paid a Brokerage Fee for each adjustment specified above in accordance with paragraph 15 of the Lease or if applicable, paragraph 9 of the Sublease.

INITIALS *__/s/ DH__* _____

INITIALS *__/s/ GL__* _____

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

UNIFORM DISCLAIMER FORM
LEASE FORM

1. LEGAL EFFECT. Lessor and Lessee acknowledge that the Proposal to Lease contained herein is not a lease, and that it is intended solely to establish deal points which will be used as the basis for the preparation of a lease by Lessor. The lease shall be subject to Lessor's and Lessee's approval, and only a fully executed and delivered lease shall constitute a legally binding lease for the Premises. Broker makes no warranty or representation to Lessor or Lessee that acceptance of this Proposal to Lease will guaranty the execution of a lease for the Premises.

   Lessor and Lessee acknowledge that Broker is not qualified to practice law, nor authorized to give legal advice or counsel you as to any legal matters affecting this document. Broker hereby advises Lessor and Lessee to consult with their respective attorneys in connection with any questions each may have as to legal ramifications or effects of this document, prior to its execution.

2. FORM OF LEASE. This proposed document is a standard form document, and Broker makes no representations or warranties with respect to the adequacy of this document for either Lessor's or Lessor's particular purposes. Broker has, at the direction of Lessor and/or Lessee, "filled in the blanks" from information provided to Broker based on prior correspondence, discussions of the parties with respect to the Proposal to Lease, and subsequent counteroffers between the parties hereto. By initialing this paragraph, Lessor and Lessee acknowledge and agree that this document is delivered to each subject to the express condition that Broker has merely followed the instructions of the parties in preparing this document, and does not assume any responsibility for its accuracy, completeness or form. Lessor and Lessee acknowledge and agree that in providing this document, Broker has acted to expedite this transaction on behalf of Lessor and Lessee, and has functioned within the scope of professional ethics by doing so.

   Lessor's Initials: */s/ DH* Lessee's Initials: */s/ GL*

3. NO INDEPENDENT INVESTIGATION. Lessor and Lessee acknowledge and understand that any financial statements, information, reports, or written materials of any nature whatsoever, as provided by the parties to Broker, and thereafter submitted by Broker to either Lessor and/or Lessee, are so provided without any independent investigation by Broker, and as such Broker assumes no responsibility or liability for the accuracy or validity of the same. Any verification of such submitted documents is solely and completely the responsibility of the party to whom such documents have been submitted.

4. NO WARRANTY. Lessor and Lessee acknowledge and agree that no warranties, recommendations, or representations are made by the broker as to the accuracy, the legal sufficiency, the legal effect of the tax consequences of any of the documents submitted by Broker to Lessor and/or Lessee referenced in Paragraph 3 above, nor of the legal sufficiency, legal effect, or tax consequences of the transactions contemplated thereby. Furthermore, Lessor and Lessee acknowledge and agree that Broker has made no representations concerning the ability of the Lessee to use the Premises as intended, nor of the sufficiency or adequacy of the Premises for their intended use, and Lessee is relying solely on its own investigation of the Premises in accepting this Proposal to Lease.

5. NOTICE REGARDING HAZARDOUS WASTES OR SUBSTANCES AND UNDERGROUND STORAGE TANKS. Although Broker will disclose any knowledge it actually possesses with respect to the existence of any hazardous wastes, substances, or underground storage tanks at the Premises, Broker has not made any independent investigations or obtained reports with respect thereto, except as may be described in a separate written document signed by Broker. All parties hereto acknowledge and understand that Broker makes no representations regarding the existence or nonexistence of hazardous wastes, substances, or underground storage tanks at the Premises. Each party should contact a professional, such as a civil engineer, geologist, industrial hygienist or other persons with experience in these matters to advise you concerning the property.

6. DISCLOSURE RESPECTING AMERICANS WITH DISABILITIES ACT. The United States Congress has recently enacted the Americans With Disabilities Act. Among other things, this act is intended to make many business establishments equally accessible to persons with a variety of disabilities; modifications to real property may be required. State and local laws also may mandate changes. Broker is not qualified to advise you as to what, if any, changes may be required now or in the future. Broker recommends that you consult the attorneys and qualified design professionals of your choice for information regarding these matters.

7. ATTORNEYS' FEES. In any action, proceeding or arbitration arising out of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and costs.

8. ENTIRE AGREEMENT. This document constitutes the entire agreement between parties with respect to the subject matter contained herein and supersedes all prior or contemporaneous agreements, representations, negotiations and understandings of the parties, other than such writings as may be executed and/or delivered by the parties pursuant hereto. There are no oral agreements or implied covenants by the Lessor or Lessee, or by their respective employees, or other representatives.

Date: 3/3/2021	Date: 3/3/2021
Lessor: */s/ Dan Hanson*	Lessee: */s/ Gerard Law*
DAHSCO Properties Yeager Avenue, LLC	**The Real Good Food Company, LLC**

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES
ONTARIO

DISCLOSURE REGARDING REAL ESTATE AGENCY

As required by the Civil Code

Please note that the terms "Seller" and "Buyer" are defined by the CA Civil Code to include a Lessor and Lessee, respectively.

If you are a Listing Agent - you must deliver the form to the Seller/Lessor before entering into the listing agreement. If the Buyer/Lessee is not represented by an agent, you must also deliver the form to it within one business day after receiving an offer from the Buyer/Lessee.

If you are the Buyer's Agent - you must deliver the form to the Buyer/Lessee as soon as the Buyer/Lessee seeks your services but in any event before the Buyer/Lessee signs an offer. In addition, you must also deliver the form to the Seller/Lessor before or concurrently with presenting an offer.

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

SELLER'S/LESSOR'S AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

To the Seller: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Seller.

To the Buyer and the Seller:

(a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
(b) A duty of honest and fair dealing and good faith.
(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

BUYER'S/LESSEE'S AGENT

A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

To the Buyer: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Buyer.
To the Buyer and the Seller

(a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
(b) A duty of honest and fair dealing and good faith.
(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties. An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

AGENT REPRESENTING BOTH SELLER/LESSOR AND BUYER/LESSEE

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer. In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer

(a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
(b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered. The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional. Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction. This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on the reverse hereof. Read it carefully.

REPRESENTATION CONFIRMATION

Property Name: _____

Property Street Address, City State 1820 Yeager Avenue, La Verne, CA _____

Further described as: An approximately 19,506 square foot industrial building _____

I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE ATTACHED.

Date: 3/3/2021 Agent: Lee & Associates-Ontario BRE Lic # 00976995

By: */s/ Justin Leewood* BRE Lic # 01059250/01837452

Todd Lauchbaugh/Justin Leewood is the Agent of (check one)

☒ the Seller/Lessor exclusively; or ☐ both the Buyer/Lessee and the Seller/Lessor.

Date:_____ Agent: Colliers International. Greater Los Angeles, Inc. BRE Lic # _____

By:_____ BRE Lic # 01814427

Jeff Kim is the Agent of (check one)

☒ the Buyer/Lessee exclusively; or ☐ both the Buyer/Lessee and the Seller/Lessor.

SELLER/LESSOR:
DASHCO Properties Yeager Avenue, LLC
BY: */s/ Dan Hanson*
PRINT NAME: Dan Hanson
TITLE: Managing Member
DATE: 3/3/2021

BUYER/LESSEE:
The Real Good Food Company, LLC
BY: */s/ Gerard Law*
PRINT NAME: Gerard Law
TITLE: CEO
DATE: 3/3/2021

DISCLOSURE REGARDING REAL ESTATE AGENCY
Civil Code Sections 2079.13 Through 2079.24

2079.13. As used in Sections 2079.14 to 2079.24, inclusive, the following terms have the following meanings:

(a) "Agent" means a person acting under provisions of Title 9 (commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained.

(b) "Associate licensee" means a person who is licensed as a real estate broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker's agent in connection with acts requiring a real estate license and to function under the broker's supervision in the capacity of an associate licensee. The agent in the real property transaction bears responsibility for his or her associate licensees who perform as agents of the agent. When an associate licensee owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the associate licensee functions.

(c) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee.

(d) "Commercial real property" means all real property in the state, except single-family residential real property, dwelling units made subject to Chapter 2 (commencing with Sections 1940) of Title 5, mobile homes, as defined in Section 798.3, or recreational vehicles, as defined in Section 799.29.

(e) "Dual agent" means an agent acting, either directly or through an associate licensee, as agent for both the seller and the buyer in a real property transaction.

(f) "Listing agreement" means a contract between an owner of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer.

(g) "Listing agent" means a person who has obtained a listing of real property to act as an agent for compensation.

(h) "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the listing agent.

(i) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property.

(j) "Offer to purchase" means a written contract executed by a buyer acting through a selling agent which becomes the contract for the sale of the real property upon acceptance by the seller.

(k) "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property which constitutes or is improved with one to four dwelling units, any leasehold in this type of property exceeding one year's duration, and mobile homes, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code.

(l) "Real property transaction" means a transaction for the sale of real property in which an agent is employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase.

(m) "Sell," "sale " or "sold" refers to a transaction for the transfer of real property from the seller to the buyer, and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year's duration.

(n) "Seller" means the transferor in a real property transaction, and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. "Seller includes both a vendor and a lessor.

(o) "Selling agent" means a listing agent who acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a buyer for the real property, or an agent who locates property for a buyer or who finds a buyer for a property for which no listing exists and presents an offer to purchase to the seller.

(p) "Subagent" means a person to whom an agent delegates agency powers as provided in Article 5 (commencing with Section 2349) of Chapter 1 of Title 9. However, "subagent" does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.

2079.14. Listing agents and selling agents shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and, except as provided in subdivision (c), shall obtain a signed acknowledgment of receipt from that seller or buyer, except as provided in this section or Section 2079.15, as follows:

(a) The listing agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement.

(b) The selling agent shall provide the disclosure form to the seller as soon as practicable prior to presenting the seller with an offer to purchase, unless the selling agent previously provided the seller with a copy of the disclosure form pursuant to subdivision.

(c) Where the selling agent does not deal on a face-to-face basis with the seller, the disclosure form prepared by the selling agent may be furnished to the seller (and acknowledgment of receipt obtained for the selling agent from the seller) by the listing agent, or the selling agent may deliver the disclosure form by certified mail addressed to the seller at his or her last known address, in which case no signed acknowledgment of receipt is required.

(d) The selling agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase, except that if the offer to purchase is not prepared by the selling agent, the selling agent shall present the disclosure form to the buyer not later than the next business day after the selling agent receives the offer to purchase from the buyer.

2079.15. In any circumstance in which the seller or buyer refuses to sign an acknowledgment of receipt pursuant to Section 2079.14, the agent, or an associate licensee acting for an agent, shall set forth, sign, and date a written declaration of the facts of the refusal.

2079.16. Reproduced on Page 1 of this form.

2079.17. (a) As soon as practicable, the selling agent shall disclose to the buyer and seller whether the selling agent is acting tn the real property transaction exclusively as the buyer's agent, exclusively as the seller's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the selling agent prior to or coincident with execution of that contract by the buyer and the seller, respectively.

(b) As soon as practicable, the listing agent shall disclose to the seller whether the listing agent is acting in the real property transaction exclusively as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the listing agent prior to or coincident with the execution of that contract by the seller.

(c) The confirmation required by subdivisions (a) and (b) shall be in the following form:

DO NOT COMPLETE–SAMPLE ONLY is the Listing agent of (check one): ☐ the seller exclusively: or ☐ both the buyer and seller. (Name of Listing Agent) **DO NOT COMPLETE–SAMPLE ONLY** is the agent of (check one): ☐ the buyer exclusively: or ☐ the seller exclusively; or ☐ both the buyer and seller. (Named of Selling Agent if not the same as the Listing Agent)

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14.

2079.18. No selling agent in a real property transaction may act as an agent for the buyer only, when the selling agent is also acting as the listing agent in the transaction.

2079.19. The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.

2079.20. Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically prohibited by this article if the requirements of Section 2079.14 and Section 2079.17 are complied with.

2079.21. A dual agent shall not disclose to the buyer that the seller is willing to sell the property at a price less than the listing price, without the express written consent of the seller. A dual agent shall not disclose to the seller that the buyer is willing to pay a price greater than the offering price, without the express written consent of the buyer. This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

2079.22. Nothing in this article precludes a listing agent from also being a selling agent, and the combination of these functions in one agent does not, of itself, make that agent a dual agent.

2079.23. A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship.

2079.24. Nothing in this article shah be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.

AIR COMMERCIAL REAL ESTATE ASSOCIATION
STANDARD INDUSTRIAL/COMMERCIAL
MULTI-TENANT LEASE - GROSS

1. Basic Provisions ("Basic Provisions").

1.1 Parties: This Lease **("Lease")**, dated for reference purposes only March 11, 2014, is made by and between LTG Property, LLC **("Lessor")** and Dumpling Delight, LLC ("**Lessee**"), (collectively the **"Parties"**, or individually a **"Party"**).

1.2(a) **Premises**: That certain portion of the Project (as defined below), including all improvements therein or to be provided by Lessor under the terms of this Lease, commonly known by the street address of 18901 Railroad Street, located in the City of Industry, County of Los Angeles, State of California, with zip code 91748, as outlined on Exhibit A attached hereto ("**Premises**") and generally described as (describe briefly the nature of the Premises): that certain ± 45,000 square foot portion of a larger concrete tilt-up industrial building.

In addition to Lessee's rights to use and occupy the Premises as hereinafter specified, Lessee shall have non-exclusive rights to any utility raceways of the building containing the Premises (**"Building"**) and to the Common Areas (as defined in Paragraph 2.7 below), but shall not have any rights to the roof, or exterior walls of the Building or to any other buildings in the Project. The Premises, the Building, the Common Areas, the land upon which they are located, along with all other buildings and improvements thereon, are herein collectively referred to as the "**Project**." (See also Paragraph 2)

1.2(b) **Parking**: _____ unreserved vehicle parking spaces. (See also Paragraph 2.6)

1.3 **Term**: five (5) years and three (3) months (**"Original Term"**) commencing April 1, 2014 (**"Commencement Date"**) and ending June 30, 2019 (**"Expiration Date"**). (See also Paragraph 3)

1.4 **Early Possession**: If the Premises are available Lessee may have non-exclusive possession of the Premises commencing Upon execution of lease and receipt of monies due and proof of received insurance. No CAM charge is payable during early possession. (**"Early Possession Date"**). (See also Paragraphs 3.2 and 3.3)

1.5 **Base Rent**: $ 25,000.00 per month ("**Base Rent**"), payable on the First (1st) day of each month commencing July 1, 2014. (See also Paragraph 4)

☒ If this box is checked, there are provisions in this Lease for the Base Rent to be adjusted. See Paragraph 51

1.6 **Lessee's Share of Common Area Operating Expenses**: Forty-Four Point Nine percent (44.9 %) (**"Lessee's Share"**).

In the event that the size of the Premises and/or the Project are modified during the term of this Lease, Lessor shall recalculate Lessee's Share to reflect such modification.

1.7 **Base Rent and Other Monies Paid Upon Execution**:

(a) **Base Rent**: $ 25,000.00 for the period July 1, 2014 – July 31, 2014.

(b) **Common Area Operating Expenses**: $ 3,600.00 for the period 4/01/2014 – 7/31/2014.

(c) **Security Deposit**: $ 75,000.00 (**"Security Deposit"**). (See also Paragraph 5)

(d) **Other:** $ 0.00 for N/A.

(e) **Total Due Upon Execution of this Lease**: $ 103,600.00.00.

1.8 **Agreed Use**: Production, warehousing, distribution of frozen foods, general office administration and legally related uses. . (See also Paragraph 6)

1.9 **Insuring Party**. Lessor is the **"Insuring Party"**. (See also Paragraph 8)

1.10 **Real Estate Brokers**: (See also Paragraph 15 and 25)

(a) **Representation**: The following real estate brokers (the **"Brokers"**) and brokerage relationships exist in this transaction (check applicable boxes):

☒ Lee & Associates® - Industry, Inc. (S. Coulter/P. Bogan) represents Lessor exclusively (**"Lessor's Broker"**);

☒ Colliers International (Jeff Kim) represents Lessee exclusively (**"Lessee's Broker"**); or

☐ _____ represents both Lessor and Lessee (**"Dual Agency"**).

(b) **Payment to Brokers**: Upon execution and delivery of this Lease by both Parties, Lessor shall pay to the Brokers for the brokerage services rendered by the Brokers the fee agreed to in the attached separate written agreement or if no such agreement is attached, the sum of_____ or_____ % of the total Base Rent payable for the Original Term, the sum of_____ or_____ of the total Base Rent payable during any period of time that the Lessee occupies the Premises subsequent to the Original Term, and/or the sum of _____ or _____% of the purchase price in the event that the Lessee or anyone affiliated with Lessee acquires from Lessor any rights to the Premises.

1.12 **Attachments**. Attached hereto are the following, all of which constitute a part of this Lease:

☒ an Addendum consisting of Paragraphs 50 through 54;

☒ a site plan depicting the Premises;

☐ a site plan depicting the Project;

☐ a current set of the Rules and Regulations for the Project;

☐ a current set of the Rules and Regulations adopted by the owners' association;

☐ a Work Letter;

☒ other (specify): Option To Extend; Property Information Sheet; Disclosure for Lease; Site Plan Depicting Temporary Construction Easement and Permanent Easement; Guaranty of Lease .

2. **Premises.**

2.1 **Letting**. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Premises, for the term, at the rental, and upon all of the terms, covenants and conditions set forth in this Lease. While the approximate square footage of the Premises may have been used in the marketing of the Premises for purposes of comparison, the Base Rent stated herein is NOT tied to square footage and is not subject to adjustment should the actual size be determined to be different. **NOTE: Lessee is advised to verify the actual size prior to executing this Lease**.

2.2 **Condition**. Lessor shall deliver that portion of the Premises contained within the Building (**"Unit"**) to Lessee broom clean and free of debris on the Commencement Date or the Early Possession Date, whichever first occurs (**"Start Date"**), and, so long as the required service contracts described in Paragraph 7.1(b) below are obtained by Lessee and in effect within thirty days following the Start Date, warrants that the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and air conditioning systems (**"HVAC"**), loading doors, sump pumps, if any, and all other such elements in the Unit, other than those constructed by Lessee, shall be in good operating condition on said date, that the structural elements of the roof, bearing walls and foundation of the Unit shall be free of material defects, and that the Unit does not contain hazardous levels of any mold or fungi defined as toxic under applicable state or federal law. If a non-compliance with such warranty exists as of the Start Date, or if one of such systems or elements should malfunction or fail within the appropriate warranty period, Lessor shall, as Lessor's sole obligation with respect to such matter, except as otherwise provided in this Lease, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, malfunction or failure, rectify same at Lessor's expense. The warranty periods shall be as follows: (i) 6 months as to the HVAC systems, and (ii) 30 days as to the remaining systems and other elements of the Unit. If Lessee does not give Lessor the required notice within the appropriate warranty period, correction of any such non-compliance, malfunction or failure shall be the obligation of Lessee at Lessee's sole cost and expense (except for the repairs to the fire sprinkler systems, roof, foundations, and/or bearing walls - see Paragraph 7). Lessor also warrants, that unless otherwise specified in writing, Lessor is unaware of (i) any recorded Notices of Default affecting the Premise; (ii) any delinquent amounts due under any loan secured by the Premises; and (iii) any bankruptcy proceeding affecting the Premises.

2.3 **Compliance**. Lessor warrants that to the best of its knowledge the improvements on the Premises and the Common Areas comply with the building codes applicable laws, covenants or restrictions of record, regulations, and ordinances (**"Applicable Requirements"**) that were in effect at the time that each improvement, or portion thereof, was constructed. Said warranty does not apply to the use to which Lessee will put the Premises, modifications which may be required by the Americans with Disabilities Act or any similar laws as a result of Lessee's use (see Paragraph 49), or to any Alterations or Utility Installations (as defined in Paragraph 7.3(a)) made or to be made by Lessee. LESSOR WARRANTS THAT NO KNOWN HAZARDOUS SUBSTANCE AS DEFINED IN PARAGRAPH 6.2(a) EXISTS AT OR ON THE PREMISES, BUILDING. OR PROJECT. **NOTE: Lessee is responsible for determining whether or not the Applicable Requirements, and especially the zoning are appropriate for Lessee's intended use, and acknowledges that past uses of the Premises may no longer be allowed**. If the Premises do not comply with said warranty, Lessor shall, except as otherwise provided, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, rectify the same at Lessor's expense. If Lessee does not give Lessor written notice of a non-compliance with this warranty within 6 months following the Start Date, correction of that non-compliance shall be the obligation of Lessee at Lessee's sole cost and expense. If the Applicable Requirements are hereafter changed so as to require during the term of this Lease the construction of an addition to or an alteration of the Unit, Premises and/or Building, the remediation of any Hazardous Substance, or the reinforcement or other physical modification of the Unit, Premises and/or Building (**"Capital Expenditure"**), Lessor and Lessee shall allocate the cost of such work as follows:

(a) Subject to Paragraph 2.3(c) below, if such Capital Expenditures are required as a result of the specific and unique use of the Premises by Lessee as compared with uses by tenants in general, Lessee shall be fully responsible for the cost thereof, provided, however, that if such Capital Expenditure is required during the last 2 years of this Lease and the cost thereof exceeds 6 months' Base Rent, Lessee may instead terminate this Lease unless Lessor notifies Lessee, in writing, within 10 days after receipt of Lessee's termination notice that Lessor has elected to pay the difference between the actual cost thereof and the amount equal to 6 months' Base Rent. If Lessee elects termination, Lessee shall immediately cease the use of the Premises which requires such Capital Expenditure and deliver to Lessor written notice specifying a termination date at least 90 days thereafter. Such termination date shall, however, in no event be earlier than the last day that Lessee could legally utilize the Premises without commencing such Capital Expenditure.

(b) If such Capital Expenditure is not the result of the specific and unique use of the Premises by Lessee (such as, governmentally mandated seismic modifications), then Lessor shall pay for such Capital Expenditure and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease or any extension thereof, on the date that on which the Base Rent is due, an amount equal to 1/144th of the portion of such costs reasonably attributable to the Premises. Lessee shall pay Interest on the balance but may prepay its obligation at any time. If, however, such Capital Expenditure is required during the last 2 years of this Lease or if Lessor reasonably determines that it is not economically feasible to pay its share thereof, Lessor shall have the option to terminate this Lease upon 90 days prior written notice to Lessee unless Lessee notifies Lessor, in writing, within 10 days after receipt of Lessor's termination notice that Lessee will pay for such Capital Expenditure. If Lessor does not elect to terminate, and fails to tender its share of any such Capital Expenditure, Lessee may advance such funds and deduct same, with Interest, from Rent until Lessor's share of such costs have

been fully paid. If Lessee is unable to finance Lessor's share, or if the balance of the Rent due and payable for the remainder of this Lease is not sufficient to fully reimburse Lessee on an offset basis, Lessee shall have the right to terminate this Lease upon 30 days written notice to Lessor.

(c) Notwithstanding the above, the provisions concerning Capital Expenditures are intended to apply only to non-voluntary, unexpected, and new Applicable Requirements. If the Capital Expenditures are instead triggered by Lessee as a result of an actual or proposed change in use, change in intensity of use, or modification to the Premises then, and in that event, Lessee shall either: (i) immediately cease such changed use or intensity of use and/or take such other steps as may be necessary to eliminate the requirement for such Capital Expenditure, or (ii) complete such Capital Expenditure at its own expense. Lessee shall not have any right to terminate this Lease.

2.4 **Acknowledgements.** Lessee acknowledges that: (a) it has been given an opportunity to inspect and measure the Premises, (b) it

Disabilities Act), and their suitability for Lessee's intended use, (c) Lessee has made such investigation as it deems necessary with reference to such matters and assumes all responsibility therefor as the same relate to its occupancy of the Premises, (d) it is not relying on any representation as to the size of the Premises made by Brokers or Lessor, (e) the square footage of the Premises was not material to Lessee's decision to lease the Premises and pay the Rent stated herein, and (f) neither Lessor, Lessor's agents, nor Brokers have made any oral or written representations or warranties with respect to said matters other than as set forth in this Lease. In addition, Lessor acknowledges that: (i) Brokers have made no representations, promises or warranties concerning Lessee's ability to honor the Lease or suitability to occupy the Premises, and (ii) it is Lessor's sole responsibility to investigate the financial capability and/or suitability of all proposed tenants.

2.5 **Lessee as Prior Owner/Occupant**. The warranties made by Lessor in Paragraph 2 shall be of no force or effect if immediately prior to the Start Date Lessee was the owner or occupant of the Premises. In such event, Lessee shall be responsible for any necessary corrective work.

2.6 **Vehicle Parking**. Lessee shall be entitled to use the number of Parking Spaces specified in Paragraph 1.2(b) on those portions of the Common Areas designated from time to time by Lessor for parking. Lessee shall not use more parking spaces than said number. Said parking spaces shall be used for parking by vehicles no larger than full-size passenger automobiles or pick-up trucks, herein called **"Permitted Size Vehicles."** Lessor may regulate the loading and unloading of vehicles by adopting Rules and Regulations as provided in Paragraph 2.9. No vehicles other than Permitted Size Vehicles may be parked in the Common Area without the prior written permission of Lessor. In addition:

(a) Lessee shall not permit or allow any vehicles that belong to or are controlled by Lessee or Lessee's employees, suppliers, shippers, customers, contractors or invitees to be loaded, unloaded, or parked in areas other than those designated by Lessor for such activities.

(b) Lessee shall not service or store any vehicles in the Common Areas.

(c) If Lessee permits or allows any of the prohibited activities described in this Paragraph 2.6, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove or tow away the vehicle involved and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

2.7 **Common Areas - Definition**. The term **"Common Areas"** is defined as all areas and facilities outside the Premises and within the exterior boundary line of the Project and interior utility raceways and installations within the Unit that are provided and designated by the Lessor from time to time for the general non-exclusive use of Lessor, Lessee and other tenants of the Project and their respective employees, suppliers, shippers, customers, contractors and invitees, including parking areas, loading and unloading areas, trash areas, roadways, walkways, driveways and landscaped areas.

2.8 **Common Areas - Lessee's Rights**. Lessor grants to Lessee, for the benefit of Lessee and its employees, suppliers, shippers, contractors, customers and invitees, during the term of this Lease, the non-exclusive right to use, in common with others entitled to such use, the Common Areas as they exist from time to time, subject to any rights, powers, and privileges reserved by Lessor under the terms hereof or under the terms of any rules and regulations or restrictions governing the use of the Project. Under no circumstances shall the right herein granted to use the Common Areas be deemed to include the right to store any property, temporarily or permanently, in the Common Areas. Any such storage shall be permitted only by the prior written consent of Lessor or Lessor's designated agent, which consent may be revoked at any time. In the event that any unauthorized storage shall occur, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove the property and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

2.9 **Common Areas - Rules and Regulations**. Lessor or such other person(s) as Lessor may appoint shall have the exclusive control and management of the Common Areas and shall have the right, from time to time, to establish, modify, amend and enforce reasonable rules and regulations (**"Rules and Regulations"**) for the management, safety, care, and cleanliness of the grounds, the parking and unloading of vehicles and the preservation of good order, as well as for the convenience of other occupants or tenants of the Building and the Project and their invitees. Lessee agrees to abide by and conform to all such Rules and Regulations, and shall use its best efforts to cause its employees, suppliers, shippers, customers, contractors and invitees to so abide and conform. Lessor shall not be responsible to Lessee for the non-compliance with said Rules and Regulations by other tenants of the Project.

2.10 **Common Areas - Changes**. Lessor shall have the right, in Lessor's sole discretion, from time to time:

(a) To make changes to the Common Areas, including, without limitation, changes in the location, size, shape and number of driveways, entrances, parking spaces, parking areas, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas, walkways and utility raceways;

(b) To close temporarily any of the Common Areas for maintenance purposes so long as reasonable access to the Premises remains available;

(c) To designate other land outside the boundaries of the Project to be a part of the Common Areas;

(d) To add additional buildings and improvements to the Common Areas;

(e) To use the Common Areas while engaged in making additional improvements, repairs or alterations to the Project, or any portion thereof; and

(f) To do and perform such other acts and make such other changes in, to or with respect to the Common Areas and Project as Lessor may, in the exercise of sound business judgment, deem to be appropriate.

3. **Term**.

3.1 **Term**. The Commencement Date, Expiration Date and Original Term of this Lease are as specified in Paragraph 1.3.

3.2 **Early Possession**. Any provision herein granting Lessee Early Possession of the Premises is subject to and conditioned upon the Premises being available for such possession prior to the Commencement Date. Any grant of Early Possession only conveys a

non-exclusive right to occupy the Premises. If Lessee totally or partially occupies the Premises prior to the Commencement Date, the obligation to pay Base Rent shall be abated for the period of such Early Possession. All other terms of this Lease (including but not limited to the obligations to pay Lessee's Share of Common Area Operating Expenses, Real Property Taxes and insurance premiums and to maintain the Premises) shall be in effect during such period. Any such Early Possession shall not affect the Expiration Date.

3.3 **Delay In Possession**. Lessor agrees to use its best commercially reasonable efforts to deliver possession of the Premises to Lessee by the Commencement Date. If, despite said efforts, Lessor is unable to deliver possession by such date, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or change the Expiration Date. Lessee shall not, however, be obligated to pay Rent or perform its other obligations until Lessor delivers possession of the Premises and any period of rent abatement that Lessee would otherwise have enjoyed shall run from the date of delivery of possession and continue for a period equal to what Lessee would otherwise have enjoyed under the terms hereof, but minus any days of delay caused by the acts or omissions of Lessee. If possession is not delivered within 60 days after the Commencement Date, as the same may be extended under the terms of any Work Letter executed by Parties, Lessee may, at its option, by notice in writing within 10 days after the end of such 60 day period, cancel this Lease, in which event the Parties shall be discharged from all obligations hereunder. If such written notice is not received by Lessor within said 10 day period, Lessee's right to cancel shall terminate. If possession of the Premises is not delivered within 120 days after the Commencement Date, this Lease shall terminate unless other agreements are reached between Lessor and Lessee,

obligation to provide evidence of insurance (Paragraph 8.5). Pending delivery of such evidence, Lessee shall be required to perform all of its obligations under this Lease from and after the Start Date, including the payment of Rent, notwithstanding Lessor's election to withhold possession pending receipt of such evidence of insurance. Further, if Lessee is required to perform any other conditions prior to or concurrent with the Start Date, the Start Date shall occur but Lessor may elect to withhold possession until such conditions are satisfied.

4. **Rent**.

4.1. **Rent Defined**. All monetary obligations of Lessee to Lessor under the terms of this Lease (except for the Security Deposit) are deemed to be rent (**"Rent"**).

4.2 **Common Area Operating Expenses"**. Lessee shall pay to Lessor during the term hereof, in addition to the Base Rent, Lessee's Share (as specified in Paragraph 1.6) of all Common Area Operating Expenses, as hereinafter defined, during each calendar year of the term of this Lease, in accordance with the following provisions:

(a) The following costs relating to the ownership and operation of the Project are defined as "**Common Area Operating Expenses**" :

(i) Costs relating to the operation, repair and maintenance, in neat, clean, good order and condition, but not the replacement (see subparagraph (e)), of the following:

(aa) The Common Areas and Common Area improvements, including parking areas, loading and unloading areas, trash areas, roadways, parkways, walkways, driveways, landscaped areas, bumpers, irrigation systems, Common Area lighting facilities, fences and gates, elevators, roofs, exterior walls of the buildings, building systems and roof drainage systems.

(bb) Exterior signs and any tenant directories.

(cc) Any fire sprinkler systems.

(dd) All other areas and improvements that are within the exterior boundaries of the Project but outside of the Premises and/or any other space occupied by a tenant.

(ii) The cost of water, gas, electricity and telephone to service the Common Areas and any utilities not separately metered.

(iii) The cost of trash disposal, pest control services, property management, security services, owner's association dues and fees, the cost to repaint the exterior of any structures and the cost of any environmental inspections.

(iv) Reserves set aside for maintenance and repair of Common Areas and Common Area equipment.

(v) Any increase above the Base Real Property Taxes (as defined in Paragraph 10).

(vi) Any "Insurance Cost Increase" (as defined in Paragraph 8).

(vii) Any deductible portion of an insured loss concerning the Building or the Common Areas.

(viii) Auditors', accountants' and attorneys' fees and costs related to the operation, maintenance, repair and replacement of the Project.

(ix) The cost of any capital improvement to the Building or the Project not covered under the provisions of Paragraph 2.3 provided; however, that Lessor shall allocate the cost of any such capital improvement over a 12 year period and Lessee shall not be required to pay more than Lessee's Share of 1/144th of the cost of such capital improvement in any given month.

(x) The cost of any other services to be provided by Lessor that are stated elsewhere in this Lease to be a Common Area Operating Expense.

(b) Any Common Area Operating Expenses and Real Property Taxes that are specifically attributable to the Unit, the Building or to any other building in the Project or to the operation, repair and maintenance thereof, shall be allocated entirely to such Unit, Building, or other building. However, any Common Area Operating Expenses and Real Property Taxes that are not specifically attributable to the Building or to any other building or to the operation, repair and maintenance thereof, shall be equitably allocated by Lessor to all buildings in the Project.

(c) The inclusion of the improvements, facilities and services set forth in Subparagraph 4.2(a) shall not be deemed to impose an obligation upon Lessor to either have said improvements or facilities or to provide those services unless the Project already has the same, Lessor already provides the services, or Lessor has agreed elsewhere in this Lease to provide the same or some of them.

(d) Lessee's Share of Common Area Operating Expenses is payable monthly on the same day as the Base Rent is due hereunder. The amount of such payments shall be based on Lessor's estimate of the annual Common Area Operating Expenses. Within 60 days after written request (but not more than once each year) Lessor shall deliver to Lessee a reasonably detailed statement showing Lessee's Share of the actual Common Area Operating Expenses for the preceding year. If Lessee's payments during such year exceed Lessee's Share, Lessor shall credit the amount of such over-payment against Lessee's future payments. If Lessee's payments during such year were less than Lessee's Share, Lessee shall pay to Lessor the amount of the deficiency within 10 days after delivery by Lessor to Lessee of the statement.

(e) Common Area Operating Expenses shall not include the cost of replacing equipment or capital components such as the roof, foundations, exterior walls or Common Area capital improvements, such as the parking lot paving, elevators, fences that have a useful life for accounting purposes of 5 years or more.

(f) Common Area Operating Expenses shall not include any expenses paid by any tenant directly to third parties, or as to which Lessor is otherwise reimbursed by any third party, other tenant, or insurance proceeds.

4.3 **Payment.** Lessee shall cause payment of Rent to be received by Lessor in lawful money of the United States, without offset or deduction (except as specifically permitted in this Lease), on or before the day on which it is due. All monetary amounts shall be rounded to the nearest whole dollar. In the event that any statement or invoice prepared by Lessor is inaccurate such inaccuracy shall not constitute a waiver and Lessee shall be obligated to pay the amount set forth in this Lease. Rent for any period during the term hereof which is for less than one full calendar month shall be prorated based upon the actual number of days of said month. Payment of Rent shall be made to Lessor at its address stated herein or to such other persons or place as Lessor may from time to time designate in writing. Acceptance of a payment which is less than the amount then due shall not be a waiver of Lessor's rights to the balance of such Rent, regardless of Lessor's endorsement of any check so stating. In the event that any check, draft, or other instrument of payment given by Lessee to Lessor is dishonored for any reason, Lessee agrees to pay to Lessor the sum of $25 in addition to any Late Charge and Lessor, at its option, may require all future Rent be paid by cashier's check. Payments will be applied first to accrued late charges and attorney's fees, second to accrued interest, then to Base Rent and Common Area Operating Expenses, and any remaining amount to any other outstanding charges or costs.

5. **Security Deposit**. Lessee shall deposit with Lessor upon execution hereof the Security Deposit as security for Lessee's faithful performance of its obligations under this Lease. If Lessee fails to pay Rent, or otherwise Defaults under this Lease, Lessor may use, apply or retain all or any portion of said Security Deposit for the payment of any amount already due Lessor, for Rents which will be due in the future, and/ or to reimburse or compensate Lessor for any liability, expense, loss or damage which Lessor may suffer or incur by reason thereof. If Lessor uses or applies all or any portion of the Security Deposit, Lessee shall within 10 days after written request therefor deposit monies with Lessor sufficient to restore said Security Deposit to the full amount required by this Lease. If the Base Rent increases during the term of this Lease, Lessee shall, upon written request from Lessor, deposit additional monies with Lessor so that the total amount of the Security Deposit shall at all times bear the same proportion to the

extent necessary, in Lessor's reasonable judgment, to account for any increased wear and tear that the Premises may suffer as a result thereof. If a change in control of Lessee occurs during this Lease and following such change the financial condition of Lessee is, in Lessor's reasonable judgment, significantly reduced, Lessee shall deposit such additional monies with Lessor as shall be sufficient to cause the Security Deposit to be at a commercially reasonable level based on such change in financial condition. Lessor shall not be required to keep the Security Deposit separate from its general accounts. Within 90 days after the expiration or termination of this Lease, Lessor shall return that portion of the Security Deposit not used or applied by Lessor. No part of the Security Deposit shall be considered to be held in trust, to bear interest or to be prepayment for any monies to be paid by Lessee under this Lease.

6. **Use**.

6.1 **Use**. Lessee shall use and occupy the Premises only for the Agreed Use, or any other legal use which is reasonably comparable thereto, and for no other purpose. Lessee shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste or a nuisance, or that disturbs occupants of or causes damage to neighboring premises or properties. Other than guide, signal and seeing eye dogs, Lessee shall not keep or allow in the Premises any pets, animals, birds, fish, or reptiles. Lessor shall not unreasonably withhold or delay its consent to any written request for a modification of the Agreed Use, so long as the same will not impair the structural integrity of the Building or the mechanical or electrical systems therein, and/or is not significantly more burdensome to the Project. If Lessor elects to withhold consent, Lessor shall within 7 days after such request give written notification of same, which notice shall include an explanation of Lessor's objections to the change in the Agreed Use.

6.2 **Hazardous Substances**.

(a) **Reportable Uses Require Consent**. The term **"Hazardous Substance"** as used in this Lease shall mean any product, substance, or waste whose presence, use, manufacture, disposal, transportation, or release, either by itself or in combination with other materials expected to be on the Premises, is either: (i) potentially injurious to the public health, safety or welfare, the environment or the Premises, (ii) regulated or monitored by any governmental authority, or (iii) a basis for potential liability of Lessor to any governmental agency or third party under any applicable statute or common law theory. Hazardous Substances shall include, but not be limited to, hydrocarbons, petroleum, gasoline, and/or crude oil or any products, by-products or fractions thereof. Lessee shall not engage in any activity in or on the Premises which constitutes a Reportable Use of Hazardous Substances without the express prior written consent of Lessor and timely compliance (at Lessee's expense) with all Applicable Requirements. **"Reportable Use"** shall mean (i) the installation or use of any above or below ground storage tank, (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority, and/or (iii) the presence at the Premises of a Hazardous Substance with respect to which any Applicable Requirements requires that a notice be given to persons entering or occupying the Premises or neighboring properties. Notwithstanding the foregoing, Lessee may use any ordinary and customary materials reasonably required to be used in the normal course of the Agreed Use, ordinary office supplies (copier toner, liquid paper, glue, etc.) and common household cleaning materials, so long as such use is in compliance with all Applicable Requirements, is not a Reportable Use, and does not expose the Premises or neighboring property to any meaningful risk of contamination or damage or expose Lessor to any liability therefor. In addition, Lessor may condition its consent to any Reportable Use upon receiving such additional assurances as Lessor reasonably deems necessary to protect itself, the public, the Premises and/or the environment against damage, contamination, injury and/or liability, including, but not limited to, the installation (and removal on or before Lease expiration or termination) of protective modifications (such as concrete encasements) and/or increasing the Security Deposit.

(b) **Duty to Inform Lessor**. If Lessee knows, or has reasonable cause to believe, that a Hazardous Substance has come to be located in, on, under or about the Premises, other than as previously consented to by Lessor, Lessee shall immediately give written notice of such fact to Lessor, and provide Lessor with a copy of any report, notice, claim or other documentation which it has concerning the presence of such Hazardous Substance.

(c) **Lessee Remediation**. Lessee shall not cause or permit any Hazardous Substance to be spilled or released in, on, under, or about the Premises (including through the plumbing or sanitary sewer system) and shall promptly, at Lessee's expense, comply with all Applicable Requirements and take all investigatory and/or remedial action reasonably recommended, whether or not formally ordered or required, for the cleanup of any contamination of, and for the maintenance, security and/or monitoring of the Premises or neighboring properties, that was caused or materially contributed to by Lessee, or pertaining to or involving any Hazardous Substance brought onto the Premises during the term of this Lease, by or for Lessee, or any third party.

(d) **Lessee Indemnification**. Lessee shall indemnify, defend and hold Lessor, its agents, employees, lenders and ground lessor, if any, harmless from and against any and all loss of rents and/or damages, liabilities, judgments, claims, expenses, penalties, and attorneys' and consultants' fees arising out of or involving any Hazardous Substance brought onto the Premises by or for Lessee, or any third party (provided, however, that Lessee shall have no liability under this Lease with respect to underground migration of any Hazardous Substance under the Premises from areas outside of the Project not caused or contributed to by Lessee). Lessee's obligations shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Lessee, and the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease. No termination, cancellation or release agreement entered into by Lessor and Lessee shall release Lessee from its obligations under this Lease with respect to Hazardous Substances, unless specifically so agreed by Lessor in writing at the time of such agreement.

(e) **Lessor Indemnification**. Except as otherwise provided in paragraph 8.7, Lessor and its successors and assigns shall indemnify, defend, reimburse and hold Lessee, its employees and lenders, harmless from and against any and all environmental damages, including the cost of remediation, which suffered as a direct result of Hazardous Substances on the Premises prior to Lessee taking possession or which are caused by the gross negligence or willful misconduct of Lessor, its agents or employees. Lessor's obligations, as and when required by the Applicable Requirements, shall include, but not be limited to, the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease.

(f) **Investigations and Remediations**. Lessor shall retain the responsibility and pay for any investigations or remediation measures required by governmental entities having jurisdiction with respect to the existence of Hazardous Substances on the Premises prior to Lessee taking possession, unless such remediation measure is required as a result of Lessee's use (including "Alterations", as defined in paragraph 7.3(a) below) of the Premises, in which event Lessee shall be responsible for such payment. Lessee shall cooperate fully in any such activities at the request of Lessor, including allowing Lessor and Lessor's agents to have reasonable access to the Premises at reasonable times in order to carry out Lessor's investigative and remedial responsibilities.

(g) **Lessor Termination Option**. If a Hazardous Substance Condition (see Paragraph 9.1(e)) occurs during the term of this Lease, unless Lessee is legally responsible therefor (in which case Lessee shall make the investigation and remediation thereof required by the Applicable Requirements and this Lease shall continue in full force and effect, but subject to Lessor's rights under Paragraph 6.2(d) and Paragraph 13), Lessor may, at Lessor's option, either (i) investigate and remediate such Hazardous Substance Condition, if required, as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) if the estimated cost to remediate such condition exceeds 12 times the then monthly Base Rent or $100,000, whichever is greater, give written notice to Lessee, within 30 days after receipt by Lessor of knowledge

commitment to pay the amount by which the cost of the remediation of such Hazardous Substance Condition exceeds an amount equal to 12 times the then monthly Base Rent or $100,000, whichever is greater. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days following such commitment. In such event, this Lease shall continue in full force and effect, and Lessor shall proceed to make such remediation as soon as reasonably possible after the required funds are available. If Lessee does not give such notice and provide the required funds or assurance thereof within the time provided, this Lease shall terminate as of the date specified in Lessor's notice of termination.

6.3 **Lessee's Compliance with Applicable Requirements**. Except as otherwise provided in this Lease, Lessee shall, at Lessee's sole expense, fully, diligently and in a timely manner, materially comply with all Applicable Requirements, the requirements of any applicable fire insurance underwriter or rating bureau, and the recommendations of Lessor's engineers and/or consultants which relate in any manner to such Requirements, without regard to whether said Requirements are now in effect or become effective after the Start Date. Lessee shall, within 10 days after receipt of Lessor's written request, provide Lessor with copies of all permits and other documents, and other information evidencing Lessee's compliance with any Applicable Requirements specified by Lessor, and shall immediately upon receipt, notify Lessor in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving the failure of Lessee or the Premises to comply with any Applicable Requirements. Likewise, Lessee shall immediately give written notice to Lessor of: (i) any water damage to the Premises and any suspected seepage, pooling, dampness or other condition conducive to the production of mold; or (ii) any mustiness or other odors that might indicate the presence of mold in the Premises.

6.4 **Inspection; Compliance**. Lessor and Lessor's **"Lender"** (as defined in Paragraph 30) and consultants shall have the right to enter into Premises at any time, in the case of an emergency, and otherwise at reasonable times after reasonable notice, for the purpose of inspecting the condition of the Premises and for verifying compliance by Lessee with this Lease. The cost of any such inspections shall be paid by Lessor, unless a violation of Applicable Requirements, or a Hazardous Substance Condition (see Paragraph 9.1) is found to exist or be imminent, or the inspection is requested or ordered by a governmental authority. In such case, Lessee shall upon request reimburse Lessor for the cost of such inspection, so long as such inspection is reasonably related to the violation or contamination. In addition, Lessee shall provide copies of all relevant material safety data sheets (**MSDS**) to Lessor within 10 days of the receipt of written request therefor.

7. **Maintenance; Repairs; Utility Installations; Trade Fixtures and Alterations**.

7.1 **Lessee's Obligations**.

(a) **In General**. Subject to the provisions of Paragraph 2.2 (Condition), 2.3 (Compliance), 6.3 (Lessee's Compliance with Applicable Requirements), 7.2 (Lessor's Obligations), 9 (Damage or Destruction), and 14 (Condemnation), Lessee shall, at Lessee's sole expense, keep the Premises, Utility Installations (intended for Lessee's exclusive use, no matter where located), and Alterations in good order, condition and repair (whether or not the portion of the Premises requiring repairs, or the means of repairing the same, are reasonably or readily accessible to Lessee, and whether or not the need for such repairs occurs as a result of Lessee's use, any prior use, the elements or the age of such portion of the Premises), including, but not limited to, all equipment or facilities, such as plumbing, HVAC equipment, electrical, lighting facilities, boilers, pressure vessels, fixtures, interior walls, interior surfaces of exterior walls, ceilings, floors, windows, doors, plate glass, and skylights but excluding any items which are the responsibility of Lessor pursuant to Paragraph 7.2. Lessee, in keeping the Premises in good order, condition and repair, shall exercise and perform good maintenance practices, specifically including the procurement and maintenance of the service contracts required by Paragraph 7.1(b) below. Lessee's obligations shall include restorations, replacements or renewals when necessary to keep the Premises and all improvements thereon or a part thereof in good order, condition and state of repair.

(b) **Service Contracts**. Lessee shall, at Lessee's sole expense, procure and maintain contracts, with copies to Lessor, in customary form and substance for, and with contractors specializing and experienced in the maintenance of the following equipment and improvements, if any, if and when installed on the Premises: (i) HVAC equipment, (ii) boiler and pressure vessels, and (iii) clarifiers. However, Lessor reserves the right, upon notice to Lessee, to procure and maintain any or all of such service contracts, and Lessee shall reimburse Lessor, upon demand, for the cost thereof.

(c) **Failure to Perform.** If Lessee fails to perform Lessee's obligations under this Paragraph 7.1, Lessor may enter upon the Premises after 10 days' prior written notice to Lessee (except in the case of an emergency, in which case no notice shall be required), perform such obligations on Lessee's behalf, and put the Premises in good order, condition and repair, and Lessee shall promptly pay to Lessor a sum equal to 115% of the cost thereof.

(d) **Replacement.** Subject to Lessee's indemnification of Lessor as set forth in Paragraph 8.7 below, and without relieving Lessee of liability resulting from Lessee's failure to exercise and perform good maintenance practices, if an item described in Paragraph 7.1(b) cannot be repaired other than at a cost which is in excess of 50% of the cost of replacing such item, then such item shall be replaced by Lessor, and the cost thereof shall be prorated between the Parties and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease, on the date on which Base Rent is due, an amount equal to the product of multiplying the cost of such replacement by a fraction, the numerator of which is one, and the denominator of which is 144 (ie. 1/144th of the cost per month). Lessee shall pay Interest on the unamortized balance but may prepay its obligation at any time.

7.2 **Lessor's Obligations**. Subject to the provisions of Paragraphs 2.2 (Condition), 2.3 (Compliance), 4.2 (Common Area Operating Expenses), 6 (Use), 7.1 (Lessee's Obligations), 9 (Damage or Destruction) and 14 (Condemnation), Lessor, subject to reimbursement pursuant to Paragraph 4.2, shall keep in good order, condition and repair the foundations, exterior walls, structural condition of interior bearing walls, exterior roof, fire sprinkler system, Common Area fire alarm and/or smoke detection systems, fire hydrants, parking lots, walkways, parkways, driveways, landscaping, fences, signs and utility systems serving the Common Areas and all parts thereof, as well as providing the services for which there is a Common Area Operating Expense pursuant to Paragraph 4.2. Lessor shall not be obligated to paint the exterior or interior surfaces of exterior walls nor shall Lessor be obligated to maintain, repair or replace windows, doors or plate glass of the Premises. Lessee expressly waives the benefit of any statute now or hereafter in effect to the extent it is inconsistent with the terms of this Lease.

7.3 **Utility Installations; Trade Fixtures; Alterations.**

(a) **Definitions**. The term "Utility Installations" refers to all floor and window coverings, air and/or vacuum lines, power panels, electrical distribution, security and fire protection systems, communication cabling, lighting fixtures, HVAC equipment, plumbing, and fencing in or on the Premises. The term **"Trade Fixtures"** shall mean Lessee's machinery and equipment that can be removed without doing material damage to the Premises. The term **"Alterations"** shall mean any modification of the improvements, other than Utility

Installations or Trade Fixtures, whether by addition or deletion. **"Lessee Owned Alterations and/or Utility Installations"** are defined as Alterations and/or Utility Installations made by Lessee that are not yet owned by Lessor pursuant to Paragraph 7.4(a).

(b) **Consent**. Lessee shall not make any Alterations or Utility Installations to the Premises without Lessor's prior written consent. Lessee may, however, make non-structural Alterations or Utility Installations to the interior of the Premises (excluding the roof) without such consent but upon notice to Lessor, as long as they are not visible from the outside, do not involve puncturing, relocating or removing the roof or any existing walls, will not affect the electrical, plumbing, HVAC, and/or life safety systems, and the cumulative cost thereof during this Lease as extended does not exceed a sum equal to 3 month's Base Rent in the aggregate or a sum equal to one month's Base Rent in any one year. Notwithstanding the

Installations that Lessee shall desire to make and which require the consent of the Lessor shall be presented to Lessor in written form with detailed plans. Consent shall be deemed conditioned upon Lessee's: (i) acquiring all applicable governmental permits, (ii) furnishing Lessor with copies of both the permits and the plans and specifications prior to commencement of the work, and (iii) compliance with all conditions of said permits and other Applicable Requirements in a prompt and expeditious manner. Any Alterations or Utility Installations shall be performed in a workmanlike manner with good and sufficient materials. Lessee shall promptly upon completion furnish Lessor with as-built plans and specifications. For work which costs an amount in excess of one month's Base Rent, Lessor may condition its consent upon Lessee providing a lien and completion bond in an amount equal to 150% of the estimated cost of such Alteration or Utility Installation and/or upon Lessee's posting an additional Security Deposit with Lessor.

(c) **Liens; Bonds.** Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use on the Premises, which claims are or may be secured by any mechanic's or materialmen's lien against the Premises or any interest therein. Lessee shall give Lessor not less than 10 days notice prior to the commencement of any work in, on or about the Premises, and Lessor shall have the right to post notices of non-responsibility. If Lessee shall contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend and protect itself, Lessor and the Premises against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof. If Lessor shall require, Lessee shall furnish a surety bond in an amount equal to 150% of the amount of such contested lien, claim or demand, indemnifying Lessor against liability for the same. If Lessor elects to participate in any such action, Lessee shall pay Lessor's attorneys' fees and costs.

7.4 **Ownership; Removal; Surrender; and Restoration.**

(a) **Ownership.** Subject to Lessor's right to require removal or elect ownership as hereinafter provided, all Alterations and Utility Installations made by Lessee shall be the property of Lessee, but considered a part of the Premises. Lessor may, at any time, elect in writing to be the owner of all or any specified part of the Lessee Owned Alterations and Utility Installations. Unless otherwise instructed per paragraph 7.4(b) hereof, all Lessee Owned Alterations and Utility Installations shall, at the expiration or termination of this Lease, become the property of Lessor and be surrendered by Lessee with the Premises.

(b) **Removal.** By delivery to Lessee of written notice from Lessor not earlier than 90 and not later than 30 days prior to the end of the term of this Lease, Lessor may require that any or all Lessee Owned Alterations or Utility Installations be removed by the expiration or termination of this Lease. Lessor may require the removal at any time of all or any part of any Lessee Owned Alterations or Utility Installations made without the required consent.

(c) **Surrender; Restoration.** Lessee shall surrender the Premises by the Expiration Date or any earlier termination date, with all of the improvements, parts and surfaces thereof broom clean and free of debris, and in good operating order, condition and state of repair, ordinary wear and tear excepted. "Ordinary wear and tear" shall not include any damage or deterioration that would have been prevented by good maintenance practice. Notwithstanding the foregoing, if this Lease is for 12 months or less, then Lessee shall surrender the Premises in the same condition as delivered to Lessee on the Start Date with NO allowance for ordinary wear and tear. Lessee shall repair any damage occasioned by the installation, maintenance or removal of Trade Fixtures, Lessee owned Alterations and/or Utility Installations, furnishings, and equipment as well as the removal of any storage tank installed by or for Lessee. Lessee shall also completely remove from the Premises any and all Hazardous Substances brought onto the Premises by or for Lessee, or any third party (except Hazardous Substances which were deposited via underground migration from areas outside of the Premises) even if such removal would require Lessee to perform or pay for work that exceeds statutory requirements. Trade Fixtures shall remain the property of Lessee and shall be removed by Lessee. Any personal property of Lessee not removed on or before the Expiration Date or any earlier termination date shall be deemed to have been abandoned by Lessee and may be disposed of or retained by Lessor as Lessor may desire. The failure by Lessee to timely vacate the Premises pursuant to this Paragraph 7.4(c) without the express written consent of Lessor shall constitute a holdover under the provisions of Paragraph 26 below.

8. **Insurance; Indemnity.**

8.1 **Payment of Premium Increases.**

(a) As used herein, the term **"Insurance Cost Increase"** is defined as any increase in the actual cost of the insurance applicable to the Building and/or the Project and required to be carried by Lessor, pursuant to Paragraphs 8.2(b), 8.3(a) and 8.3(b), over and above the Base Premium, as hereinafter defined, calculated on an annual basis. Insurance Cost Increase shall include, but not be limited to, requirements of the holder of a mortgage or deed of trust covering the Premises, Building and/or Project, increased valuation of the Premises, Building and/or Project, and/or a general premium rate increase. The term Insurance Cost Increase shall not, however, include any premium increases resulting from the nature of the occupancy of any other tenant of the Building. The **"Base Premium"** shall be the annual premium applicable to the 12 month period immediately preceding the Start Date. If, however, the Project was not insured for the entirety of such 12 month period, then the Base Premium shall be the lowest annual premium reasonably obtainable for the Required Insurance as of the Start Date, assuming the most nominal use possible of the Building. In no event, however, shall Lessee be responsible for any portion of the premium cost attributable to liability insurance coverage in excess of $2,000,000 procured under Paragraph 8.2(b).

(b) Lessee shall pay any Insurance Cost Increase to Lessor pursuant to Paragraph 4.2. Premiums for policy periods commencing prior to, or extending beyond, the term of this Lease shall be prorated to coincide with the corresponding Start Date or Expiration Date.

8.2 **Liability Insurance.**

(a) **Carried by Lessee.** Lessee shall obtain and keep in force a Commercial General Liability policy of insurance protecting Lessee and Lessor as an additional insured against claims for bodily injury, personal injury and property damage based upon or arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than $1,000,000 per occurrence with an annual aggregate of not less than $2,000,000. Lessee shall add Lessor as an additional insured by means of an endorsement at least as broad as the Insurance Service Organization's "Additional Insured-Managers or Lessors of Premises" Endorsement. The policy shall not contain any intra-insured exclusions as between insured persons or organizations, but shall include coverage for liability assumed under this Lease as an **"insured contract"** for the performance of Lessee's indemnity obligations under this Lease. The limits of said insurance shall not, however, limit the liability of Lessee nor relieve Lessee of any obligation hereunder. Lessee shall provide an endorsement on its liability policy(ies) which provides that its insurance shall be primary to and not contributory with any similar insurance carried by Lessor, whose insurance shall be considered excess insurance only.

(b) **Carried by Lessor.** Lessor shall maintain liability insurance as described in Paragraph 8.2(a), in addition to, and not in lieu of, the insurance required to be maintained by Lessee. Lessee shall not be named as an additional insured therein.

8.3 **Property Insurance - Building, Improvements and Rental Value.**

(a) **Building and Improvements.** Lessor shall obtain and keep in force a policy or policies of insurance in the name of Lessor, with loss payable to Lessor, any ground-lessor, and to any Lender insuring loss or damage to the Premises. The amount of such insurance shall be equal to the full insurable replacement cost of the Premises, as the same shall exist from time to time, or the amount required by any Lender, but in no event more than the commercially reasonable and available insurable value thereof. Lessee Owned Alterations and Utility Installations, Trade Fixtures, and Lessee's personal property shall be insured by Lessee not by Lessor. If the coverage is available and commercially appropriate, such policy or

replacement of any portion of the Premises as the result of a covered loss. Said policy or policies shall also contain an agreed valuation provision in lieu of any coinsurance clause, waiver of subrogation, and inflation guard protection causing an increase in the annual property insurance coverage amount by a factor of not less than the adjusted U.S. Department of Labor Consumer Price Index for All Urban Consumers for the city nearest to where the Premises are located. If such insurance coverage has a deductible clause, the deductible amount shall not exceed $5,000 per occurrence.

(b) **Rental Value.** Lessor shall also obtain and keep in force a policy or policies in the name of Lessor with loss payable to Lessor and any Lender, insuring the loss of the full Rent for one year with an extended period of indemnity for an additional 180 days ("Rental Value insurance"). Said insurance shall contain an agreed valuation provision in lieu of any coinsurance clause, and the amount of coverage shall be adjusted annually to reflect the projected Rent otherwise payable by Lessee, for the next 12 month period.

(c) **Adjacent Premises.** Lessee shall pay for any increase in the premiums for the property insurance of the Building and for the Common Areas or other buildings in the Project if said increase is caused by Lessee's acts, omissions, use or occupancy of the Premises.

(d) **Lessee's Improvements.** Since Lessor is the Insuring Party, Lessor shall not be required to insure Lessee Owned Alterations and Utility Installations unless the item in question has become the property of Lessor under the terms of this Lease.

8.4 **Lessee's Property; Business Interruption Insurance; Worker's Compensation Insurance.**

(a) **Property Damage.** Lessee shall obtain and maintain insurance coverage on all of Lessee's personal property, Trade Fixtures, and Lessee Owned Alterations and Utility Installations. Such insurance shall be full replacement cost coverage with a deductible of not to exceed $1,000 per occurrence. The proceeds from any such insurance shall be used by Lessee for the replacement of personal property, Trade Fixtures and Lessee Owned Alterations and Utility Installations.

(b) **Business Interruption.** Lessee shall obtain and maintain loss of income and extra expense insurance in amounts as will reimburse Lessee for direct or indirect loss of earnings attributable to all perils commonly insured against by prudent lessees in the business of Lessee or attributable to prevention of access to the Premises as a result of such perils.

(c) **Worker's Compensation Insurance.** Lessee shall obtain and maintain Worker's Compensation Insurance in such amount as may be required by Applicable Requirements. Such policy shall include a 'Waiver of Subrogation' endorsement. Lessee shall provide Lessor with a copy of such endorsement along with the certificate of insurance or copy of the policy required by paragraph 8.5.

(d) **No Representation of Adequate Coverage.** Lessor makes no representation that the limits or forms of coverage of insurance specified herein are adequate to cover Lessee's property, business operations or obligations under this Lease.

8.5 **Insurance Policies.** Insurance required herein shall be by companies maintaining during the policy term a "General Policyholders Rating" of at least A-, VII, as set forth in the most current issue of "Best's Insurance Guide", or such other rating as may be required by a Lender. Lessee shall not do or permit to be done anything which invalidates the required insurance policies. Lessee shall, prior to the Start Date, deliver to Lessor certified copies of policies of such insurance or certificates with copies of the required endorsements evidencing the existence and amounts of the required insurance. No such policy shall be cancelable or subject to modification except after 30 days prior written notice to Lessor. Lessee shall, at least 10 days prior to the expiration of such policies, furnish Lessor with evidence of renewals or "insurance binders" evidencing renewal thereof, or Lessor may order such insurance and charge the cost thereof to Lessee, which amount shall be payable by Lessee to Lessor upon demand. Such policies shall be for a term of at least one year, or the length of the remaining term of this Lease, whichever is less. If either Party shall fail to procure and maintain the insurance required to be carried by it, the other Party may, but shall not be required to, procure and maintain the same.

8.6 **Waiver of Subrogation.** Without affecting any other rights or remedies, Lessee and Lessor each hereby release and relieve the other, and waive their entire right to recover damages against the other, for loss of or damage to its property arising out of or incident to the perils required to be insured against herein. The effect of such releases and waivers is not limited by the amount of insurance carried or required, or by any deductibles applicable hereto. The Parties agree to have their respective property damage insurance carriers waive any right to subrogation that such companies may have against Lessor or Lessee, as the case may be, so long as the insurance is not invalidated thereby.

8.7 **Indemnity.** Except for Lessor's gross negligence or willful misconduct, Lessee shall indemnify, protect, defend and hold harmless the Premises, Lessor and its agents, Lessor's master or ground lessor, partners and Lenders, from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' and consultants' fees, expenses and/or liabilities arising out of, involving, or in connection with, the use and/or occupancy of the Premises by Lessee. If any action or proceeding is brought against Lessor by reason of any of the foregoing matters, Lessee shall upon notice defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessee in such defense. Lessor need not have first paid any such claim in order to be defended or indemnified.

8.8 **Exemption of Lessor and its Agents from Liability.** Notwithstanding the negligence or breach of this Lease by Lessor or its agents, neither Lessor nor its agents shall be liable under any circumstances for: (i) injury or damage to the person or goods, wares, merchandise or other property of Lessee, Lessee's employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, indoor air quality, the presence of mold or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, HVAC or lighting fixtures, or from any other cause, whether the said injury or damage results from conditions arising upon the Premises or upon other portions of the Building, or from other sources or places, (ii) any damages arising from any act or neglect of any other tenant of Lessor or from the failure of Lessor or its agents to enforce the provisions of any other lease in the Project, or (iii) injury to Lessee's business or for any loss of income or profit therefrom. Instead, it is intended that Lessee's sole recourse in the event of such damages or injury be to file a claim on the insurance policy(ies) that Lessee is required to maintain pursuant to the provisions of paragraph 8.

8.9 **Failure to Provide Insurance.** Lessee acknowledges that any failure on its part to obtain or maintain the insurance required herein will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, for any month or portion thereof that Lessee does not maintain the required insurance and/or does not provide Lessor with the required binders or certificates evidencing the existence of the required insurance, the Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or $100, whichever is greater. The parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to maintain the required insurance. Such increase in Base Rent

shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to maintain such insurance, prevent the exercise of any of the other rights and remedies granted hereunder, nor relieve Lessee of its obligation to maintain the insurance specified in this Lease.

9. **Damage or Destruction.**

9.1 **Definitions.**

(a) **"Premises Partial Damage"** shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations, which can reasonably be repaired in 3 months or less from the date of the damage or destruction, and the cost thereof does not exceed a sum equal to 6 month's Base Rent. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

destruction and/or the cost thereof exceeds a sum equal to 6 month's Base Rent. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(c) **"Insured Loss"** shall mean damage or destruction to improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which was caused by an event required to be covered by the insurance described in Paragraph 8.3(a), irrespective of any deductible amounts or coverage limits involved.

(d) **"Replacement Cost"** shall mean the cost to repair or rebuild the improvements owned by Lessor at the time of the occurrence to their condition existing immediately prior thereto, including demolition, debris removal and upgrading required by the operation of Applicable Requirements, and without deduction for depreciation.

(e) **"Hazardous Substance Condition"** shall mean the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Substance, in, on, or under the Premises which requires restoration.

9.2 **Partial Damage - Insured Loss.** If a Premises Partial Damage that is an Insured Loss occurs, then Lessor shall, at Lessor's expense, repair such damage (but not Lessee's Trade Fixtures or Lessee Owned Alterations and Utility Installations) as soon as reasonably possible and this Lease shall continue in full force and effect; provided, however, that Lessee shall, at Lessor's election, make the repair of any damage or destruction the total cost to repair of which is $10,000 or less, and, in such event, Lessor shall make any applicable insurance proceeds available to Lessee on a reasonable basis for that purpose. Notwithstanding the foregoing, if the required insurance was not in force or the insurance proceeds are not sufficient to effect such repair, the Insuring Party shall promptly contribute the shortage in proceeds as and when required to complete said repairs. In the event, however, such shortage was due to the fact that, by reason of the unique nature of the improvements, full replacement cost insurance coverage was not commercially reasonable and available, Lessor shall have no obligation to pay for the shortage in insurance proceeds or to fully restore the unique aspects of the Premises unless Lessee provides Lessor with the funds to cover same, or adequate assurance thereof, within 10 days following receipt of written notice of such shortage and request therefor. If Lessor receives said funds or adequate assurance thereof within said 10 day period, the party responsible for making the repairs shall complete them as soon as reasonably possible and this Lease shall remain in full force and effect. If such funds or assurance are not received, Lessor may nevertheless elect by written notice to Lessee within 10 days thereafter to: (i) make such restoration and repair as is commercially reasonable with Lessor paying any shortage in proceeds, in which case this Lease shall remain in full force and effect, or (ii) have this Lease terminate 30 days thereafter. Lessee shall not be entitled to reimbursement of any funds contributed by Lessee to repair any such damage or destruction. Premises Partial Damage due to flood or earthquake shall be subject to Paragraph 9.3, notwithstanding that there may be some insurance coverage, but the net proceeds of any such insurance shall be made available for the repairs if made by either Party.

9.3 **Partial Damage - Uninsured Loss.** If a Premises Partial Damage that is not an Insured Loss occurs, unless caused by a negligent or willful act of Lessee (in which event Lessee shall make the repairs at Lessee's expense), Lessor may either: (i) repair such damage as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) terminate this Lease by giving written notice to Lessee within 30 days after receipt by Lessor of knowledge of the occurrence of such damage. Such termination shall be effective 60 days following the date of such notice. In the event Lessor elects to terminate this Lease, Lessee shall have the right within 10 days after receipt of the termination notice to give written notice to Lessor of Lessee's commitment to pay for the repair of such damage without reimbursement from Lessor. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days after making such commitment. In such event this Lease shall continue in full force and effect, and Lessor shall proceed to make such repairs as soon as reasonably possible after the required funds are available. If Lessee does not make the required commitment, this Lease shall terminate as of the date specified in the termination notice.

9.4 **Total Destruction.** Notwithstanding any other provision hereof, if a Premises Total Destruction occurs, this Lease shall terminate 60 days following such Destruction. If the damage or destruction was caused by the gross negligence or willful misconduct of Lessee, Lessor shall have the right to recover Lessor's damages from Lessee, except as provided in Paragraph 8.6.

9.5 **Damage Near End of Term.** If at any time during the last 6 months of this Lease there is damage for which the cost to repair exceeds one month's Base Rent, whether or not an Insured Loss, Lessor may terminate this Lease effective 60 days following the date of occurrence of such damage by giving a written termination notice to Lessee within 30 days after the date of occurrence of such damage. Notwithstanding the foregoing, if Lessee at that time has an exercisable option to extend this Lease or to purchase the Premises, then Lessee may preserve this Lease by, (a) exercising such option and (b) providing Lessor with any shortage in insurance proceeds (or adequate assurance thereof) needed to make the repairs on or before the earlier of (i) the date which is 10 days after Lessee's receipt of Lessor's written notice purporting to terminate this Lease, or (ii) the day prior to the date upon which such option expires. If Lessee duly exercises such option during such period and provides Lessor with funds (or adequate assurance thereof) to cover any shortage in insurance proceeds, Lessor shall, at Lessor's commercially reasonable expense, repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. If Lessee fails to exercise such option and provide such funds or assurance during such period, then this Lease shall terminate on the date specified in the termination notice and Lessee's option shall be extinguished.

9.6 **Abatement of Rent; Lessee's Remedies.**

(a) **Abatement.** In the event of Premises Partial Damage or Premises Total Destruction or a Hazardous Substance Condition for which Lessee is not responsible under this Lease, the Rent payable by Lessee for the period required for the repair, remediation or restoration of such damage shall be abated in proportion to the degree to which Lessee's use of the Premises is impaired, but not to exceed the proceeds received from the Rental Value insurance. All other obligations of Lessee hereunder shall be performed by Lessee, and Lessor shall have no liability for any such damage, destruction, remediation, repair or restoration except as provided herein.

(b) **Remedies.** If Lessor is obligated to repair or restore the Premises and does not commence, in a substantial and meaningful way, such repair or restoration within 90 days after such obligation shall accrue, Lessee may, at any time prior to the commencement of such repair or restoration, give written notice to Lessor and to any Lenders of which Lessee has actual notice, of Lessee's election to terminate this Lease on a date not less than 60 days following the giving of such notice. If Lessee gives such notice and such repair or restoration is not commenced within 30 days thereafter, this Lease shall terminate as of the date specified in said notice. If the repair or restoration is commenced within such 30 days, this Lease shall continue in full force and effect. "Commence" shall mean either the unconditional authorization of the preparation of the required plans, or the beginning of the actual work on the Premises, whichever first occurs.

9.7 **Termination; Advance Payments.** Upon termination of this Lease pursuant to Paragraph 6.2(g) or Paragraph 9, an equitable adjustment shall be made concerning advance Base Rent and any other advance payments made by Lessee to Lessor. Lessor shall, in addition, return to Lessee so much of Lessee's Security Deposit as has not been, or is not then required to be, used by Lessor.

10. **Real Property Taxes.**

10.1 **Definitions.**

(a) **"Real Property Taxes."** As used herein, the term **"Real Property Taxes"** shall include any form of assessment; real estate, general, special, ordinary or extraordinary, or rental levy or tax (other than inheritance, personal income or estate taxes); improvement bond; and/or license fee imposed upon or levied against any legal or equitable interest of Lessor in the Project, Lessor's right to other income therefrom, and/or Lessor's business of leasing, by any authority having the direct or indirect power to tax and where the funds are generated with reference to the Project

reason of events occurring during the term of this Lease, including but not limited to, a change in the ownership of the Project, (ii) a change in the improvements thereon, and/or (iii) levied or assessed on machinery or equipment provided by Lessor to Lessee pursuant to this Lease.

(b) **"Base Real Property Taxes."** As used herein, the term **"Base Real Property Taxes"** shall be the amount of Real Property Taxes, which are assessed against the Premises, Building, Project or Common Areas in the calendar year during which the Lease is executed. In calculating Real Property Taxes for any calendar year, the Real Property Taxes for any real estate tax year shall be included in the calculation of Real Property Taxes for such calendar year based upon the number of days which such calendar year and tax year have in common.

10.2 **Payment of Taxes.** Except as otherwise provided in Paragraph 10.3, Lessor shall pay the Real Property Taxes applicable to the Project, and said payments shall be included in the calculation of Common Area Operating Expenses in accordance with the provisions of Paragraph 4.2.

10.3 **Additional Improvements.** Common Area Operating Expenses shall not include Real Property Taxes specified in the tax assessor's records and work sheets as being caused by additional improvements placed upon the Project by other tenants or by Lessor for the exclusive enjoyment of such other Tenants. Notwithstanding Paragraph 10.2 hereof, Lessee shall, however, pay to Lessor at the time Common Area Operating Expenses are payable under Paragraph 4.2, the entirety of any increase in Real Property Taxes if assessed solely by reason of Alterations, Trade Fixtures or Utility Installations placed upon the Premises by Lessee or at Lessee's request or by reason of any alterations or improvements to the Premises made by Lessor subsequent to the execution of this Lease by the Parties.

10.4 **Joint Assessment.** If the Building is not separately assessed, Real Property Taxes allocated to the Building shall be an equitable proportion of the Real Property Taxes for all of the land and improvements included within the tax parcel assessed, such proportion to be determined by Lessor from the respective valuations assigned in the assessor's work sheets or such other information as may be reasonably available. Lessor's reasonable determination thereof, in good faith, shall be conclusive.

10.5 **Personal Property Taxes.** Lessee shall pay prior to delinquency all taxes assessed against and levied upon Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all personal property of Lessee contained in the Premises. When possible, Lessee shall cause its Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Lessor. If any of Lessee's said property shall be assessed with Lessor's real property, Lessee shall pay Lessor the taxes attributable to Lessee's property within 10 days after receipt of a written statement setting forth the taxes applicable to Lessee's property.

11. **Utilities and Services.** Lessee shall pay for all water, gas, heat, light, power, telephone, trash disposal and other utilities and services supplied to the Premises, together with any taxes thereon. Notwithstanding the provisions of Paragraph 4.2, if at any time in Lessor's sole judgment, Lessor determines that Lessee is using a disproportionate amount of water, electricity or other commonly metered utilities, or that Lessee is generating such a large volume of trash as to require an increase in the size of the trash receptacle and/or an increase in the number of times per month that it is emptied, then Lessor may increase Lessee's Base Rent by an amount equal to such increased costs. There shall be no abatement of Rent and Lessor shall not be liable in any respect whatsoever for the inadequacy, stoppage, interruption or discontinuance of any utility or service due to riot, strike, labor dispute, breakdown, accident, repair or other cause beyond Lessor's reasonable control or in cooperation with governmental request or directions.

12. **Assignment and Subletting.**

12.1 **Lessor's Consent Required.**

(a) Lessee shall not voluntarily or by operation of law assign, transfer, mortgage or encumber (collectively, **"assign or assignment"**) or sublet all or any part of Lessee's interest in this Lease or in the Premises without Lessor's prior written consent.

(b) Unless Lessee is a corporation and its stock is publicly traded on a national stock exchange, a change in the control of Lessee shall constitute an assignment requiring consent. The transfer, on a cumulative basis, of 25% or more of the voting control of Lessee shall constitute a change in control for this purpose.

(c) The involvement of Lessee or its assets in any transaction, or series of transactions (by way of merger, sale, acquisition, financing, transfer, leveraged buy-out or otherwise), whether or not a formal assignment or hypothecation of this Lease or Lessee's assets occurs, which results or will result in a reduction of the Net Worth of Lessee by an amount greater than 25% of such Net Worth as it was represented at the time of the execution of this Lease or at the time of the most recent assignment to which Lessor has consented, or as it exists immediately prior to said transaction or transactions constituting such reduction, whichever was or is greater, shall be considered an assignment of this Lease to which Lessor may withhold its consent. **"Net Worth of Lessee"** shall mean the net worth of Lessee (excluding any guarantors) established under generally accepted accounting principles.

(d) An assignment or subletting without consent shall, at Lessor's option, be a Default curable after notice per Paragraph 13.1(c), or a noncurable Breach without the necessity of any notice and grace period. If Lessor elects to treat such unapproved assignment or subletting as a noncurable Breach, Lessor may either: (i) terminate this Lease, or (ii) upon 30 days written notice, increase the monthly Base Rent to 110% of the Base Rent then in effect. Further, in the event of such Breach and rental adjustment, (i) the purchase price of any option to purchase the Premises held by Lessee shall be subject to similar adjustment to 110% of the price previously in effect, and (ii) all fixed and non-fixed rental adjustments scheduled during the remainder of the Lease term shall be increased to 110% of the scheduled adjusted rent.

(e) Lessee's remedy for any breach of Paragraph 12.1 by Lessor shall be limited to compensatory damages and/or injunctive relief.

(f) Lessor may reasonably withhold consent to a proposed assignment or subletting if Lessee is in Default at the time consent is requested.

(g) Notwithstanding the foregoing, allowing a de minimis portion of the Premises, ie. 20 square feet or less, to be used by a third party vendor in connection with the installation of a vending machine or payphone shall not constitute a subletting.

12.2 **Terms and Conditions Applicable to Assignment and Subletting.**

(a) Regardless of Lessor's consent, no assignment or subletting shall : (i) be effective without the express written assumption by such assignee or sublessee of the obligations of Lessee under this Lease, (ii) release Lessee of any obligations hereunder, or (iii) alter the primary liability of Lessee for the payment of Rent or for the performance of any other obligations to be performed by Lessee.

(b) Lessor may accept Rent or performance of Lessee's obligations from any person other than Lessee pending approval or disapproval of an assignment. Neither a delay in the approval or disapproval of such assignment nor the acceptance of Rent or performance shall constitute a waiver or estoppel of Lessor's right to exercise its remedies for Lessee's Default or Breach.

(c) Lessor's consent to any assignment or subletting shall not constitute a consent to any subsequent assignment or subletting.

(d) In the event of any Default or Breach by Lessee, Lessor may proceed directly against Lessee, any Guarantors or anyone else responsible for the performance of Lessee's obligations under this Lease, including any assignee or sublessee, without first exhausting Lessor's remedies against any other person or entity responsible therefor to Lessor, or any security held by Lessor.

(e) Each request for consent to an assignment or subletting shall be in writing, accompanied by information relevant to Lessor's determination as to the financial and operational responsibility and appropriateness of the proposed assignee or sublessee, including but not limited to the intended use and/or required modification of the Premises, if any, together with a fee of $500 as consideration for Lessor's considering and

(f) Any assignee of, or sublessee under, this Lease shall, by reason of accepting such assignment, entering into such sublease, or entering into possession of the Premises or any portion thereof, be deemed to have assumed and agreed to conform and comply with each and every term, covenant, condition and obligation herein to be observed or performed by Lessee during the term of said assignment or sublease, other than such obligations as are contrary to or inconsistent with provisions of an assignment or sublease to which Lessor has specifically consented to in writing.

(g) Lessor's consent to any assignment or subletting shall not transfer to the assignee or sublessee any Option granted to the original Lessee by this Lease unless such transfer is specifically consented to by Lessor in writing. (See Paragraph 39.2)

12.3 **Additional Terms and Conditions Applicable to Subletting.** The following terms and conditions shall apply to any subletting by Lessee of all or any part of the Premises and shall be deemed included in all subleases under this Lease whether or not expressly incorporated therein:

(a) Lessee hereby assigns and transfers to Lessor all of Lessee's interest in all Rent payable on any sublease, and Lessor may collect such Rent and apply same toward Lessee's obligations under this Lease; provided, however, that until a Breach shall occur in the performance of Lessee's obligations, Lessee may collect said Rent. In the event that the amount collected by Lessor exceeds Lessee's then outstanding obligations any such excess shall be refunded to Lessee. Lessor shall not, by reason of the foregoing or any assignment of such sublease, nor by reason of the collection of Rent, be deemed liable to the sublessee for any failure of Lessee to perform and comply with any of Lessee's obligations to such sublessee. Lessee hereby irrevocably authorizes and directs any such sublessee, upon receipt of a written notice from Lessor stating that a Breach exists in the performance of Lessee's obligations under this Lease, to pay to Lessor all Rent due and to become due under the sublease. Sublessee shall rely upon any such notice from Lessor and shall pay all Rents to Lessor without any obligation or right to inquire as to whether such Breach exists, notwithstanding any claim from Lessee to the contrary.

(b) In the event of a Breach by Lessee, Lessor may, at its option, require sublessee to attorn to Lessor, in which event Lessor shall undertake the obligations of the sublessor under such sublease from the time of the exercise of said option to the expiration of such sublease; provided, however, Lessor shall not be liable for any prepaid rents or security deposit paid by such sublessee to such sublessor or for any prior Defaults or Breaches of such sublessor.

(c) Any matter requiring the consent of the sublessor under a sublease shall also require the consent of Lessor.

(d) No sublessee shall further assign or sublet all or any part of the Premises without Lessor's prior written consent.

(e) Lessor shall deliver a copy of any notice of Default or Breach by Lessee to the sublessee, who shall have the right to cure the Default of Lessee within the grace period, if any, specified in such notice. The sublessee shall have a right of reimbursement and offset from and against Lessee for any such Defaults cured by the sublessee.

13. **Default; Breach; Remedies.**

13.1 **Default; Breach.** A **"Default"** is defined as a failure by the Lessee to comply with or perform any of the terms, covenants, conditions or Rules and Regulations under this Lease. A "Breach" is defined as the occurrence of one or more of the following Defaults, and the failure of Lessee to cure such Default within any applicable grace period:

(a) The abandonment of the Premises; or the vacating of the Premises without providing a commercially reasonable level of security, or where the coverage of the property insurance described in Paragraph 8.3 is jeopardized as a result thereof, or without providing reasonable assurances to minimize potential vandalism.

(b) The failure of Lessee to make any payment of Rent or any Security Deposit required to be made by Lessee hereunder, whether to Lessor or to a third party, when due, to provide reasonable evidence of insurance or surety bond, or to fulfill any obligation under this Lease which endangers or threatens life or property, where such failure continues for a period of 3 business days following written notice to Lessee. THE ACCEPTANCE BY LESSOR OF A PARTIAL PAYMENT OF RENT OR SECURITY DEPOSIT SHALL NOT CONSTITUTE A WAIVER OF ANY OF LESSOR'S RIGHTS, INCLUDING LESSOR'S RIGHT TO RECOVER POSSESSION OF THE PREMISES.

(c) The failure of Lessee to allow Lessor and/or its agents access to the Premises or the commission of waste, act or acts constituting public or private nuisance, and/or an illegal activity on the Premises by Lessee, where such actions continue for a period of 3 business days following written notice to Lessee.

(d) The failure by Lessee to provide (i) reasonable written evidence of compliance with Applicable Requirements, (ii) the service contracts, (iii) the rescission of an unauthorized assignment or subletting, (iv) an Estoppel Certificate or financial statements, (v) a requested subordination, (vi) evidence concerning any guaranty and/or Guarantor, (vii) any document requested under Paragraph 41, (viii) material data safety sheets (MSDS), or (ix) any other documentation or information which Lessor may reasonably require of Lessee under the terms of this Lease, where any such failure continues for a period of 10 days following written notice to Lessee.

(e) A Default by Lessee as to the terms, covenants, conditions or provisions of this Lease, or of the rules adopted under Paragraph 2.9 hereof, other than those described in subparagraphs 13.1(a), (b), (c) or (d), above, where such Default continues for a period of 30 days after written notice; provided, however, that if the nature of Lessee's Default is such that more than 30 days are reasonably required for its cure, then it shall not be deemed to be a Breach if Lessee commences such cure within said 30 day period and thereafter diligently prosecutes such cure to completion.

(f) The occurrence of any of the following events: (i) the making of any general arrangement or assignment for the benefit of creditors; (ii) becoming a **"debtor"** as defined in 11 U.S.C. § 101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within 60 days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within 30 days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within 30 days; provided, however, in the event that any provision of this subparagraph is contrary to any applicable law, such provision shall be of no force or effect, and not affect the validity of the remaining provisions.

(g) The discovery that any financial statement of Lessee or of any Guarantor given to Lessor was materially false.

(h) If the performance of Lessee's obligations under this Lease is guaranteed: (i) the death of a Guarantor, (ii) the termination of a Guarantor's liability with respect to this Lease other than in accordance with the terms of such guaranty, (iii) a Guarantor's becoming insolvent or the subject of a bankruptcy filing, (iv) a Guarantor's refusal to honor the guaranty, or (v) a Guarantor's breach of its guaranty obligation on an anticipatory basis, and Lessee's failure, within 60 days following written notice of any such event, to provide written alternative assurance or security, which, when coupled with the then existing resources of Lessee, equals or exceeds the combined financial resources of Lessee and the Guarantors that existed at the time of execution of this Lease.

13.2 **Remedies.** If Lessee fails to perform any of its affirmative duties or obligations, within 10 days after written notice (or in case of an emergency, without notice), Lessor may, at its option, perform such duty or obligation on Lessee's behalf, including but not limited to the obtaining of reasonably required bonds, insurance policies, or governmental licenses, permits or approvals. Lessee shall pay to Lessor an amount equal to 115% of the costs and expenses incurred by Lessor in such performance upon receipt of an invoice therefor. In the event of a Breach, Lessor may, with or without further notice or demand, and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such Breach:

been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that the Lessee proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by the Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, and that portion of any leasing commission paid by Lessor in connection with this Lease applicable to the unexpired term of this Lease. The worth at the time of award of the amount referred to in provision (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of the District within which the Premises are located at the time of award plus one percent. Efforts by Lessor to mitigate damages caused by Lessee's Breach of this Lease shall not waive Lessor's right to recover any damages to which Lessor is otherwise entitled. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Lessor shall have the right to recover in such proceeding any unpaid Rent and damages as are recoverable therein, or Lessor may reserve the right to recover all or any part thereof in a separate suit. If a notice and grace period required under Paragraph 13.1 was not previously given, a notice to pay rent or quit, or to perform or quit given to Lessee under the unlawful detainer statute shall also constitute the notice required by Paragraph 13.1. In such case, the applicable grace period required by Paragraph 13.1 and the unlawful detainer statute shall run concurrently, and the failure of Lessee to cure the Default within the greater of the two such grace periods shall constitute both an unlawful detainer and a Breach of this Lease entitling Lessor to the remedies provided for in this Lease and/or by said statute.

(b) Continue the Lease and Lessee's right to possession and recover the Rent as it becomes due, in which event Lessee may sublet or assign, subject only to reasonable limitations. Acts of maintenance, efforts to relet, and/or the appointment of a receiver to protect the Lessor's interests, shall not constitute a termination of the Lessee's right to possession.

(c) Pursue any other remedy now or hereafter available under the laws or judicial decisions of the state wherein the Premises are located. The expiration or termination of this Lease and/or the termination of Lessee's right to possession shall not relieve Lessee from liability under any indemnity provisions of this Lease as to matters occurring or accruing during the term hereof or by reason of Lessee's occupancy of the Premises.

13.3 **Inducement Recapture.** Any agreement for free or abated rent or other charges, or for the giving or paying by Lessor to or for Lessee of any cash or other bonus, inducement or consideration for Lessee's entering into this Lease, all of which concessions are hereinafter referred to as **"Inducement Provisions"**, shall be deemed conditioned upon Lessee's full and faithful performance of all of the terms, covenants and conditions of this Lease. Upon Breach of this Lease by Lessee, any such Inducement Provision shall automatically be deemed deleted from this Lease and of no further force or effect, and any rent, other charge, bonus, inducement or consideration theretofore abated, given or paid by Lessor under such an Inducement Provision shall be immediately due and payable by Lessee to Lessor, notwithstanding any subsequent cure of said Breach by Lessee. The acceptance by Lessor of rent or the cure of the Breach which initiated the operation of this paragraph shall not be deemed a waiver by Lessor of the provisions of this paragraph unless specifically so stated in writing by Lessor at the time of such acceptance.

13.4 **Late Charges.** Lessee hereby acknowledges that late payment by Lessee of Rent will cause Lessor to incur costs not contemplated by-this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting late charges which may be imposed upon Lessor by any Lender. Accordingly, if any Rent shall not be received by Lessor within 10 days after such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall immediately pay to Lessor a one-time late charge equal to 10% of each such overdue amount or $100, whichever is greater. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of such late payment. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's Default or Breach with respect to such overdue amount, nor prevent the exercise of any of the other rights and remedies granted hereunder. In the event that a late charge is payable hereunder, whether or not collected, for 3 consecutive installments of Base Rent, then notwithstanding any provision of this Lease to the contrary, Base Rent shall, at Lessor's option, become due and payable quarterly in advance.

13.5 **Interest.** Any monetary payment due Lessor hereunder, other than late charges, not received by Lessor, when due shall bear interest from the 31st day after it was due. The interest (**"Interest"**) charged shall be computed at the rate of 10% per annum but shall not exceed the maximum rate allowed by law. Interest is payable in addition to the potential late charge provided for in Paragraph 13.4.

13.6 **Breach by Lessor.**

(a) **Notice of Breach.** Lessor shall not be deemed in breach of this Lease unless Lessor fails within a reasonable time to perform an obligation required to be performed by Lessor. For purposes of this Paragraph, a reasonable time shall in no event be less than 30 days after receipt by Lessor, and any Lender whose name and address shall have been furnished to Lessee in writing for such purpose, of written notice specifying wherein such obligation of Lessor has not been performed; provided, however, that if the nature of Lessor's obligation is such that more than 30 days are reasonably required for its performance, then Lessor shall not be in breach if performance is commenced within such 30 day period and thereafter diligently pursued to completion.

(b) **Performance by Lessee on Behalf of Lessor.** In the event that neither Lessor nor Lender cures said breach within 30 days after receipt of said notice, or if having commenced said cure they do not diligently pursue it to completion, then Lessee may elect to cure said breach at Lessee's expense and offset from Rent the actual and reasonable cost to perform such cure, provided however, that such offset shall not exceed an amount equal to the greater of one month's Base Rent or the Security Deposit, reserving Lessee's right to reimbursement from Lessor for any such expense in excess of such offset. Lessee shall document the cost of said cure and supply said documentation to Lessor.

14. **Condemnation.** If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively **"Condemnation"**), this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than 10% of the floor area of the Unit, or more than 25% of the parking spaces is taken by Condemnation, Lessee may, at Lessee's option, to be exercised in writing within 10 days after Lessor shall have given Lessee written notice of such taking (or in the absence of such notice, within 10 days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If Lessee does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Base Rent shall be reduced in proportion to the reduction in utility of the Premises caused by such Condemnation. Condemnation awards and/or payments shall be the property of Lessor, whether such award shall be made as compensation for diminution in value of the leasehold, the value of the part taken, or for severance damages; provided, however, that Lessee shall be entitled to any

compensation paid by the condemnor for Lessee's relocation expenses, loss of business goodwill and/or Trade Fixtures, without regard to whether or not this Lease is terminated pursuant to the provisions of this Paragraph. All Alterations and Utility Installations made to the Premises by Lessee, for purposes of Condemnation only, shall be considered the property of the Lessee and Lessee shall be entitled to any and all compensation which is payable therefor. In the event that this Lease is not terminated by reason of the Condemnation, Lessor shall repair any damage to the Premises caused by such Condemnation.

15. **Brokerage Fees.**

15.1 **Additional Commission.** In addition to the payments owed pursuant to Paragraph 1.10 above, and unless Lessor and the Brokers

the consent of Lessor, after the expiration of this Lease, or (d) if Base Rent is increased, whether by agreement or operation of an escalation clause herein, then, Lessor shall pay Brokers a fee in accordance with the fee schedule of the Brokers in effect at the time the Lease was executed.

15.2 **Assumption of Obligations.** Any buyer or transferee of Lessor's interest in this Lease shall be deemed to have assumed Lessor's obligation hereunder. Brokers shall be third party beneficiaries of the provisions of Paragraphs 1.10, 15, 22 and 31. If Lessor fails to pay to Brokers any amounts due as and for brokerage fees pertaining to this Lease when due, then such amounts shall accrue Interest. In addition, if Lessor fails to pay any amounts to Lessee's Broker when due, Lessee's Broker may send written notice to Lessor and Lessee of such failure and if Lessor fails to pay such amounts within 10 days after said notice, Lessee shall pay said monies to its Broker and offset such amounts against Rent. In addition, Lessee's Broker shall be deemed to be a third party beneficiary of any commission agreement entered into by and/or between Lessor and Lessor's Broker for the limited purpose of collecting any brokerage fee owed.

15.3 **Representations and Indemnities of Broker Relationships.** Lessee and Lessor each represent and warrant to the other that it has had no dealings with any person, firm, broker or finder (other than the Brokers, if any) in connection with this Lease, and that no one other than said named Brokers is entitled to any commission or finder's fee in connection herewith. Lessee and Lessor do each hereby agree to indemnify, protect, defend and hold the other harmless from and against liability for compensation or charges which may be claimed by any such unnamed broker, finder or other similar party by reason of any dealings or actions of the indemnifying Party, including any costs, expenses, attorneys' fees reasonably incurred with respect thereto.

16. **Estoppel Certificates.**

(a) Each Party (as **"Responding Party"**) shall within 10 days after written notice from the other Party (the **"Requesting Party"**) execute, acknowledge and deliver to the Requesting Party a statement in writing in form similar to the then most current **"Estoppel Certificate"** form published by the AIR Commercial Real Estate Association, plus such additional information, confirmation and/or statements as may be reasonably requested by the Requesting Party.

(b) If the Responding Party shall fail to execute or deliver the Estoppel Certificate within such 10 day period, the Requesting Party may execute an Estoppel Certificate stating that: (i) the Lease is in full force and effect without modification except as may be represented by the Requesting Party, (ii) there are no uncured defaults in the Requesting Party's performance, and (iii) if Lessor is the Requesting Party, not more than one month's rent has been paid in advance. Prospective purchasers and encumbrancers may rely upon the Requesting Party's Estoppel Certificate, and the Responding Party shall be estopped from denying the truth of the facts contained in said Certificate. In addition, Lessee acknowledges that any failure on its part to provide such an Estoppel Certificate will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, should the Lessee fail to execute and/or deliver a requested Estoppel Certificate in a timely fashion the monthly Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or $100, whichever is greater for remainder of the Lease. The Parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to provide the Estoppel Certificate. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to provide the Estoppel Certificate nor prevent the exercise of any of the other rights and remedies granted hereunder.

(c) If Lessor desires to finance, refinance, or sell the Premises, or any part thereof, Lessee and all Guarantors shall within 10 days after written notice from Lessor deliver to any potential lender or purchaser designated by Lessor such financial statements as may be reasonably required by such lender or purchaser, including but not limited to Lessee's financial statements for the past 3 years. All such financial statements shall be received by Lessor and such lender or purchaser in confidence and shall be used only for the purposes herein set forth.

17. **Definition of Lessor.** The term **"Lessor"** as used herein shall mean the owner or owners at the time in question of the fee title to the Premises, or, if this is a sublease, of the Lessee's interest in the prior lease. In the event of a transfer of Lessor's title or interest in the Premises or this Lease, Lessor shall deliver to the transferee or assignee (in cash or by credit) any unused Security Deposit held by Lessor. Upon such transfer or assignment and delivery of the Security Deposit, as aforesaid, the prior Lessor shall be relieved of all liability with respect to the obligations and/or covenants under this Lease thereafter to be performed by the Lessor. Subject to the foregoing, the obligations and/or covenants in this Lease to be performed by the Lessor shall be binding only upon the Lessor as hereinabove defined.

18. **Severability.** The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

19. **Days.** Unless otherwise specifically indicated to the contrary, the word "**days**" as used in this Lease shall mean and refer to calendar days.

20. **Limitation on Liability.** The obligations of Lessor under this Lease shall not constitute personal obligations of Lessor, or its partners, members, directors, officers or shareholders, and Lessee shall look to the Premises, and to no other assets of Lessor, for the satisfaction of any liability of Lessor with respect to this Lease, and shall not seek recourse against Lessor's partners, members, directors, officers or shareholders, or any of their personal assets for such satisfaction.

21. **Time of Essence.** Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties under this Lease.

22. **No Prior or Other Agreements; Broker Disclaimer.** This Lease contains all agreements between the Parties with respect to any matter mentioned herein, and no other prior or contemporaneous agreement or understanding shall be effective. Lessor and Lessee each represents and warrants to the Brokers that it has made, and is relying solely upon, its own investigation as to the nature, quality, character and financial responsibility of the other Party to this Lease and as to the use, nature, quality and character of the Premises. Brokers have no responsibility with respect thereto or with respect to any default or breach hereof by either Party.

23. **Notices.**

23.1 **Notice Requirements.** All notices required or permitted by this Lease or applicable law shall be in writing and may be delivered in person (by hand or by courier) or may be sent by regular, certified or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by facsimile transmission, and shall be deemed sufficiently given if served in a manner specified in this Paragraph 23. The addresses noted adjacent to a Party's signature on this Lease shall be that Party's address for delivery or mailing of notices. Either

Party may by written notice to the other specify a different address for notice, except that upon Lessee's taking possession of the Premises, the Premises shall constitute Lessee's address for notice. A copy of all notices to Lessor shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to time hereafter designate in writing.

23.2 **Date of** Notice. Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. If sent by regular mail the notice shall be deemed given 72 hours after the same is addressed as required herein and mailed with postage prepaid. Notices delivered by United States Express Mail or overnight courier that guarantees next day delivery shall be deemed given 24 hours after delivery of the same to the Postal Service or courier. Notices transmitted by facsimile transmission or similar means shall be deemed delivered upon telephone confirmation of receipt (confirmation report from fax machine is sufficient), provided a copy is also delivered via delivery or mail. If notice is received on a Saturday, Sunday or legal holiday, it shall be

(a) No waiver by Lessor of the Default or Breach of any term, covenant or condition hereof by Lessee, shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent Default or Breach by Lessee of the same or of any other term, covenant or condition hereof. Lessor's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Lessor's consent to, or approval of, any subsequent or similar act by Lessee, or be construed as the basis of an estoppel to enforce the provision or provisions of this Lease requiring such consent.

(b) The acceptance of Rent by Lessor shall not be a waiver of any Default or Breach by Lessee. Any payment by Lessee may be accepted by Lessor on account of monies or damages due Lessor, notwithstanding any qualifying statements or conditions made by Lessee in connection therewith, which such statements and/or conditions shall be of no force or effect whatsoever unless specifically agreed to in writing by Lessor at or before the time of deposit of such payment.

(c) THE PARTIES AGREE THAT THE TERMS OF THIS LEASE SHALL GOVERN WITH REGARD TO ALL MATTERS RELATED THERETO AND HEREBY WAIVE THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE TO THE EXTENT THAT SUCH STATUTE IS INCONSISTENT WITH THIS LEASE.

25. **Disclosures Regarding The Nature of a Real Estate Agency Relationship.**

(a) When entering into a discussion with a real estate agent regarding a real estate transaction, a Lessor or Lessee should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction. Lessor and Lessee acknowledge being advised by the Brokers in this transaction, as follows:

(i) *Lessor's Agent*. A Lessor's agent under a listing agreement with the Lessor acts as the agent for the Lessor only. A Lessor's agent or subagent has the following affirmative obligations: *To the Lessor*: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessor. *To the Lessee and the Lessor*: a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(ii) *Lessee's Agent*. An agent can agree to act as agent for the Lessee only. In these situations, the agent is not the Lessor's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Lessor. An agent acting only for a Lessee has the following affirmative obligations. *To the Lessee*: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessee. *To the Lessee and the Lessor:* a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(iii) *Agent Representing Both Lessor and Lessee*. A real estate agent, either acting directly or through one or more associate licenses, can legally be the agent of both the Lessor and the Lessee in a transaction, but only with the knowledge and consent of both the Lessor and the Lessee. In a dual agency situation, the agent has the following affirmative obligations to both the Lessor and the Lessee: a. A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Lessor or the Lessee. b. Other duties to the Lessor and the Lessee as stated above in subparagraphs (i) or (ii). In representing both Lessor and Lessee, the agent may not without the express permission of the respective Party, disclose to the other Party that the Lessor will accept rent in an amount less than that indicated in the listing or that the Lessee is willing to pay a higher rent than that offered. The above duties of the agent in a real estate transaction do not relieve a Lessor or Lessee from the responsibility to protect their own interests. Lessor and Lessee should carefully read all agreements to assure that they adequately express their understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

(b) Brokers have no responsibility with respect to any default or breach hereof by either Party. The Parties agree that no lawsuit or other legal proceeding involving any breach of duty, error or omission relating to this Lease may be brought against Broker more than one year after the Start Date and that the liability (including court costs and attorneys' fees), of any Broker with respect to any such lawsuit and/or legal proceeding shall not exceed the fee received by such Broker pursuant to this Lease; provided, however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker.

(c) Lessor and Lessee agree to identify to Brokers as "Confidential" any communication or information given Brokers that is considered by such Party to be confidential.

26. **No Right To Holdover.** Lessee has no right to retain possession of the Premises or any part thereof beyond the expiration or termination of this Lease. In the event that Lessee holds over, then the Base Rent shall be increased to 150% of the Base Rent applicable immediately preceding the expiration or termination. Nothing contained herein shall be construed as consent by Lessor to any holding over by Lessee.

27. **Cumulative Remedies.** No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

28. **Covenants and Conditions; Construction of Agreement.** All provisions of this Lease to be observed or performed by Lessee are both covenants and conditions. In construing this Lease, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Lease. Whenever required by the context, the singular shall include the plural and vice versa. This Lease shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

29. **Binding Effect; Choice of Law.** This Lease shall be binding upon the parties, their personal representatives, successors and assigns and be governed by the laws of the State in which the Premises are located. Any litigation between the Parties hereto concerning this Lease shall be initiated in the county in which the Premises are located.

30. **Subordination; Attornment; Non-Disturbance.**

30.1 **Subordination**. This Lease and any Option granted hereby shall be subject and subordinate to any ground lease, mortgage, deed of trust, or other hypothecation or security device (collectively, **"Security Device"**), now or hereafter placed upon the Premises, to any and all advances made on the security thereof, and to all renewals, modifications, and extensions thereof. Lessee agrees that the holders of any such Security Devices (in this Lease together referred to as **"Lender"**) shall have no liability or obligation to perform any of the obligations of Lessor under this Lease. Any Lender may elect to have this Lease and/or any Option granted hereby superior to the lien of its Security Device by giving written notice thereof to Lessee, whereupon this Lease and such Options shall be deemed prior to such Security Device, notwithstanding the relative dates of the documentation or recordation thereof.

30.2 **Attornment**. In the event that Lessor transfers title to the Premises, or the Premises are acquired by another upon the foreclosure or termination of a Security Device to which this Lease is subordinated (i) Lessee shall, subject to the non-disturbance provisions of Paragraph 30.3, attorn to such new owner, and upon request, enter into a new lease, containing all of the terms and provisions of this Lease, with such new owner for the remainder of the term hereof, or, at the election of the new owner, this Lease will automatically become a new lease between Lessee and such new owner, and (ii) Lessor shall thereafter be relieved of any further obligations hereunder and such new owner shall assume all of Lessor's obligations, except that such new owner shall not: (a) be liable for any act or omission of any prior lessor or with respect to events occurring prior to acquisition of

30.3 **Non-Disturbance.** With respect to Security Devices entered into by Lessor after the execution of this Lease, Lessee's subordination of this Lease shall be subject to receiving a commercially reasonable non-disturbance agreement (a **"Non-Disturbance Agreement"**) from the Lender which Non-Disturbance Agreement provides that Lessee's possession of the Premises, and this Lease, including any options to extend the term hereof, will not be disturbed so long as Lessee is not in Breach hereof and attorns to the record owner of the Premises. Further, within 60 days after the execution of this Lease, Lessor shall, if requested by Lessee, use its commercially reasonable efforts to obtain a Non-Disturbance Agreement from the holder of any pre-existing Security Device which is secured by the Premises. In the event that Lessor is unable to provide the Non-Disturbance Agreement within said 60 days, then Lessee may, at Lessee's option, directly contact Lender and attempt to negotiate for the execution and delivery of a Non-Disturbance Agreement.

30.4 **Self-Executing.** The agreements contained in this Paragraph 30 shall be effective without the execution of any further documents; provided, however, that, upon written request from Lessor or a Lender in connection with a sale, financing or refinancing of the Premises, Lessee and Lessor shall execute such further writings as may be reasonably required to separately document any subordination, attornment and/or Non-Disturbance Agreement provided for herein.

31. **Attorneys' Fees.** If any Party or Broker brings an action or proceeding involving the Premises whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term, **"Prevailing Party"** shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. In addition, Lessor shall be entitled to attorneys' fees, costs and expenses incurred in the preparation and service of notices of Default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such Default or resulting Breach ($200 is a reasonable minimum per occurrence for such services and consultation).

32. **Lessor's Access; Showing Premises; Repairs.** Showing Premises; Repairs. Lessor and Lessor's agents shall have the right to enter the Premises at any time, in the case of an emergency, and otherwise at reasonable times after reasonable prior notice for the purpose of showing the same to prospective purchasers, lenders, or tenants, and making such alterations, repairs, improvements or additions to the Premises as Lessor may deem necessary or desirable and the erecting, using and maintaining of utilities, services, pipes and conduits through the Premises and/or other premises as long as there is no material adverse effect on Lessee's use of the Premises. All such activities shall be without abatement of rent or liability to Lessee.

33. **Auctions.** Lessee shall not conduct, nor permit to be conducted, any auction upon the Premises without Lessor's prior written consent. Lessor shall not be obligated to exercise any standard of reasonableness in determining whether to permit an auction.

34. **Signs.** Lessor may place on the Premises ordinary "For Sale" signs at any time and ordinary "For Lease" signs during the last 6 months of the term hereof. Except for ordinary "For Sublease" signs which may be placed only on the Premises, Lessee shall not place any sign upon the Project without Lessor's prior written consent. All signs must comply with all Applicable Requirements.

35. **Termination; Merger.** Unless specifically stated otherwise in writing by Lessor, the voluntary or other surrender of this Lease by Lessee, the mutual termination or cancellation hereof, or a termination hereof by Lessor for Breach by Lessee, shall automatically terminate any sublease or lesser estate in the Premises; provided, however, that Lessor may elect to continue any one or all existing subtenancies. Lessor's failure within 10 days following any such event to elect to the contrary by written notice to the holder of any such lesser interest, shall constitute Lessor's election to have such event constitute the termination of such interest.

36. **Consents.** Except as otherwise provided herein, wherever in this Lease the consent of a Party is required to an act by or for the other Party, such consent shall not be unreasonably withheld or delayed. Lessor's actual reasonable costs and expenses (including but not limited to architects', attorneys', engineers' and other consultants' fees) incurred in the consideration of, or response to, a request by Lessee for any Lessor consent, including but not limited to consents to an assignment, a subletting or the presence or use of a Hazardous Substance, shall be paid by Lessee upon receipt of an invoice and supporting documentation therefor. Lessor's consent to any act, assignment or subletting shall not constitute an acknowledgment that no Default or Breach by Lessee of this Lease exists, nor shall such consent be deemed a waiver of any then existing Default or Breach, except as may be otherwise specifically stated in writing by Lessor at the time of such consent. The failure to specify herein any particular condition to Lessor's consent shall not preclude the imposition by Lessor at the time of consent of such further or other conditions as are then reasonable with reference to the particular matter for which consent is being given. In the event that either Party disagrees with any determination made by the other hereunder and reasonably requests the reasons for such determination, the determining party shall furnish its reasons in writing and in reasonable detail within 10 business days following such request.

37. **Guarantor.**

37.1 **Execution.** The Guarantors, if any, shall each execute a guaranty in the form most recently published by the AIR Commercial Real Estate Association.

37.2 **Default.** It shall constitute a Default of the Lessee if any Guarantor fails or refuses, upon request to provide: (a) evidence of the execution of the guaranty, including the authority of the party signing on Guarantor's behalf to obligate Guarantor, and in the case of a corporate Guarantor, a certified copy of a resolution of its board of directors authorizing the making of such guaranty, (b) current financial statements, (c) an Estoppel Certificate, or (d) written confirmation that the guaranty is still in effect.

38. **Quiet Possession.** Subject to payment by Lessee of the Rent and performance of all of the covenants, conditions and provisions on Lessee's part to be observed and performed under this Lease, Lessee shall have quiet possession and quiet enjoyment of the Premises during the term hereof.

39. **Options.** If Lessee is granted any option, as defined below, then the following provisions shall apply.

39.1 **Definition. "Option"** shall mean: (a) the right to extend or reduce the term of or renew this Lease or to extend or reduce the term of or renew any lease that Lessee has on other property of Lessor; (b) the right of first refusal or first offer to lease either the Premises or other property of Lessor; (c) the right to purchase, the right of first offer to purchase or the right of first refusal to purchase the Premises or other property of Lessor.

39.2 **Options Personal To Original Lessee.** Any Option granted to Lessee in this Lease is personal to the original Lessee, and cannot be assigned or exercised by anyone other than said original Lessee and only while the original Lessee is in full possession of the Premises and, if requested by Lessor, with Lessee certifying that Lessee has no intention of thereafter assigning or subletting.

39.3 **Multiple Options.** In the event that Lessee has any multiple Options to extend or renew this Lease, a later Option cannot be exercised unless the prior Options have been validly exercised.

39.4 **Effect of Default on Options.**

(a) Lessee shall have no right to exercise an Option: (i) during the period commencing with the giving of any notice of Default and continuing until said Default is cured, (ii) during the period of time any Rent is unpaid (without regard to whether notice thereof is given Lessee), (iii) during the time Lessee is in Breach of this Lease, or (iv) in the event that Lessee has been given 3 or more notices of separate Default, whether or not

exercise an Option because of the provisions of Paragraph 39.4(a).

(c) An Option shall terminate and be of no further force or effect, notwithstanding Lessee's due and timely exercise of the Option, if, after such exercise and prior to the commencement of the extended term or completion of the purchase, (i) Lessee fails to pay Rent for a period of 30 days after such Rent becomes due (without any necessity of Lessor to give notice thereof), or (ii) if Lessee commits a Breach of this Lease.

40. **Security Measures.** Lessee hereby acknowledges that the Rent payable to Lessor hereunder does not include the cost of guard service or other security measures, and that Lessor shall have no obligation whatsoever to provide same. Lessee assumes all responsibility for the protection of the Premises, Lessee, its agents and invitees and their property from the acts of third parties.

41. **Reservations.** Lessor reserves the right: (i) to grant, without the consent or joinder of Lessee, such easements, rights and dedications that Lessor deems necessary, (ii) to cause the recordation of parcel maps and restrictions, and (iii) to create and/or install new utility raceways, so long as such easements, rights, dedications, maps, restrictions, and utility raceways do not unreasonably interfere with the use of the Premises by Lessee. Lessee agrees to sign any documents reasonably requested by Lessor to effectuate such rights.

42. **Performance Under Protest.** If at any time a dispute shall arise as to any amount or sum of money to be paid by one Party to the other under the provisions hereof, the Party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" and such payment shall not be regarded as a voluntary payment and there shall survive the right on the part of said Party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said Party to pay such sum or any part thereof, said Party shall be entitled to recover such sum or so much thereof as it was not legally required to pay. A Party who does not initiate suit for the recovery of sums paid "under protest" within 6 months shall be deemed to have waived its right to protest such payment.

43. **Authority; Multiple Parties; Execution.**

(a) If either Party hereto is a corporation, trust, limited liability company, partnership, or similar entity, each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on its behalf. Each Party shall, within 30 days after request, deliver to the other Party satisfactory evidence of such authority.

(b) If this Lease is executed by more than one person or entity as "Lessee", each such person or entity shall be jointly and severally liable hereunder. It is agreed that any one of the named Lessees shall be empowered to execute any amendment to this Lease, or other document ancillary thereto and bind all of the named Lessees, and Lessor may rely on the same as if all of the named Lessees had executed such document.

(c) This Lease may be executed by the Parties in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

44. **Conflict.** Any conflict between the printed provisions of this Lease and the typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions.

45. **Offer.** Preparation of this Lease by either party or their agent and submission of same to the other Party shall not be deemed an offer to lease to the other Party. This Lease is not intended to be binding until executed and delivered by all Parties hereto.

46. **Amendments.** This Lease may be modified only in writing, signed by the Parties in interest at the time of the modification. As long as they do not materially change Lessee's obligations hereunder, Lessee agrees to make such reasonable non-monetary modifications to this Lease as may be reasonably required by a Lender in connection with the obtaining of normal financing or refinancing of the Premises.

47. **Waiver of Jury Trial. THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING INVOLVING THE PROPERTY OR ARISING OUT OF THIS AGREEMENT.** IN THE EVENT THE PARTIES TO THIS LEASE ARE NOT ABLE TO RESOLVE A DISPUTE, THEY AGREE TO ENGAGE IN GOOD FAITH MEDIATION TO RESOLVE THE DISPUTE. EACH PARTY SHALL BE RESPONSIBLE FOR ITS OWN COSTS AND EXPENSES. IF THE DISPUTE REMAINS UNRESOLVED AFTER MEDIATION, THEN EITHER PARTY MAY ELECT TO LITIGATE THE DISPUTE AND THE PREVAILING PARTY SHALL BE ENTITLED TO ITS REASONABLE ATTORNEY'S FEES.

48. **Arbitration of Disputes.** An Addendum requiring the Arbitration of all disputes between the Parties and/or Brokers arising out of this Lease ☐ is ☒ is not attached to this Lease.

49. **Accessibility; Americans with Disabilities Act.**

(a) The Premises: ☒ have not undergone an inspection by a Certified Access Specialist (CASp). ☐ have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises met all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq. ☐ have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises did not meet all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq.

(b) Since compliance with the Americans with Disabilities Act (ADA) is dependent upon Lessee's specific use of the Premises, Lessor makes no warranty or representation as to whether or not the Premises comply with ADA or any similar legislation. In the event that Lessee's use of the Premises requires modifications or additions to the Premises in order to be in ADA compliance, Lessee agrees to make any such necessary modifications and/or additions at Lessee's expense.

50. The following documents are attached hereto and shall become part of this Agreement:

Addendum

Option To Extend

Property lnformation Sheet

Disclosure for Lease

Site Plan Depicting temporary Construction Easement and Permanent Easement

LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN, AND BY THE EXECUTION OF THIS LEASE SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALLY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES.

ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY THE AIR COMMERCIAL REAL ESTATE ASSOCIATION OR BY ANY BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS LEASE OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS LEASE.

2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PREMISES. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING OF THE PREMISES, THE STRUCTURAL INTEGRITY, THE CONDITION OF THE ROOF AND OPERATING SYSTEMS, COMPLIANCE WITH THE

WARNING: IF THE PREMISES ARE LOCATED IN A STATE OTHER THAN CALIFORNIA, CERTAIN PROVISIONS OF THE LEASE MAY NEED TO BE REVISED TO COMPLY WITH THE LAWS OF THE STATE IN WHICH THE PREMISES ARE LOCATED.

The parties hereto have executed this Lease at the place and on the dates specified above their respective signatures.

Executed at:	950 S Hatcher Ave, City of Industry	Executed:	No, Hollywood, CA 91605
On:	03/17/14 CA 91748	On:	03/14/14
By LESSOR:		**By LESSEE:**	
LTG Property, LLC		Dumpling Delight, LLC	
By:	*/s/ Lester Gao*	By:	*/s/ Alexander Meseonznik*
Name Printed:	Lester Gao	Name Printed:	Alexander Meseonznik
Title:	President	Title:	V.P.
By:		By:	
Name Printed:		Name Printed:	Mikhail Cheban
Title:		Title:	President
Address:	950 S Hatcher Ave	Address:	10703 Vanowen St
	City of Industry, CA 91748		No. Hollywood, CA 91605
Telephone:	[***]	Telephone:	[***]
Facsimile:	[***]	Facsimile:	[***]
Email:	[***]	Email:	[***]
Email:		Email:	
Federal ID No:		Federal ID No:	
BROKER:		**BROKER:**	
Lee & Associates® – Industry, Inc		Colliers International	
Corporate ID 01125429			
Att:	Steve Coulter / Patrick Bogan	Att:	Jeffrey Kim
Title:	S.V.P. / S.V.P.	Title:	Associate
Address:	13181 Crossroads Parkway N., #300	Address:	17800 Castleton Street, Suite 158
	City of Industry, California 91746		City of Industry, California 91748
Telephone:	[***]	Telephone:	[***]
Facsimile:	[***]	Facsimile:	( )
Email:	[***]	Email:	[***]
Federal ID No.		Federal ID No.	
Broker/Agent BRE License #: 01229849 / 01215727		Broker/Agent BRE License #: 01814427	

NOTICE: These forms are often modified to meet changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most current form: AIR Commercial Real Estate Association, 500 N Brand Blvd, Suite 900, Glendale, CA 91203. Telephone No. (213) 687-8777. Fax No.: (213) 687-8616.

ADDENDUM

Date: March 12, 2014

By and Between (Lessor) LTG Property, LLC

(Lessee) Dumpling Delight, LLC

Address of Premises: 18901 Railroad Street
City of Industry, California 91748

Paragraph 51 – 53

In the event of any conflict between the provisions of this Addendum and the printed provisions of the Lease, this Addendum shall control.

51. Rent Schedule: **April 1, 2014 - June 30, 2014: Free of Base Rent**
July 1, 2014 - March 31, 2015: $25,000.00 per month Gross
April 1, 2015 - March 31, 2016: $26,420.00 per month Gross
April 1, 2016 - March 31, 2017: $27,212.00 per month Gross
April 1, 2017 - March 31, 2018: $28,028.00 per month Gross
April 1, 2018 - June 30, 2019: $28,870.00 per month Gross

Tenant shall pay a CAM charge that is currently estimated at $0.02 psf, per month.

52. Alameda Corridor Construction: **The Alameda Corridor Construction includes the taking of a small portion of the subject property, the relocation/modification of existing access to the property and inconveniences caused by or resulting from related construction activities in the immediate vicinity. Please see the attached site plane depicting the temporary construction easement and permanent easement. Nogales Street access via Railroad Street will be permanently terminated in March 2014.**

53. Tenant Improvements: **Tenant, at Tenant sole cost and expense, shall have the right to reconfigure the existing office space subject to Landlord's approval. Tenant may also install a food production facility, cooler and freezer, which will be on top of the existing warehouse slab in the warehouse with Landlord's written consent which shall not be unreasonably withheld. Tenant shall provide a construction plan for Landlord's review. Upon the lease expiration and at Landlord's request, Tenant shall be required to restore the warehouse to its original condition.**

OPTION(S) TO EXTEND
STANDARD LEASE ADDENDUM

Dated March 12, 2014

By and Between (Lessor) LTG Property, LLC

By and Between (Lessee) Dumpling Delight, LLC

Address of Premises: 18901 Railroad Street
City of Industry, California 91748

Paragraph 54

A. OPTION(S) TO EXTEND:

Lessor hereby grants to Lessee the option to extend the term of this Lease for two (2) additional sixty (60) month period(s) commencing when the prior term expires upon each and all of the following terms and conditions:

(i) In order to exercise an option to extend, Lessee must give written notice of such election to Lessor and Lessor must receive the same at least 4 but not more than _____ months prior to the date that the option period would commence, time being of the essence. If proper notification of the exercise of an option is not given and/or received, such option shall automatically expire. Options (if there are more than one) may only be exercised consecutively.

(ii) The provisions of paragraph 39, including those relating to Lessee's Default set forth in paragraph 39.4 of this Lease, are conditions of this Option.

(iii) Except for the provisions of this Lease granting an option or options to extend the term, all of the terms and conditions of this Lease except where specifically modified by this option shall apply.

(iv) This Option is personal to the original Lessee, and cannot be assigned or exercised by anyone other than said original Lessee and only while the original Lessee is in full possession of the Premises and without the intention of thereafter assigning or subletting.

(v) The monthly rent for each month of the option period shall be calculated as follows, using the method(s) indicated below: (Check Method(s) to be Used and Fill in Appropriately)

☐ **I. Cost of Living Adjustment(s) (COLA)**

a. On (Fill in COLA Dates): _____

the Base Rent shall be adjusted by the change, if any, from the Base Month specified below, in the Consumer Price Index of the Bureau of Labor Statistics of the U.S. Department of Labor for (select one): ☐ CPI W (Urban Wage Earners and Clerical Workers) or ☐ CPI U (All Urban Consumers), for (Fill in Urban Area):

All Items (1982-1984 = 100), herein referred to as "CPI".

b. The monthly rent payable in accordance with paragraph A.I.a. of this Addendum shall be calculated as follows: the Base Rent set forth in paragraph 1.5 of the attached Lease, shall be multiplied by a fraction the numerator of which shall be the CPI of the calendar month 2 months prior to the month(s) specified in paragraph A.I.a. above during which the adjustment is to take effect, and the denominator of which shall be the CPI of the calendar month which is 2 months prior to (select one): ☐ the first month of the term of this Lease as set forth in paragraph 1.3 ("Base Month") or ☐ (Fill in Other "Base Month"):

The sum so calculated shall constitute the new monthly rent hereunder, but in no event, shall any such new monthly rent be less than the rent payable for the month immediately preceding the rent adjustment.

c. In the event the compilation and/or publication of the CPI shall be transferred to any other governmental department or bureau or agency or shall be discontinued, then the index most nearly the same as the CPI shall be used to make such calculation. In the event that the Parties cannot agree on such alternative index, then the matter shall be submitted for decision to the American Arbitration Association in accordance with the then rules of said Association and the decision of the arbitrators shall be binding upon the parties. The cost of said Arbitration shall be paid equally by the Parties.

☑ **II. Market Rental Value Adjustment(s) (MRV)**

a. On (Fill in MRV Adjustment Date(s)) July 1, 2019

the Base Rent shall be adjusted to the "Market Rental Value" of the property as follows:

1) Four months prior to each Market Rental Value Adjustment Date described above, the Parties shall attempt to agree upon what the new MRV will be on the adjustment date. If agreement cannot be reached, within thirty days, then:

(a) Lessor and Lessee shall immediately appoint a mutually acceptable appraiser or broker to establish the new MRV within the next 30 days. Any associated costs will be split equally between the Parties, or

writing, to arbitration in accordance with the following provisions:

(i) Within 15 days thereafter, Lessor and Lessee shall each select an ☐ appraiser or ☐ broker **("Consultant"** - check one) of their choice to act as an arbitrator. The two arbitrators so appointed shall immediately select a third mutually acceptable Consultant to act as a third arbitrator.

(ii) The 3 arbitrators shall within 30 days of the appointment of the third arbitrator reach a decision as to what the actual MRV for the Premises is, and whether Lessor's or Lessee's submitted MRV is the closest thereto. The decision of a majority of the arbitrators shall be binding on the Parties. The submitted MRV which is determined to be the closest to the actual MRV shall thereafter be used by the Parties.

(iii) If either of the Parties fails to appoint an arbitrator within the specified 15 days, the arbitrator timely appointed by one of them shall reach a decision on his or her own, and said decision shall be binding on the Parties.

(iv) The entire cost of such arbitration shall be paid by the party whose submitted MRV is not selected, ie. the one that is NOT the closest to the actual MRV.

2) Notwithstanding the foregoing, the new MRV shall not be less than the rent payable for the month immediately preceding the rent adjustment.

b. Upon the establishment of each New Market Rental Value:

1) the new MRV will become the new "Base Rent" for the purpose of calculating any further Adjustments, and

2) the first month of each Market Rental Value term shall become the new "Base Month" for the purpose of calculating any further Adjustments.

☐ **III. Fixed Rental Adjustment(s) (FRA)**

The Base Rent shall be increased to the following amounts on the dates set forth below:

On (Fill in FRA Adjustment Date(s)):	The New Base Rent shall be:

B. NOTICE:

Unless specified otherwise herein, notice of any rental adjustments, other than Fixed Rental Adjustments, shall be made as specified in paragraph 23 of the Lease.

C. BROKER'S FEE:

The Brokers shall be paid a Brokerage Fee for each adjustment specified above in accordance with paragraph 15 of the Lease or if applicable, paragraph 9 of the Sublease.

NOTICE: These forms are often modified to meet changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most current form: AIR Commercial Real Estate Association, 800 W 6th Street, Suite 800, Los Angeles, CA 90017. Telephone No. (213) 687-8777. Fax No.: (213) 687-8616.

PROPERTY INFORMATION SHEET
(For the sale or leasing of non-residential properties)
AIR Commercial Real Estate Association

PREFACE:

Purpose: This Statement is NOT a warranty as to the actual condition of the Property/Premises. The purpose is, instead, to provide the brokers and the potential buyer/lessee with important information about the Property/Premises which is currently in the actual knowledge of the Owner and which the Owner is required by law to disclose.

Actual Knowledge: For purposes of this Statement the phrase 'actual knowledge' means: the awareness of a fact, or the awareness of sufficient information and circumstances so as to cause one to believe that a certain situation or condition probably exists.

TO WHOM IT MAY CONCERN:

LTG Property, LLC ("**Owner**"), owns the Property/Premises commonly known by the street address of 18901 Railroad Street located in the City of Industry County of, Los Angeles, State of California, and generally described as (describe briefly the nature of the Premises or Property) that certain ± 45,000 square foot portion of a larger concrete tilt-up industrial building.

(herein after **"Property"),** and certifies that:

1. **Material Physical Defects.** Owner has no actual knowledge of any material physical defects in the Property or any improvements and structures thereon, including, but not limited to the roof, except ~~(if there are no exceptions write "NONE")~~: None

2. **Equipment.**

A. Owner has no actual knowledge that the heating, ventilating, air conditioning, plumbing, loading doors, electrical and lighting systems, life safety systems, security systems and mechanical equipment existing on the Property as of the date hereof, if any, are not in good operating order and condition, except ~~(if there are no exceptions write "NONE")~~: None

B. Owner has no actual knowledge of any leases, financing agreements, liens or other agreements affecting any equipment which is being included with the Property, except ~~(if there are no exceptions write "NONE")~~: None

3. **Soil Conditions.** Owner has no actual knowledge that the Property has any slipping, sliding, settling, flooding, ponding or any other grading, drainage or soil problems, except ~~(if there are no exceptions write "NONE")~~: None

4. **Utilities.** Owner represents and warrants that the Property is served by the following utilities (check the appropriate boxes) ☑ public sewer system and the cost of installation thereof has been fully paid, ☐ private septic system, ☑ electricity, ☐ natural gas, ☑ domestic water, ☑ telephone, and ☐ other: None

5. **Insurance.** Owner has no actual knowledge of any insurance claims filed regarding the Property during the preceding 3 years, except ~~(if there are no exceptions write "NONE")~~: None

6. **Compliance With Laws.** Owner has no actual knowledge of any aspect or condition of the Property which violates applicable laws, rules, regulations, codes, or covenants, conditions or restrictions, or of improvements or alterations made to the Property without a permit where one was required, or of any unfulfilled order or directive of any applicable government agency or of any casualty insurance company that any work of investigation, remediation, repair, maintenance or improvement is to be performed on the Property, except ~~(if there are no exceptions write "NONE")~~: None

7. **Hazardous Substances and Mold.**

A. Owner has no actual knowledge of the Property ever having been used as a waste dump, of the past or present existence of any above or below ground storage tanks on the Property, or of the current existence on the Property of asbestos, transformers containing PCB's or any

~~"NONE:")~~: None

B. Owner represents and warrants that it is not currently, and never has been engaged in the business of hauling waste, and never stored hazardous substances on the Property, except ~~(if there are no exceptions write "NONE:")~~: None

C. Owner has no actual knowledge of the existence on the Property of hazardous levels of any mold or fungi defined as toxic under applicable state or Federal law, except ~~(if there are no exceptions write "NONE:")~~: None

8. **Fire Damage.** Owner has no actual knowledge of any structure on the Property having suffered material fire damage, except ~~(if there are no exceptions write "NONE:")~~: None

9. **Actions, Suits or Proceedings**. Owner has no actual knowledge that any actions, suits or proceedings are pending or threatened before any court, arbitration tribunal, governmental department, commission, board, bureau, agency or instrumentality that would affect the Property or the right or ability of an owner or tenant to convey, occupy or utilize the Property, except ~~(if there are no exceptions write NONE:")~~: None

Owner has not served any Notices of Default on any of the tenants of the Property which have not been resolved except ~~(if there are no exceptions write NONE:")~~:

10. **Governmental Proceedings.** Owner has no actual knowledge of any existing or contemplated condemnation, environmental, zoning, redevelopment agency plan or other land use regulation proceedings which could detrimentally affect the value, use and operation of the Property, except ~~(if there are no exceptions write "NONE")~~: None

11. **Unrecorded Title Matters.** Owner has no actual knowledge of any encumbrances, covenants, conditions, restrictions, easements, licenses, liens, charges or other matters which affect the title of the Property that are not recorded in the official records of the county recorder where the Property is located, except ~~(if there are no exceptions write "NONE")~~: None

12. **Leases.** Owner has no actual knowledge of any leases, subleases or other tenancy agreements affecting the Property, except ~~(if there are no exceptions write "NONE")~~: None

13. **Options.** Owner has no actual knowledge of any options to purchase, rights of first refusal, rights of first offer or other similar agreements affecting the Property, except ~~(if there are no exceptions write "NONE")~~:

14. **Short Sale/Foreclosure**. The ability of the Owner to complete a sale of the Property ☐ is contingent ☐ is not contingent upon obtaining the consent of one or more lenders to conduct a 'short sale', ie. a sale for less that the amount owing on the Property. (This paragraph only needs to be completed if this Property Information Sheet is being completed in connection with the proposed sale of the Property) One or more of any loans secured by the Property ☐ is ☐ is not in foreclosure.

15. **Energy Efficiency**. The Property ☐ has ☑ has not been granted an energy efficiency rating or certification such as one from the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) or ☐ Seller/Lessor does not know if the Property has been granted such a rating or certificate. If such a rating or certification has been obtained please describe the rating or certification and provide the name of the organization that granted it:

16. **Other.** (It will be presumed that there are no additional items which warrant disclosure unless they are set forth herein):

facts concerning the Property. To the extent such modifications are not made, this statement may be relied upon as printed. This statement, however, shall not relieve a buyer or lessee of responsibility for independent investigation of the Property. Owner agrees to promptly notify, in writing, all appropriate parties of any material changes which may occur in the statements contained herein from the date this statement is signed until title to the Property is transferred, or the lease is executed.

OWNER HAS READ ALL THE ABOVE STATEMENTS.

Date: March 17 , 2014
(Fill in date of execution)

"OWNER"/"LESSOR"

LTG Property, LLC

By: */s/ Lester Gao*
Name Printed: Lester Gao
Title: President

Buyer/lessee hereby acknowledges receipt of a copy of this Property Information Sheet on _____
(Fill in date received)

"BUYER"/"LESSEE"

Dumpling Delight, LLC

By: */s/ Alexander Meseonznik*
Name Printed:
Title: V.P
By: */s/ Mikhail Cheban*
Name Printed: Mikhail Cheban
Title: President

NOTICE: These forms are often modified to meet changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most current form: AIR Commercial Real Estate Association, 500 N Brand Blvd, Suite 900, Glendale, CA 91203.
Telephone No. (213) 687-8777. Fax No.: (213) 687-8616.

PREMISES: **18901 RAILROAD STREET, CITY OF INDUSTRY, CALIFORNIA 91748** **(the "Premises")**

1. **LEGAL EFFECT.** Upon acceptance of a binding Lease ("Lease"), Lessor and Lessee both intend to have a binding legal agreement for the leasing of the Premises on the terms and conditions set forth therein. Lessor and Lessee acknowledge that Broker (as defined in the Lease) is not qualified to practice law or authorized to give legal advice or counsel as to any legal matters affecting the Lease. Broker hereby advises Lessor and Lessee to consult with their respective attorneys in connection with any questions each may have as to legal ramifications or effects of this Lease, prior to its execution.

2. **FORM OF LEASE.** The Lease is a standard form document. Broker has, at the direction of Lessor and/or Lessee, merely "filled in the blanks" based on prior discussions and/or correspondence of the parties. Lessor and Lessee each acknowledge that the Lease is delivered subject to the express condition that Broker has merely followed the instructions of the parties in preparing this document and does not assume any responsibility for its accuracy, completeness or form. Lessor and Lessee acknowledge and understand that in providing the Lease, Broker has acted to expedite this transaction on behalf of Lessor and/or Lessee and has functioned within the scope of professional ethics by doing so.

3. **CONCURRENT OFFERS. Lessee and Lessor acknowledge and consent that Broker may represent concurrent and/or competing offers with regard to the purchase or lease of the Premises from one or more prospective buyers or lessees without further notice.**

4. **NO INDEPENDENT INVESTIGATION. Lessor and Lessee acknowledge and understand that any financial statements, information, reports or written materials of any nature whatsoever, as provided by the parties to Broker, and thereafter submitted by Broker to either Lessor and/or Lessee, are so provided without any Independent Investigation by Broker, and as such Broker assumes no responsibility or liability for the accuracy or validity of the same. Any verification of such submitted documents is solely and completely the responsibility of the party to whom such documents have been submitted.**

5. **NO WARRANTY.** Lessor and Lessee acknowledge and understand that no warranties, recommendations or representations are or will be made by the Broker as to the accuracy, the legal sufficiency, the legal effect or the tax consequences of any of the documents submitted by Broker to Lessor and/or Lessee, or of the legal sufficiency, legal effect or tax consequences of the transactions contemplated thereby. Furthermore, Lessor and Lessee acknowledge and understand that Broker has made no representations or warranties concerning the ability of the Lessee to use the Premises as intended, the sufficiency or adequacy of the Premises for the intended use or any other matter regarding the Premises, and the parties are relying solely on their own investigations in executing the Lease.

6. **NOTICE REGARDING HAZARDOUS WASTES OR SUBSTANCES AND UNDERGROUND STORAGE TANKS.** Although Broker will disclose any actual knowledge it possesses with respect to the existence of any hazardous wastes, substances or underground storage tanks at the Premises, Broker has not made any independent investigations or obtained reports with respect thereto, except as may be described in a separate written document signed by Broker. All parties hereto acknowledge and understand that Broker makes no representations or warranties regarding the existence or nonexistence of hazardous wastes, substances or underground storage tanks at the Premises. Lessor and Lessee acknowledge that Broker has recommended that they should each contact one or more professionals, such as a civil engineer, geologist, industrial hygienist or other environmental consultants, for advice concerning the existence of hazardous wastes, substances or underground storage tanks.

7. **DISCLOSURE RESPECTING AMERICANS WITH DISABILITIES ACT.** The Americans with Disabilities Act, as well as certain state and local laws, are intended to make many business establishments equally accessible to persons with a variety of disabilities; modifications to real property may be required by such laws. Broker is not qualified to advise you as to what, if any, changes may be required now or in the future. The undersigned acknowledge that Broker has recommended that they consult attorneys and qualified design professionals for information regarding whether the Premises are in compliance with applicable law and/or whether modifications and changes are required.

8. **CORPORATE SIGNATURES.** Although there is a presumption under California law that the signature of a corporate president is adequate to bind the corporation, a California Court of Appeals in a 1998 case allowed a party to rebut the normal presumption. Therefore, if either of the parties to the Lease is a corporation, it is advisable: (i) that the Lease be signed by <u>two</u> officers of the corporation, i.e. the president or vice president and the secretary or chief financial officer (note: one individual signing in both the capacity of president and as secretary may not be sufficient), or (ii) that the corporation provide a duly executed corporate resolution authorizing the transaction.

9. **USE AND OCCUPANCY DISCLOSURE.** Broker recommends that Lessee hire qualified contractor(s), consultant(s) or other professional(s) to confirm and verify that the physical characteristics of the Property (including, but not limited to, building, office and land sizes, fire sprinkler capacity, electrical power and all utilities, ceiling clear height, loading door sizes and quantity, railroad service, parking spaces, heating/cooling systems, type of construction, restroom(s) number and size, year built of improvements) are to Lessee's satisfaction, and that they are adequate to accommodate Lessee's intended use. Broker also recommends that Lessee hire qualified professionals to confirm with applicable governmental agencies that the use and the zoning of the Property are acceptable for Lessee's intended use, and that Lessee will be able to obtain all permits, licenses and other approvals necessary for the intended use.

10. **SEISMIC REINFORCEMENT DISCLOSURE.** Some cities and counties have established or may be establishing minimum standards for structural seismic resistance for certain buildings constructed prior to 1933, 1976 and possibly other dates. Some structures will be required to comply with various standards set forth by the appropriate governmental agencies. Broker is not qualified to advise you as to what, if any, changes may be required now or in the future. The undersigned acknowledge that Broker has recommended that they consult a qualified architect, attorney or other consultant for information regarding this matter.

11. **MOLD DISCLOSURE.** Toxic or other molds may be present within a property in concentrations that may pose a threat to the health of humans. Toxic or other dangerous molds may or may not be visible or apparent to a potential user of the Property. In order to ascertain the nature and extent of toxic or other molds present in a property, it is necessary to conduct testing using qualified environmental expert specializing in mold inspection and analysis. Broker advises Lessee to retain the services of an environmental testing expert for this purpose.

12. **DISCLOSURE REGARDING CITY ORDINANCES.** Some cities have enacted ordinances which provide, among other matters, for car and truck parking restrictions and regulations, truck loading area requirements and maximum building sizes that can be utilized for a particular use. Additionally, some cities have imposed special taxes, such as the City of Vernon, for warehouse or partial warehouse uses. All of these restrictions and/or regulations are varied from city to city, and they are constantly changing. Broker is not qualified to advise you whether the Premises (and/or any related property) or the proposed use thereof complies with these, or any other ordinances, or whether the Premises (and/or any related property) might in the future violate these, or any other ordinances, nor is Broker qualified to

advise you as to the impact thereof. Broker recommends that each party carefully review all applicable codes, regulations and ordinances affecting the Premises, and consult with their attorneys, consultants, engineers and contractors to determine whether the Premises (and/or any related property) and the proposed use is and in the future will be in compliance with same.

13. **DISCLOSURE REGARDING INSPECTION BY CERTIFIED ACCESS SPECIALIST.** The State of California requires that property owners or lessors state on every lease whether the property being leased or rented has undergone inspection by a Certified Access Specialist (CASp), and, if so, whether the property has or has not been determined to meet all applicable construction-related accessibility standards pursuant to California Civil Code section 55.53. The Lessor and Lessee acknowledge that Broker has made no representation or warranties concerning whether the Premises has or has not undergone a CASp inspection, or whether the property has not been determined to meet all applicable construction-related accessibility standards pursuant to California Civil Code section 55.53. The undersigned acknowledge that Broker has recommended that they consult their attorneys and qualified design professionals for information regarding the legal effect or consequence of the Lessor's CASp inspection disclosure, and whether modifications and/or changes to the Premises are required.

Lessor and Lessee acknowledge that Broker has made no representations with respect to the enforceability or continued enforceability of any Lease in the event of a foreclosure on the Property. Broker recommends that Lessor and/or Lessee consult with an attorney to determine the effect of a foreclosure on any Lease and specifically the advisability of entering into a subordination, non-disturbance and attornment agreement in connection with any Lease of the Property.

The undersigned acknowledge that they have received and read the above Disclosure.

Dated: 03/17/14

LESSOR: **LTG PROPERTY, LLC**
Lester Gao

BY: */s/ Lester Gao*

Dated: 03/14/14

LESSEE: **DUMPLING DELIGHT, LLC**.
Alexander Meseonznik

BY: */s/ Mikhail Cheban /s/ Alexander Meseonznik*

AIR COMMERCIAL REAL ESTATE ASSOCIATION

GUARANTY OF LEASE

WHEREAS, LTG Property , LLC, hereinafter "Lessor", and Dumpling Delight, LLC, hereinafter "Lessee", are about to execute a document entitled "Lease" dated March 11, 2014 concerning the premises commonly known as 18901 Railroad Street, City of Industry, California 91748 wherein Lessor will lease the premises to Lessee, and

WHEREAS, Red & White Distribution, LLC hereinafter "Guarantors" have a financial interest in Lessee, and

WHEREAS, Lessor would not execute the Lease if Guarantors did not execute and deliver to Lessor this Guaranty of Lease.

NOW THEREFORE, in consideration of the execution of said Lease by Lessor and as a material inducement to Lessor to execute said Lease, Guarantors hereby jointly, severally, unconditionally and irrevocably guarantee the prompt payment by Lessee of all rents and all other sums payable by Lessee under said Lease and the faithful and prompt performance by Lessee of each and every one of the terms, conditions and covenants of said Lease to be kept and performed by Lessee.

It is specifically agreed by Lessor and Guarantors that: (i) the terms of the foregoing Lease may be modified by agreement between Lessor and Lessee, or by a course of conduct, and (ii) said Lease may be assigned by Lessor or any assignee of Lessor without consent or notice to Guarantors and that this Guaranty shall guarantee the performance of said Lease as so modified.

This Guaranty shall not be released, modified or affected by the failure or delay on the part of Lessor to enforce any of the rights or remedies of the Lessor under said Lease.

No notice of default by Lessee under the Lease need be given by Lessor to Guarantors, it being specifically agreed that the guarantee of the undersigned is a continuing guarantee under which Lessor may proceed immediately against Lessee and/or against Guarantors following any breach or default by Lessee or for the enforcement of any rights which Lessor may have as against Lessee under the terms of the Lease or at law or in equity.

Lessor shall have the right to proceed against Guarantors following any breach or default by Lessee under the Lease without first proceeding against Lessee and without previous notice to or demand upon either Lessee or Guarantors.

Guarantors hereby waive (a) notice of acceptance of this Guaranty. (b) demand of payment, presentation and protest, (c) all right to assert or plead any statute of limitations relating to this Guaranty or the Lease, (d) any right to require the Lessor to proceed against the Lessee or any other Guarantor or any other person or entity liable to Lessor, (e) any right to require Lessor to apply to any default any security deposit or other security it may hold under the Lease, (f) any right to require Lessor to proceed under any other remedy Lessor may have before proceeding against Guarantors, (g) any right of subrogation that Guarantors may have against Lessee.

Guarantors do hereby subordinate all existing or future indebtedness of Lessee to Guarantors to the obligations owed to Lessor under the Lease and this Guaranty.

~~If a Guarantor is married, such Guarantor expressly agrees that recourse may be had against his or her separate property for all of the obligations hereunder.~~

The obligations of Lessee under the Lease to execute and deliver estoppel statements and financial statements, as therein provided, shall be deemed to also require the Guarantors to do and provide the same to Lessor. The failure of the Guarantors to provide the same to Lessor shall constitute a default under the Lease.

The term "Lessor" refers to and means the Lessor named in the Lease and also Lessor's successors and assigns. So long as Lessor's interest in the Lease, the leased premises or the rents, issues and profits therefrom, are subject to any mortgage or deed of trust or assignment for security, no acquisition by Guarantors of the Lessor's interest shall affect the continuing obligation of Guarantors under this Guaranty which shall nevertheless continue in full force and effect for the benefit of the mortgagee, beneficiary, trustee or assignee under such mortgage, deed of trust or assignment and their successors and assigns.

The term "Lessee" refers to and means the Lessee named in the Lease and also Lessee's successors and assigns.

Any recovery by Lessor from any other guarantor or insurer shall first be credited to the portion of Lessee's indebtedness to Lessor which exceeds the maximum liability of Guarantors under this Guaranty.

No provision of this Guaranty or right of the Lessor can be waived, nor can the Guarantors be released from their obligations except in writing signed by the Lessor.

Any litigation concerning this Guaranty shall be initiated in a state court of competent jurisdiction in the county in which the leased premises are located and the Guarantors consent to the jurisdiction of such court. This Guaranty shall be governed by the laws of the State in which the leased premises are located and for the purposes of any rules regarding conflicts of law the parties shall be treated as if they were all residents or domiciles of such State.

In the event any action be brought by said Lessor against Guarantors hereunder to enforce the obligation of Guarantors hereunder, the unsuccessful party in such action shall pay to the prevailing party therein a reasonable attorney's fee. The attorney's fee award shall not be computed in accordance with any court fee schedule, but shall be such as to full reimburse all attorney's fees reasonably incurred.

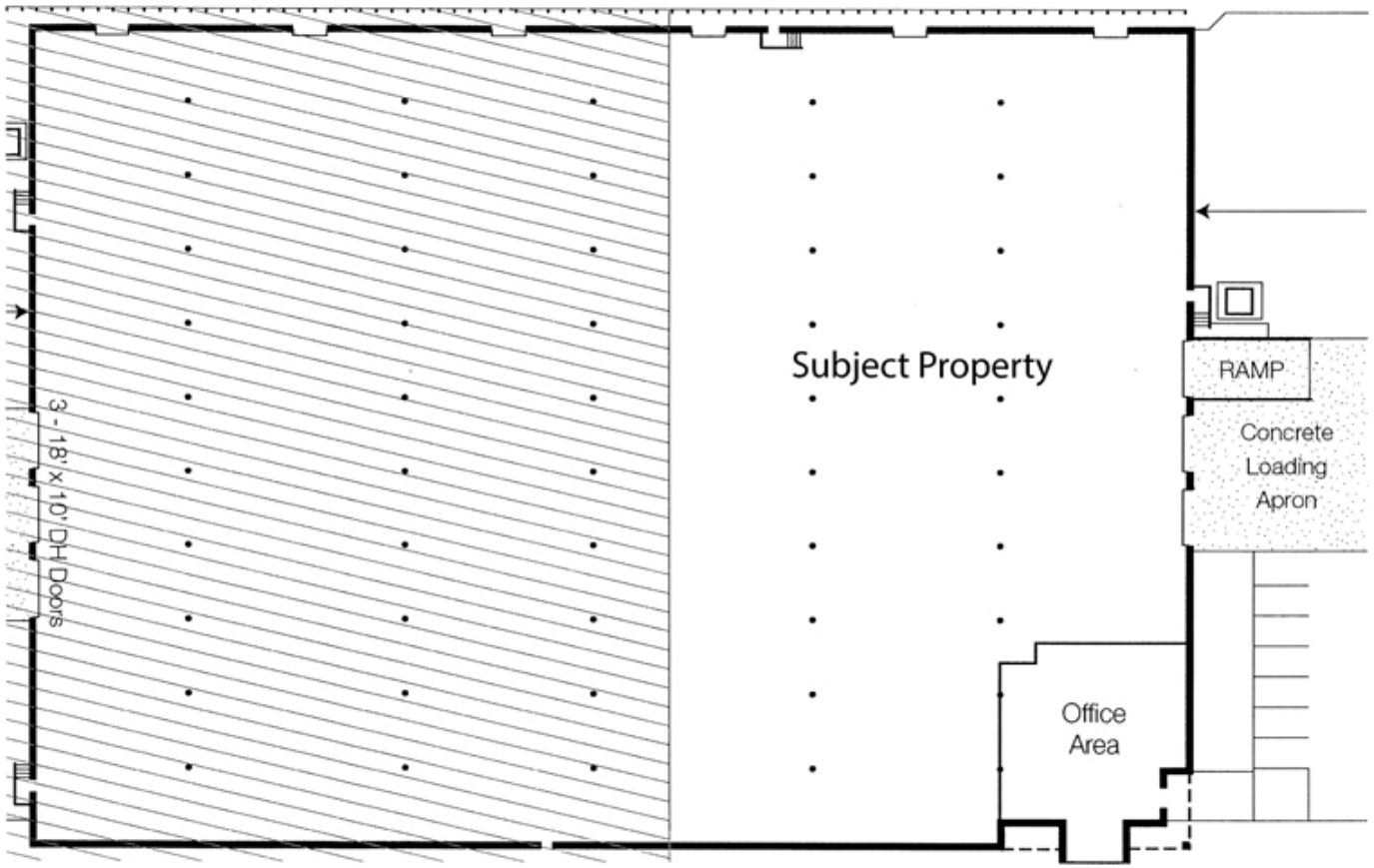
If any Guarantor is a corporation, partnership, or limited liability company, each individual executing this Guaranty on said entity's behalf represents and warrants that he or she is duly authorized to execute this Guaranty on behalf of such entity.

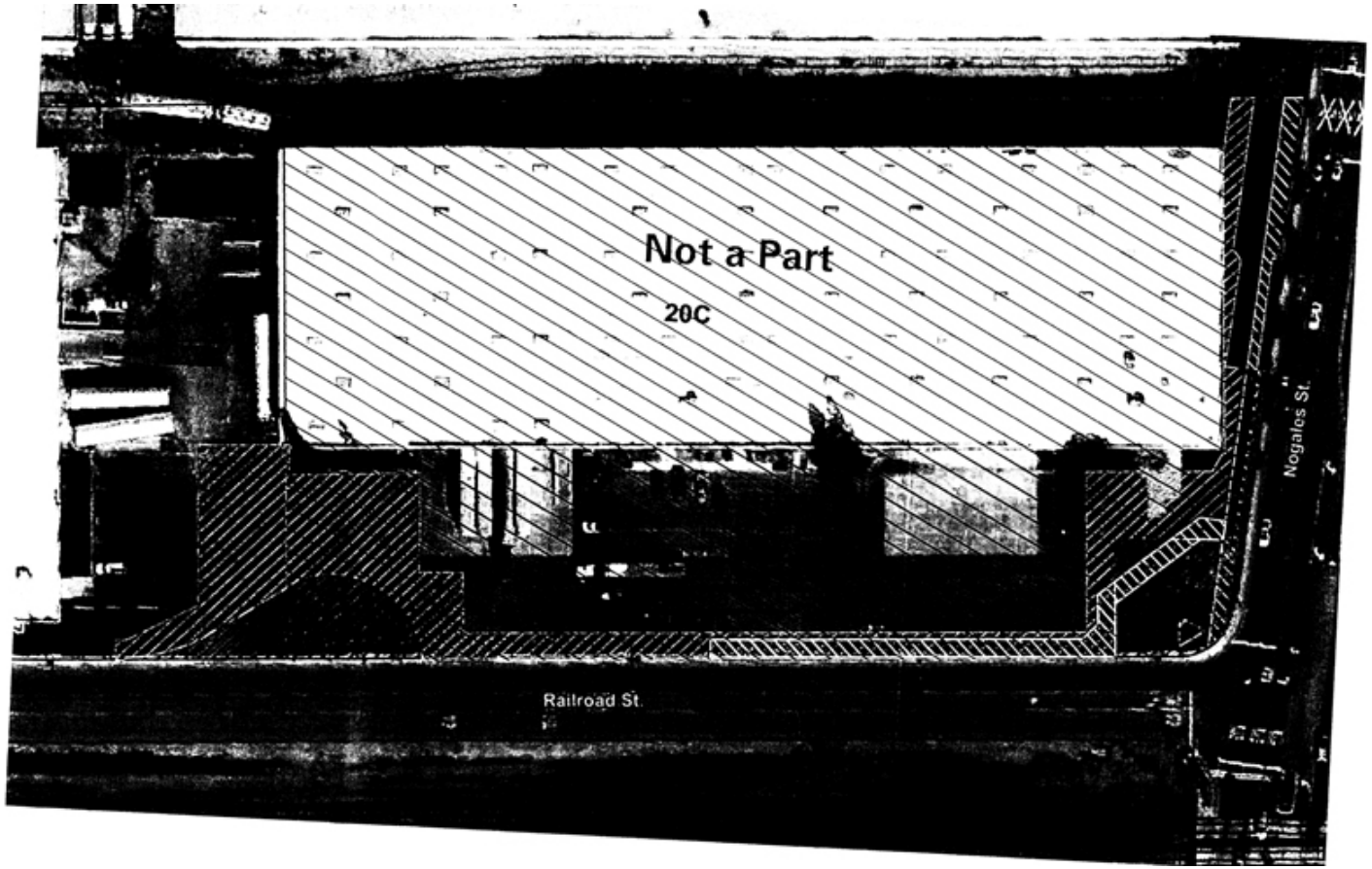
If this Form has been filled in, it has been prepared for submission to your attorney for his approval. No representation or recommendation is made by the AIR Commercial Real Estate Association, the real estate broker or its agents or employees as to the legal sufficiency, legal effect, or tax consequences of this Form or the transaction relating thereto.

Executed at: 10703 Vanowen St
on: 03/14/14
Address: North Hollywood, CA 91605

RED & White Distribution, LLC
/s/ Alexander Meseonznik VP.
/s/ Mikhail Cheban President
"GUARANTORS"

 FORM GR-2-09/06E


Subject Property
RAMP
Concrete
Loading
Apron
Office
Area
3 - 18' x 10' DH Doors


Not a Part
20C
Railroad St.
Nogales St.

SUBLEASE FOR A SINGLE SUBLESSEE

To be used if the entire space (Premises) will be subleased by a single sublessee whether or not the space (Premises) is a single tenant building or is located in a multi-tenant building.

If there will be one or more sublessees sharing the space with each other and/or the lessee, whether or not the space (Premises) is a single tenant building or is located in a multi-tenant building, use the Sublease for Multiple Tenants.

1. **Basic Provision ("Basic Provisions").**

1.1 **Parties**: This Sublease ("**Sublease**"), dated for reference purposes only _____ is made by and between **LO Entertainment LLC** _____ ("Sublessor") and **The Real Good Food Company, LLC** _____ ("**Sublessee**"), (collectively the "**Parties**", or individually a "**Party**").

1.2 Premises: That certain real property, including all improvements therein, and commonly known as (street address, city, state, zip) **18901 Railroad Ave**, _____ **City of Industry** located in the County of Los Angeles , State of CA and generally described as (describe briefly the nature of the property) **Commercial Building** _____ ("**Premises**").

1.3 Term: **See Master Lease** and Addendum to Sublease _____ years and _____ months ("Commencement") and ending ("**Expiration Date**").

1.4 Early Possession: If the Premises are available Sublessee may have non-exclusive possession of the Premises commencing January 4, 2021 ("**Early Possession Date**").

1.5 Base Rent: $ _____ See Master Lease _____ per month ("**Base Rent**"), payable on the _____ day of each month commencing _____

☐ If this box is checked, there are provisions in this Lease for the Base Rent to be adjusted.

1.6 Base Rent and Other Monies Paid Upon Execution:

(a) **Base Rent: $** _____ **for t**he period _____

(b) **Security Deposit**: **$** _____ ("Security Deposit"). _____

(c) **Association Fees**: **$** _____ for the period _____

(d) **Other:** $ _____ for _____.

(e) **Total Due Upon Execution of this Lease $** _____.

1.7 Agreed Use: The Premises shall be used and occupied only for **See Master Lease** _____ and for no other purposes.

1.8 Real Estate Brokers:

(a) Representation: Each Party acknowledges receiving a Disclosure Regarding Real Estate Agency Relationship, confirms and consents to the following agency relationships in this Lease with the following real estate brokers ("Broker(s)") and/or their agents ("Agent(s)"); Sublessor's Brokerage Firm _____ License No. _____ is the broker of (check one): ☐ the Sublessor, or ☐ both the Sublessee and Sublessor (dual agent). Sublessor's Agent _____ License No. _____ is (check one): ☐ the Sublessor's Agent (salesperson or broker associate): or ☐ both the Sublessee's Agent and the Sublessor's Agent (dual agent).

_____ _____ */s/ BF /s/ AM*

INITIALS **INITIALS**

~~Sublessee's Brokerage Firm~~ _____

~~License No.~~ _____ ~~is the broker of (check one): ☐ the Sublessee: of ☐ both the sublessee and Sublessor (dual agent).~~

~~Sublessee's Agent~~ _____

~~License No.~~ _____ ~~Is (check one):☐ the Sublessee's Agent (salesperson or broker associate): or ☐ both the Sublessee's Agent and the Sublesser's Agent (dual agent).~~

~~**(b) Payment to Brokers:** Upon execution and delivery of this Sublease by both parties, Subessor shall pay to the Brokers the brokerage fee agreed to in a separate written agreement (or if there is no such agreement, the sum of _____ or _____ % of the total Base Rent) for the brokerage services rendered by the Brokers.~~

~~1.9 **Guarantor.** The obligations of the Sublessee under this Sublease shall be guaranteed by _____~~
_____ _____
_____
~~("Guarantor").~~

1.10 **Attachments.** Attached hereto are the following, all of which constitute a part of this Sublease:

☒ an Addendum consisting of paragraphs 14 through ~~19~~ 20 ;

☐ a plot plan depicting the premises;

☐ a Work Letter;

☒ a copy of the master lease and any and all amendments to such lease (collectively the "**Master Lease**");

☐ other (specify): _____
_____
_____.

2. Premises.

2.1 Letting. Sublessor hereby subleases to Sublessee, and Sublessee hereby subleases from Sublessor, the Premises, for the term, at the rental, and upon all of the terms, covenants and conditions set forth in this Sublease. While the approximate square footage of the Premises may have been used in the marketing of the Premises for purposes of comparison, the Base Rent stated herein is NOT tied to square footage and is not subject to adjustment should the actual size be determined to be different. **Note: Sublessee is advised verify the actual size prior to executing this Sublease.**

2.2 Condition. Sublessor shall deliver the premises to sublessee ~~broom clean and free of debris~~ on the Commencement Date or the Early Possession Date, whichever first occurs ("**Start Date**"), and warrants that the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and air conditioning systems ("**HVAC**"), and any items which the Sublessor is obligated to construct pursuant to the Work Letter attached hereto, if any, other than those constructed by Sublessee, shall be in good operating condition on said date. If a non-compliance with such warranty exists as of the Start Date, or if one such systems or elements should malfunction or fail within the appropriate warranty period, Sublessor shall, as Sublessor's sole obligation with respect to such matter, except as otherwise provided in this Sublease, promptly after receipt of written notice from Sublessee setting forth with specificity the nature and extent of such non-compliance, malfunction or failure, rectify same at Sublessor's expense. The warranty periods shall be as follows: (i) 6 months as to the HVAC systems, and (ii) 30 days as to the remaining systems and other elements. If Sublessee does not give Sublessor the required notice within the appropriate warranty period, correction of any such non-compliance, malfunction or failure shall be the obligation of Sublessee at Sublessee's sole cost and expense.

2.3 Compliance. Sublessor warrants that any improvements. alterations or utility installations made or installed by or on behalf of Sublessor to or on the Premises comply with all applicable convenants or restrictions of record and applicable building codes, regulations and ordinances ("**Applicable Requirements**") in effect on the date that they were made or installed, Sublessor makes no warranty as to the use to which Sublessee will put the premises or to modifications which may be required by the Americans with Disabilities Act or any similar laws as a result of Sublessee's use. **NOTE: Sublessee is responsible for determining whether or not the zoning and other Applicable Requirements are appropriate for Sublessee's intended use, and acknowledges that past uses of the Premises may no longer be allowed**. If the premises do not comply with said warranty, Sublessor shall, except as otherwise provided, promptly after receipt of written notice from Sublessee setting forth with specificity the nature and extent of such non-compliance, rectify the same.

2.4 Acknowledgements. Sublessee acknowledges that: (a) it has been given an opportunity to inspect and measure the Premises, (b) it has been advised by Sublessor and/or Brokers to satisfy itself with respect to the size and condtion of the Premises (including but not limited to the electrical, HVAC and fire sprinkler systems, security, environmental aspects, and compliance with Applicable Requirements and the Americans with Disabilities Act), and their subitability for Sublessee's intended use, (c) Sublessee has made such investigation as it deems necessary with reference to such matters and assumes all responsibility therefor as the same relate to its occupancy of the Premises, (d) it is not relying on any representation as to the size of the Premises made by Brokers or Sublessor, (e) the square footage of the Premises was not material to Sublessee's decision to sublease the Premises and pay the Rent stated herein, and (f) neither Sublessor, Sublessor's agents, nor Brokers have made any oral or written representation or warranties with respect to said matters other than as set forth in this Sublease. In addition, sublessor acknowledges that: (i) Brokers have made no representions, promises or warranties concerning Sublessees's ability to honor the Sublease or suitability to occupy the Premises; and (ii) it is Sublessor's sole responsibility to investigate the finanacial capability and/or suitability of all proposed tenants.

_____ _____ */s/ BF /s/ AM*

INITIALS **INITIALS**

2.5 **Americans with Disabilities Act.** In the event that as a result of Sublessee's use, or intended use, of the Premises the Americans with Disabilities Act or any similar law requires modifications or the construction or installation of improvements in or to the Premises, Building, Project and/or Common Areas, the Parties agree that such modifications, construction or improvements shall be made at: ☐ Sublessor's expense ☒ Sublessee's expense.

3. **Possession.**

3.1 **Early Possession.** Any provision herein granting Sublessee Early Possession of the Premises is subject to and conditioned upon the Premises being available for such possession prior to the Commencement Date. Any grant of Early Possession only conveys a non-exclusive right to occupy the Premises. If Sublessee totally or partially occupies the Premises prior to the Commencement Date, the obligation to pay Base Rent shall be abated for the period of such Early Possession. All other terms of this Sublease (including but not limited to the obligations to pay Sublessee's Share of Common Area Operating Expenses, Real Property Taxes and Insurance premiums and to maintain the Premises) shall, however, be in effect during such period. Any such Early Possession shall not affect the Expiration Date.

3.2 **Delay in Commencement.** Sublessor agrees to use its best commercially reasonable efforts to deliver possession of the Premises by the Commencement Date. If, despite said efforts, Sublessor is unable to deliver possession as agreed, the rights and obligations of Sublessor and Sublessee shall be as set forth in Paragraph 3.3 of the Master Lease (as modified by Paragraph 6.3 of this Sublease).

3.3 **Sublessee Compliance.** Sublessor shall not be required to tender possession of the Premises to Sublessee until Sublessee complies with its obligation to provide evidence of insurance, Pending delivery of such evidence, Sublessee shall be required to perform all of its obligations under this Sublease from and after the Start Date, including the payment of Rent, notwithstanding Sublessor's election to withhold possession pending receipt of such evidence of insurance. Further, if Sublessee is required to perform any other conditions prior to or concurrent with the Start Date, the Start Date shall occur but Sublessor may elect to withhold possession until such conditions are satisfied.

4. **Rent and Other Charges.**

4.1 **Rent Defined.** All monetary obligations of Sublessee to Sublessor under the terms of this Sublease (except for the Security Deposit) are deemed to be rent ("**Rent**"). Rent shall be payable in lawful money of the United States to Sublessor at the address stated herein or to such other persons or at such other places as Sublessor may designate in writing.

4.2 **Utilities.** Sublessee shall pay for all water, gas, heat, light, power, telephone, trash disposal and other utilities and services supplied to the Premises, together with any taxes thereon.

5. **Security Deposit.** The rights and obligations of Sublessor and Sublessee as to said Security Deposit shall be as set forth in Paragraph 5 of the Master Lease (as modified by Paragraph 6.3 of this Sublease).

6. **Master Lease.**

6.1 Sublessor is the lessee of the Premises by virtue of the "**Master Lease**", wherein LTG Properties

is the lessor, hereinafter the "**Master Lessor**".

6.2 This Sublease is and shall be at all times subject and subordinate to the Master Lease.

6.3 The terms, conditions and respective obligations of Sublessor and Sublessee to each other under this Sublease shall be the terms and conditions of the Master Lease except for those provisions of the Master Lease which are directly contradicted by this Sublease in which event the terms of this Sublease document shall control over the Master Lease. Therefore, for the purposes of this Sublease, wherever in the Master Lease the word "**Lessor**" is used it shall be deemed to mean the Sublessor herein and wherever in the Master Lease the word "**Lessee**" is used it shall be deemed to mean the Sublessee herein.

6.4 During the term of this Sublease and for all periods subsequent for obligations which have arisen prior to the termination of this Sublease, Sublessee does hereby expressly assume and agree to perform and comply with, for the benefit of Sublessor and Master Lessor, each and every obligation of Sublessor under the Master Lease except for the following paragraphs which are excluded therefrom:

.

6.5 The obligations that Sublessee has assumed under paragraph 6.4 hereof are hereinafter referred to as the "**Sublessee's Assumed Obligations**". The obligations that sublessee has not assumed under paragraph 6.4 hereof are hereinafter referred to as the "**Sublessor's Remaining Obligations**".

6.6 Sublessee shall hold Sublessor free and harmless from all liability, judgments, costs, damages, claims or demands, including reasonable attorneys fees, arising out of Sublessee's failure to comply with or perform Sublessee's Assumed Obligations.

6.7 Sublessor agrees to maintain the Master Lease during the entire term of this Sublease subject, however, to any earlier termination of the Master Lease without the fault of the Sublessor, and to comply with or perform Sublessor's Remaining Obligations and to hold Sublessee free and harmless from all liability, judgments, costs, damages, claims or demands arising out of Sublessor's failure to comply with or perform Sublessor's Remaining Obligations.

/s/ BF /s/ AM

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6.8 Sublessor represents to Sublessee that the Master Lease is in full force and effect and that no default exists on the part of any Party to the Master Lease.

7. Assignment of Sublease and Default.

7.1 ~~Sublessor hereby assigns and transfers to Master Lessor Sublessor's interest in this Sublease, subject however to the provisions of Paragraph 8.2 hereof.~~

7.2 Master Lessor, by executing this document, agrees that until a Default shall occur in the performance of Sublessor's Obligations under the Master Lease, that Sublessor may receive, collect and enjoy the Rent accruing under this Sublease. However, if Sublessor shall Default in the performance of its obligations to Master Lessor then Master Lessor may, at its option, receive and collect, directly from Sublessee, all Rent owing and to be owed under this Sublease. In the event, however, that the amount collected by Master Lessor exceeds Sublessor's obligations any such excess shall be refunded to Sublessor. Master Lessor shall not, by reason of this assignment of the Sublease nor by reason of the collection of the Rent from the Sublessee, be deemed liable to Sublessee for any failure of the Sublessor to perform and comply with Sublessor's Remaining Obligations.

7.3 Sublessor hereby irrevocably authorizes and directs Sublessee upon receipt of any written notice from the Master Lessor stating that a Default exists in the performance of Sublessor's obligations under the Master Lease, to pay to Master Lessor the Rent due and to become due under the Sublease. Sublessor agrees that Sublessee shall have the right to rely upon any such statement and request from Master Lessor, and that Sublessee shall pay such Rent to Master Lessor without any obligation or right to inquire as to whether such Default exists and notwithstanding any notice from or claim from Sublessor to the contrary and Sublessor shall have no right or claim against Sublessee for any such Rent so paid by Sublessee.

~~7.4 No changes or modifications shall be made to this Sublease without the consent of Master Lesser.~~

8. Consent of Master Lessor.

8.1 In the event that the Master Lease requires that Sublessor obtain the consent of Master Lessor to any subletting by Sublessor then, this Sublease shall not be effective unless, within 10 days of the date hereof, Master Lessor signs this Sublease thereby giving its consent to this Subletting.

8.2 In the event that the obligations of the Sublessor under the Master Lease have been guaranteed by third parties then neither this Sublease, nor the Master Lessor's consent, shall be effective unless, within 10 days of the date hereof, said guarantors sign this Sublease thereby giving their consent to this Sublease.

8.3 In the event that Master Lessor does give such consent then:

(a) Such consent shall not release Sublessor of its obligations or alter the primary liability of Sublessor to pay the Rent and perform and comply with all of the obligations of Sublessor to be performed under the Master Lease.

(b) The acceptance of Rent by Master Lessor from Sublessee or any one else liable under the Master Lease shall not be deemed a waiver by Master Lessor of any provisions of the Master Lease.

(c) The consent to this Sublease shall not constitute a consent to any subsequent subletting assignment.

(d) In the event of any Default of Sublessor under the Master Lease, Master Lessor may proceed directly against Sublessor, any guarantors or any one else liable under the Master Lease or this Sublease without first exhausting Master Lessor's remedies against any other person or entity liable thereon to Master Lessor.

(e) Master Lessor may consent to subsequent sublettings and assignments of the Master Lease or this Sublease or any amendments or modifications thereto without notifying Sublessor or any one else liable under the Master Lease and without obtaining their consent and such action shall not relieve such persons from liability.

(f) In the event that Sublessor shall Default in its obligations under the Master Lease, then Master Lessor, at its option and without being obligated to do so, may require Sublessee to attorn to Master Lessor in which event Master Lessor shall undertake the obligations of Sublessor under this Sublease form the time of the exercise of said option to termination of this Sublease but Master Lessor shall not be liable for any prepaid Rent nor any Security Deposit paid by Sublessee, nor shall Master Lessor be liable for any other Defaults of the Sublessor under the Sublease.

(g) Unless directly contradicted by other provisions of this Sublease, the consent of Master Lessor to this Sublease shall not constitute an agreement to allow Sublessee to exercise any options which may have been granted to Sublessor in the Master Lease (see Paragraph 39.2 of the Master Lease).

8.4 The signatures of the Master Lessor and any Guarantors of Sublessor at the end of this document shall constitute their consent to the terms of this Sublease.

8.5 Master Lessor acknowledges that, to the best of Master Lessor's knowledge, no Default presently exists under the Master Lease of obligations to be performed by Sublessor and that the Master Lease is in full force and effect.

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8.6 In the event that Sublessor Defaults under its obligations to be performed under the Master Lease by Sublessor, Master Lessor agrees to deliver to Sublessee a copy of any such notice of default. Sublessee shall have the right to cure any Default of Sublessor described in any notice of default if Sublessee does so within the same number of days set forth in the notice of default given to Sublessor. If such Default is cured by Sublessee then Sublessee shall have the right of reimbursement and offset from and against Sublessor.

~~**9. Additional Brokers Commissions.**~~

~~9.1 Sublessor agrees that if Sublessee exercises any option or right of first refusal as granted by Sublessor herein, or any option or right substaintially similar thereto, either to extend the term of this Sublease, to renew this Sublease, to purchase the Promises, or to lease or purchase adjacent property which Sublesser may own or in which Sublesser has an interest, then Sublessor shall pay to Broker a fee in accordance with the schedule of Broker in effect at the time of the execution of this Sublease. Notwithstanding the foregoing, Sublessor's obligation under this Paragraph is limited to a transaction in which Sublessor is acting as a Sublesser. lessor or seller.~~

~~9.2 If a separate brokerage fee agreement is attached then Master Lesser agrees that if Sublessee shall exercise any option or right of first refusal granted to Sublessee by Master Lessor in connection with this Sublease, or any option or right substantially similar thereto, either to extend or renew the Master Lease, to purchase the Premises on any part thereof, or to lease or purchase adjacent property which Master Lessor may own or in which Master Lessor has an interest, or if Broker is the procuring cause of any other lease or sale entered into between Sublessee and Master Lessor pertaining to the Promises, any part thereof, or any adjacent property which Master Lessor owns or in which it has an interest, then as to any of said transactions, Master Lessor shall pay to Broker a fee in accordance with the schedule attached to such brokerage fee agreement.~~

~~9.3 Any fee due from Sublessor or Master Lessor hereunder shall be due and payable upon the exercise of any option to extend or renew, upon the execution of any new lease, or, in the event of a purchase, at the close of escrow.~~

~~9.4 Any transferee of Sublessor's interest in this Sublease, or of Master Lessor's interest in the Master Lease, by accepting an assignment thereof, shall be deemed to have assumed the respective obligations of Sublessor or Master Lessor under this paragraph 9. Broker shall be deemed to be a third party beneficiary of this paragraph 9.~~

10. **Representations and indemnities of Broker Relationships**. The Parties each represent and warrant to the other that it has had no dealings with any person, firm, broker, agent or finder (other than the Brokers and Agents, if any) in connection with this Sublease and that no one other than said named Brokers and Agents is entitled to any commission or finder's fee in connection herewith. Sublessee, and Sublessor do each hereby agree to indemnify, protect, defend and hold the other harmless from and against liability for compensation or charges which may be claimed by any such unnamed broker, finder or other similar party by reason of any dealings or actions of the indemnifying Party, including any costs. expenses, attorneys' fees reasonably incurred with respect thereto.

11. **Attorney's fees.** If any Party or Broker brings an action or proceeding involving the Premises whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term, "Prevailing Party" shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be. whether by compromise, settlement. Judgment, or the abandonment by the other Party or Broker of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. In addition, Sublessor shall be entitled to attorneys' fees, costs and expenses incurred in the preparation and service of notices of Default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such Default or resulting Breach ($200 is a reasonable minimum per occurrence for such services and consultation).

12. **No Prior or Other Agreements; Broker Disclaimer.** This Sublease contains all agreements between the Parties with respect to any matter mentioned herein, and no other prior or contemporaneous agreement or understanding shall be effective. Sublessor and Sublessee each represents and warrants to the Brokers that it has made, and is relying solely upon, its own investigation as to the nature, quality, character and financial responsibility of the other Party to this Sublease and as to the use, nature, quality and character of the Premises. Brokers have no responsibility with respect thereto or with respect to any default or breach hereof by either Party. The liability (including court costs and attorneys' fees), of any Broker with respect to negotiation, execution, delivery or performance by either Sublessor or Sublessee under this Sublease or any amendment or modification hereto shall be limited to an amount up to the fee received by such Broker pursuant to this Sublease; provided. however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker. Signatures to this Sublease accomplished by means by electronic signature or similar technology shall be legal and binding.

13. **Accessibility; Americans with Disabilities Act.**

(a) The Premises:

☒ Have not undergone an inspection by a Certified Access Specialist (CASp). Note: A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises. the commercial property owner or lessor may not prohibit the leases or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant. If requested by

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INITIALS **INITIALS**

the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

☐ Have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises met all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq. Lessee acknowledges that it received a copy of the inspection report at least 48 hours prior to executing this Lease and agrees to keep such report confidential.

☐ Have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises did not meet all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq. Lessee acknowledges that it received a copy of the inspection report at least 48 hours prior to executing this Lease and agrees to keep such report confidential except as necessary lo complete repairs and corrections of violations of construction related accessibility standards.

In the event that the Premises have been Issued an inspection report by a CASp the Lessor shall provide a copy of the disability access inspection certificate to Lessee within 7 days of the execution of this Lease.

(b) Since compliance with the Americans with Disabilities Act (ADA) and other state and local accessibility statutes are dependent upon Lessee's specific use of the Premises, Lessor makes no warranty or representation as to whether or not the Premises comply with ADA or any similar legislation. In the event that Lessee's use of the Premises requires modifications or additions to the Premises In order to be in compliance with ADA or other accessibility statutes, Lessee agrees to make any such necessary modifications and/or additions at Lessee's expense.

ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY THE AIR CRE OR BY ANY REAL ESTATE BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS SUBLEASE OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS SUBLEASE.

2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PREMISES. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING OF THE PROPERTY, THE STRUCTURAL INTEGRITY, THE CONDITION OF THE ROOF AND OPERATING SYSTEMS, AND THE SUITABILITY OF THE PREMISES FOR SUBLESSEE'S INTENDED USE.

WARNING: IF THE SUBJECT PROPERTY IS LOCATED IN A STATE OTHER THAN CALIFORNIA, CERTAIN PROVISIONS OF THE SUBLEASE MAY NEED TO BE REVISED TO COMPLY WITH THE LAWS OF THE STATE IN WHICH THE PROPERTY IS LOCATED.

Executed at: Los Angeles County	Executed at: LOS ANGELES COUNTY
On: 3/11/21	On: 3/9/21
By Sublessor:	**By Sublessee:**
LO Entertainment, LLC	The Real Good Food Company, LLC
By: /s/ Alex Meseonznik	*By: /s/ Bryan Freeman*
Name Printed: ALEX MESEONZNIK	Name Printed: BRYAN FREEMAN
Title: CEO	Title: CHAIRMAN
Phone: [***]	Phone: [***]
Fax:	Fax:
Email: [***]	Email: [***]
By:	By:
Name Printed:	Name Printed:
Title:	Title:
Phone:	Phone:
Fax:	Fax:
Email:	Email:
Address:	Address:
Federal ID No.:	Federal ID No.:

/s/ BF /s/ AM

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BROKER

Att:
Title:
Address:

Phone:
Fax:
Email:
Federal ID No.:
Broker DRE License #:
Agent DRE License #:

Consent to the above Sublease is hereby given.
Executed at:
On:

By Master Lessor:

By: */s/ Lester Gao*
Name Printed: Lester Gao
Title: President
Phone: [***]
Fax:
Email: [***]

By:
Name Printed:
Title:
Phone:
Fax:
Email:
Address:

Federal ID No.

BROKER

Att:
Title:
Address:

Phone:
Fax:
Email:
Federal ID No.:
Broker DRE License #:
Agent DRE License #:

Executed at:
On:

By Guarantor:

By:
Name Printed:
Title:
Address:

By:
Name Printed:
Title:
Address:

/s/ BF /s/ AM

INITIALS **INITIALS**

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (this "Agreement") is entered into on February 16, 2021, (the "Effective Date") among **PMC FINANCIAL SERVICES GROUP, LLC** ("Seller"), and **THE REAL GOOD FOOD COMPANY LLC**, a California limited liability company (the "Buyer").

This Agreement is entered into with reference to the following facts:

A. SSRE Holdings, LLC ("Borrower") and Seller previously entered into (i) that certain Loan and Security Agreement, August 31, 2020 (as amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement"), (ii) the Schedule to Loan and Security Agreement between SSRE Holdings, LLC and PMC dated August 31, 2020 ("Schedule"), and (iii) the other "Loan Documents" (as defined in the Loan Agreement). Terms defined in the Loan Agreement shall have the same meaning when used herein unless specifically defined herein.

B. Borrower has defaulted on all of their presently outstanding obligations owing to Seller (the "Obligations"), including, but not limited to, the Obligations arising under or pursuant to the Loan Agreement. Seller has declared the Obligations to be immediately due and owing. Seller has a security interest in substantially all of the assets of Borrower. The assets of Borrower that are subject to the security interests that have been granted to Seller include the assets located at 18901 Railroad Street, in the City of Industry, County of Los Angeles, State of California (the "Premises") and described in Exhibit A attached hereto and made a part hereof by this reference (collectively, the "Sale Assets"). As of the date of this Agreement, Seller has the immediate right to exercise all of its rights and remedies against the Borrower and to enforce its security interest in the Sale Assets, and to sell the Sale Assets to Buyer hereunder.

C. Any sale of the Sale Assets must be concluded immediately, because Borrower does not have the ability to continue in business and the Sale Assets may lose value. Buyer and Seller each believes that the best price and terms reasonably obtainable for a sale of the Sale Assets are those described herein, taking into account the expectation that substantially less would be received for the Sale Asset if there are significant time delays in selling the Sale Assets.

Now, therefore, the parties agree as follows:

1. Sale of Sale Assets.

1.1 Sale and Delivery. At a closing ("Closing") held at 5:00 pm on February 16, 2021, Seller sold to the Buyer, in a private sale under Section 9610 of the California Commercial Code, and the Buyer purchased from Seller, the Sale Assets. The Sale Assets consist of the following:

A. Equipment listed on Exhibit A (collectively, the "Equipment");

B. Accounts receivable listed on Exhibit A (collectively, the "Accounts"); and

C. Inventory and the related general intangibles listed on Exhibit A (collectively referred to as the "Inventory").

1.2 Cash and Non-Recourse Portions of Purchase Price.

A. The sale of the Equipment is for cash payable at Closing. The sale of the Accounts and Inventory is on a non-recourse basis. The net proceeds attributable to the Accounts and Inventory that are collected by Buyer or Seller shall be applied to the portion of the Purchase Price (as defined below) that is allocated to the Accounts and Inventory as set forth in Section 1.3 below.

B. Buyer's sole obligation with respect to the Purchase Price allocated to the Accounts and Inventory shall be to remit to Seller all net proceeds received by Buyer with respect to the Accounts and Inventory. In this connection, (i) all proceeds shall first go to offset any payables of SSRE owed to Buyer, including any post-Closing payables related to SSRE finished goods manufactured by Buyer on behalf of SSRE post-Closing; (ii) proceeds of Accounts shall be first applied to any reasonable collection expenses incurred by Buyer in connection with the collection of the Accounts and the balance shall be remitted to Seller, (iii) proceeds of Inventory in excess of the Purchase Price allocated to such Inventory shall be retained by Buyer and the balance shall be remitted Seller (for the avoidance of doubt, the amount in excess of the Purchase Price allocated to an item of Inventory (the Purchase Price for an item of Inventory is based on the cost of such item of Inventory set forth on Exhibit 1.2B) attached hereto that is received by Buyer from the sale of such Inventory to a customer shall be retained by Buyer), (iv) to the extent the total amount received by Seller from the net proceeds of all Accounts and Inventory are less than the Purchase Price allocated to such Accounts and Inventory (such difference is the "Shortfall"), Buyer shall not be liable to Seller for such Shortfall.

1.3 Purchase Price. The purchase price (the "Purchase Price") for the Sale Assets is Six Million Five Hundred Twenty Five Thousand and 00/100 Dollars ($6,525,000) and is allocated as follows:

A. $4,500,000 for the Equipment.

B. $1,062,500 for the Accounts.

C. $962,500 for the Inventory.

1.4 Payment of the Purchase Price.

A. At Closing, Buyer shall make payment of $4,500,000 of the Purchase Price (which shall be allocated to the purchase of the Equipment) pursuant to the following wire instructions:

Wells Fargo Bank, N.A.
420 Montgomery Street
San Francisco, CA 94104
Wire Routing Transit Number: 121000248
Beneficiary Account Number (BNF): [***]
Beneficiary Account Name: PMC FINANCIAL SERVICES GROUP

B. Following the Closing, Buyer shall remit to Seller all net proceeds received by Buyer from the collection of Accounts or from the sale of the Inventory (proceeds of Inventory shall be subject to the provisions of Section 1.2B above).

1.5 Security Interest. In order to secure the payment of the Purchase Price, Buyer hereby grants to Seller a security interest in the Sale Assets.

2. Delivery of Sale Assets.

2.1 Seller agrees to execute and deliver to Buyer, upon Buyer's written request, such further instruments of assignment as may be reasonably necessary to pass to Buyer title to the Sale Assets consistent with this Agreement. Within thirty (30) days following the Closing, Buyer and Seller shall cooperate in the preparation of a written confirmation of the Equipment and Inventory actually located on the Premises, as well as the Accounts outstanding as of the Closing.

2.2 The Purchase Price shall be adjusted to the extent the actual amount Equipment, Inventory and/or Accounts is different from the amount used in calculating the Purchase Price allocated to Equipment, Inventory and Accounts, as applicable.

2.3 To the extent the Purchase Price for the Equipment exceeds the actual amount that is confirmed to be located on the Premises, Seller shall refund the such excess to Buyer. Settlements under this Section 2.3 shall occur with five (5) business days following the completion of the determination of the necessary adjustments to the Purchase Price.

2.4 To the extent the Purchase Price for the Inventory and/or Accounts exceeds or is less than the actual amount Inventory that is confirmed to be located on the Premises or the amount of outstanding Accounts as of the Closing, as applicable, the Purchase Price allocated to Inventory shall be promptly adjusted to take into account the amount of such difference.

3. Limited Warranty of Title. Seller represents and warrants that (i) Seller has a perfected security interest in the Sale Assets to the extent a security interest in the Sale Assets can be perfected by the filing of a Uniform Commercial Financing Statement (Form UCC-1) in the office of the California Secretary of State, (ii) Seller has the immediate right to exercise all of its rights and remedies against Borrower and to enforce its security interest in the Sale Assets, and (iii) Seller is conveying to Buyer all of the right, title and interest of the Borrower (to the extent applicable) in the Sale Assets, free and clear of all liens, security interests and encumbrances which are junior and subordinate to the security interests of Seller in the Sale Assets. In this connection, no warranty is made, or defense will be given, as to any claims or liens of contractors with statutory liens or proprietary rights under applicable federal, state or other law.

4. Sale As Is, Where Is. EXCEPT AS SET FORTH IN THIS AGREEMENT, THE SALE ASSETS ARE BEING SOLD AND PURCHASED AS IS, WHERE IS, AND WITH ALL FAULTS, AND WITHOUT ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, OF ANY KIND OR NATURE WHATSOEVER (INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, AND THERE IS NO WARRANTY RELATING TO TITLE, POSSESSION, QUIET ENJOYMENT, OR THE LIKE IN THIS SALE TRANSACTION). Without limiting the generality of the foregoing, except for Buyer's representations, warranties and covenants set forth in this Agreement, Buyer acknowledges that Buyer is not relying on any other representation or warranty of Seller, express or implied. Buyer shall be responsible for obtaining physical possession of the Sale Assets from Borrower.

5. Indemnification by Buyer.

5.1 In order to induce Seller to sell the Sale Assets pursuant to this Agreement, Buyer agrees that it will indemnify Seller against, and hold it harmless from, any claims, demands, causes of actions and liabilities asserted against Seller in connection with the Sale Assets that accrue as a result of Buyer's actions after the Closing (any such claim, demand, cause of action or liability subject to the foregoing indemnity by Buyer shall be referred to herein as a "Buyer Indemnification Claim").

5.2 Buyer's obligation to indemnify Seller shall be subject to the following terms and conditions:

A. Within thirty (30) days following Seller's receipt of notice of any Buyer Indemnification Claim, Seller shall notify Buyer in writing of such Buyer Indemnification Claim. Upon receipt of such notice, Buyer shall undertake defense of the Buyer Indemnification Claim and Buyer shall confirm to Seller in writing that Buyer accepts defense of the Buyer Indemnification Claim.

B. If Buyer fails to notify Seller in writing within ten (10) days following Buyer's receipt of a written notice of a Buyer Indemnification Claim, then Seller shall be entitled to undertake defense of the Buyer Indemnification Claim and Buyer shall reimburse Seller on demand for all costs, fees and expenses incurred by Seller in connection with such defense of the Buyer Indemnification Claim. However, Buyer shall have a right to take over defense of the Buyer Indemnification Claim, at Buyer's sole cost and expense, by delivering written notice to Seller to that effect. Seller agrees to cooperate with the transition of the defense of the Buyer Indemnification Claim to Buyer.

6. Indemnification by Seller.

6.1 In order to induce Buyer to purchase the Sale Assets pursuant to this Agreement, Seller agrees that it will indemnify Buyer against, and hold it harmless from, any claims, demands, causes of actions and liabilities asserted against Buyer by Borrower in

connection with Buyer's purchase of the Sale Assets (any such claim, demand, cause of action or liability subject to the foregoing indemnity by Seller shall be referred to herein as a "Seller Indemnification Claim")

6.2 Seller's obligation to indemnify Buyer shall be subject to the following terms and conditions:

A. Within thirty (30) days following Buyer's receipt of notice of any Seller Indemnification Claim, Buyer shall notify Seller in writing of such Seller Indemnification Claim. Upon receipt of such notice, Seller shall undertake defense of the Seller Indemnification Claim and Seller shall confirm to Buyer in writing that Seller accepts defense of the Seller Indemnification Claim.

B. If Seller fails to notify Buyer in writing within ten (10) days following Seller's receipt of a written notice of a Seller Indemnification Claim, then Buyer shall be entitled to undertake defense of the Seller Indemnification Claim and Seller shall reimburse Buyer on demand for all costs, fees and expenses incurred by Buyer in connection with such defense of the Seller Indemnification Claim. However, Seller shall have a right to take over defense of the Seller Indemnification Claim, at Buyer's sole cost and expense, by delivering written notice to Buyer to that effect. Buyer agrees to cooperate with the transition of the defense of the Seller Indemnification Claim to Seller.

7. Conditions Precedent. As conditions precedent to the effectiveness of this Agreement, the following are to be delivered to the designated party:

7.1 Buyer shall deliver to Seller a certified copy of its organizational resolutions authorizing the transactions contemplated by this Agreement.

7.2 Buyer shall have paid to Seller the cash portion of the Purchase Price for the Equipment.

8. Due Organization and Authorization. Buyer represents and warrants that (i) Buyer is duly existing and in good standing in the State of California, and (ii) the execution, delivery and performance of this Agreement have been duly authorized, and do not conflict with Buyer's formation documents, nor constitute an event of default under any material agreement by which Buyer is bound.

9. Notices. All notices to be given under this Agreement shall be in writing and shall be given either personally or by reputable private delivery service or by regular first-class mail, or certified mail return receipt requested, or by email (and if by email, sent concurrently by one of the other methods provided herein), addressed to the parties at the addresses shown below, or at any other address designated in writing by one party to the other party. All notices shall be deemed to have been given upon delivery in the case of notices personally delivered, or at the expiration of one business day following delivery to the private delivery service, or two business days following the deposit thereof in the United States mail, with postage prepaid or on the first business day of receipt in the case of notices sent by email.

If to Seller:	PMC Financial Services Group, LLC 3816 E. La Palma Ave. Anaheim, CA 92807 Attn.: Walter E. Buttkus III E-mail: [***]
If to Buyer:	The Real Good Food Company LLC 111 N. Artsakh Ave #201 Glendale, CA 91205 Attn.: Bryan Freeman email: [***]

10. Integration: Amendment. This Agreement sets forth in full the terms of the agreement between Seller and Buyer with respect to the subject matter hereof and is intended as the full, complete and exclusive contract governing the agreement between Seller and Buyer regarding the subject hereof. This Agreement supersedes all prior discussions, promises, representations, warranties, agreements and understandings between Seller and Buyer regarding the subject hereof. This Agreement may not be modified or amended, nor may any rights hereunder be waived, except in a writing signed by the party against whom enforcement of the modification, amendment or waiver is sought. No course of dealing between the parties, no usage of trade, and no parol or extrinsic evidence of any nature shall be used or be relevant to supplement, explain or modify any term or provision of this Agreement or any supplement or amendment thereto.

11. General. Any waiver of any breach of this Agreement in a particular instance shall not operate as a waiver of subsequent breaches of the same or a different kind. Any party's exercise or failure to exercise any rights under this Agreement in a particular instance shall not operate as a waiver of the party's right to exercise the same or different rights in subsequent instances. Nothing herein constitutes a waiver of any of Seller's rights and remedies against the Borrower or any other person, firm or corporation. In the event of any litigation between the parties based upon or arising out of this Agreement, the prevailing party shall be entitled to recover all of its reasonable costs and expenses (including without limitation reasonable attorneys fees) from the non-prevailing party. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns, provided, however, that Buyer may not assign or transfer any rights hereunder, nor delegate any duties hereunder, without the prior written consent of Seller. This Agreement does not create, and shall not be construed as creating, any rights enforceable by any person other than Seller and Buyer. There are no third party beneficiaries of this Agreement. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, illegal or unenforceable, the remaining provisions of this Agreement shall nevertheless remain in full force and effect. The headings in this Agreement are solely for convenience and shall be given no effect in the construction or interpretation of this Agreement. This Agreement may be executed in any number of counterparts, which together shall constitute one and the same agreement. Time is of the essence in the performance of the obligations of the parties hereunder. The Recitals at the beginning of this Agreement are hereby incorporated herein and are part of this Agreement.

12. JUDICIAL REFERENCE**.** ALL CLAIMS, CAUSES OF ACTION OR OTHER DISPUTES CONCERNING THIS AGREEMENT AND ANY DOCUMENTS EXECUTED IN CONNECTION HEREWITH (COLLECTIVELY, "CLAIMS" AND INDIVIDUALLY, A "CLAIM"), INCLUDING ANY AND ALL QUESTIONS OF LAW OR FACT RELATING THERETO, SHALL, AT THE WRITTEN REQUEST OF ANY PARTY, BE DETERMINED BY JUDICIAL REFERENCE ("REFERENCE"). THE PARTIES SHALL SELECT A SINGLE NEUTRAL REFEREE, WHO SHALL BE A RETIRED STATE OR FEDERAL JUDGE WITH AT LEAST FIVE YEARS OF JUDICIAL EXPERIENCE IN CIVIL MATTERS. IN THE EVENT THAT THE PARTIES CANNOT AGREE UPON A REFEREE, THE REFEREE SHALL BE APPOINTED BY THE COURT. THE PARTIES SHALL EQUALLY BEAR THE FEES AND EXPENSES OF THE REFEREE UNLESS THE REFEREE OTHERWISE PROVIDES IN THE STATEMENT OF DECISION. THE REFEREE SHALL DETERMINE ALL ISSUES RELATING TO THE APPLICABILITY, INTERPRETATION, LEGALITY AND ENFORCEABILITY OF THIS AGREEMENT. THE PARTIES ACKNOWLEDGE THAT ONE CONSEQUENCE OF A REFERENCE IS THAT THE CLAIMS WILL NOT BE ADJUDICATED BY A JURY.

13. Governing Law. This Agreement is being entered into in the State of California. This Agreement shall be governed by the internal laws (and not the conflict of laws rules) of the State of California.

In witness whereof, the parties have executed this Agreement as of the date first set forth above.

PMC FINANCIAL SERVICES GROUP, LLC

By: */s/ Walter E. Buttkus, III*
Name: Walter E. Buttkus, III
Title: President

THE REAL GOOD FOOD COMPANY LLC

By: */s/ Bryan Freeman*
Name: Bryan Freeman
Title: Chairman

Exhibit A

Sale Assets

[***]

PROFIT PARTICIPATION AGREEMENT

This Profit Participation Agreement ("***Agreement***") is effective as of April ___, 2017 (the "***Effective Date***"), by and between The Real Good Food Company LLC, a California limited liability company ("***Company***") and CPG Solutions, LLC, a Wyoming limited liability company ("***CPG***"). Company and CPG may be referred to in this Agreement together as "***Parties***" or individually as a "***Party***".

RECITALS

A. The Company is in the business of manufacturing, marketing and selling gluten-free, high protein pizza and related items ("***Products***").

B. CPG has expertise in sales and marketing, including without limitation, expertise in social media campaigns.

C. The Company desires to collaborate with CPG, and CPG desires to collaborate with the Company on the sales and marking of the Products and, in exchange for CPG's efforts to enter into an arrangement whereby CPG will share in the net profits the Company, all on the terms and conditions of this Agreement.

NOW, THEREFORE, in exchange for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

OPERATIVE PROVISIONS

ARTICLE I
INCORPORATION OF RECITALS; DEFINITIONS; TERM

1.1 Incorporation of Recitals. The Recitals set forth above are material and by this reference are incorporated herein and made a part of this Agreement.

1.2 Defined Terms. Capitalized terms not specifically defined in this Agreement shall have the meaning ascribed to such terms in the Amended and Restated Operating Agreement of the Company attached hereto as Exhibit A and incorporated herein by this reference ("***Operating Agreement***").

1.3 Term. The obligations of the Parties outlined in Articles II and III below shall commence on April l, 2017 and shall terminate upon the termination of the employment, for Cause, as determined by at least two Members of the Company that collectively hold a Majority in Interest, or a voluntary termination, of the employment of Andrew Stiffleman ("***Term***").

1.4 Effect of Termination. Upon the expiration or termination of the Term, CPG shall no longer receive any distributions of Profits except upon a Sale, as defined below, but shall receive a Profits Participation based on the value of the Company at the end of the Term ("***Capped Value***"). For purposes of a sale or transfer of substantially all of the assets or membership interests in the Company ("***Sale***"), the Capped Value shall be set at the net value of the Company at the end of the Term. Capped Value shall be determined by multiplying the net Sale price (purchase price less debt and Capital Contributions) by a fraction of which the numerator shall be the net revenues for the twelve (12) months previous to the end of the Term and the denominator of which shall be net revenues for the twelve (12) months previous to the determination of the purchase price for the Company. "Net revenues" means gross revenue less discounts, broker fees and credit terms. Upon the sale of the Company, CPG would receive ten percent (10%) of the net distributions to the Members based on the Capped Value. For purposes of clarity, see the example set forth below:

Net Revenue at the time of Termination: $10,000,000
Net Revenue at the time of a Sale of the Company: $20,000,000
Purchase Price for the Sale of the Company: $45,000,000
Fraction to determine the Capped Value: $10,000,000/$20,000,000 = ½
Payoff liabilities and Capital Contributions: $5,000,000
Net Sales price (Profits) to be distributed to Members: $40,000,000
Capped Value: $20,000,000 ($40,000,000 x ½)
CPG Profits at 10% of Capped Value: **$2,000,000**
($40,000,000 x 1/2 = $20,000,000 x .10 = $2,000,000).

Under no circumstances will CPG receive greater than ten percent (10%) of the Profits from a Sale.

ARTICLE II
GRANT OF PROFITS PARTICIPATION; ADDITIONAL CONSIDERATION

2.1 Grant of Profit Participation Rights. During the Term and subject to the terms and conditions of this Agreement, CPG shall have the right to receive ten percent (10%) of the Company's net profits ("***Profits Participation***"). "Net profits" shall mean the net profits of the Company as defined in the Operating Agreement. The Profits Participation interest in the Company are intended to be treated as "profits interests" under IRS Revenue Procedure 93-27 and IRS Revenue Procedure 2001-43, although the Company shall have no liability for the failure of such Profits Participation to so qualify, and subject to the provisions of this Agreement. In accordance with Rev. Proc. 2001-43, 2001-2 C.B. 191, the Company shall treat CPG as the owner of the Profits Participation interest as of the Effective Date, and shall file its IRS Form 1065, and issue the appropriate Schedule K-1 to CPG, allocating to CPG its distributive share of all items of income, gain, loss, deduction and credit associated with CPG as if it were fully vested. CPG agrees to take into account such distributive share in computing its federal income tax liability for the entire period during which it holds the Profits Participation interest.

2.2 Operating Agreement. The Profits Participation granted to CPG under this Agreement are subject to certain rights, limitations and obligations set forth in the Operating Agreement incorporated herein by this reference. Furthermore, the Profits Participation provide CPG only with a right to the distribution of net profits realized by the Company, pari passu with the Members of the Company, and do not entitle CPG to become a Member of the Company nor entitle CPG to any other rights offered to the Members of the Company under the Operating Agreement or applicable law. In the event of conflict with the terms of the Operating Agreement and this Agreement, this Agreement shall prevail.

2.3 Further Limitations on Profits Participation. CPG agrees that the Profits Participation granted under this Agreement shall not be transferrable and shall be subject to termination as set forth in Section 1.3 and Section 1.4 above. If the Company determines, in its sole discretion, to raise additional equity, the Profits Participation shall be diluted pari passu with the then current Membership Interests calculated as if the then current Members of the Company did not participate in the equity raise.

ARTICLE III
OBLIGATIONS OF CPG

3.1 Obligations of CPG. As consideration for the Profits Participation, CPG agrees to provide the Company with the product collaboration and marketing services during the Term. All deliverables from CPG or its members to the Company shall be considered works for hire and owned by the Company.

3.2 No Disparagement. CPG agrees not make any public statements that in any manner whatsoever disparage the Company's marks products or services, and such obligation shall survive the termination of this Agreement and the Term.

3.3 Confidentiality. CPG agrees it shall not disclose any Confidential Information (as defined below) without the prior consent of the Company. "Confidential Information" means any and all information of and concerning the Company that is not generally known to the public; provided, that Confidential Information shall not include (CPG may disclose, subject to any agreement between CPG or its members and the Company other than this Agreement) any information (a) of which CPG learns from a source other than the Company, whether prior to or after such information is actually disclosed by the Company, that is not bound to confidentiality to the Company, or (b) that has become generally available to the public other than by virtue of a breach of this Section 3.3 by CPG. Unitholder understands that the restrictions set forth in this Section 3.5 shall survive and continue to apply after this Agreement terminates for a period of five (5) years after such termination. CPG acknowledges and agrees that the covenants under this Section 3.3 have a unique, very substantial and immeasurable value to the Company and its Subsidiaries, and that, as a result of the foregoing, in the event of any breach hereof monetary damages would be an insufficient remedy for the Company and equitable enforcement of such covenant would be proper. Therefore, CPG agrees that the Company, in addition to any other remedies available to it, shall be entitled to preliminary and permanent injunctive relief against any breach or threatened breach of these covenants, without proving damages, the inadequacy of money damages, the likelihood of success on the merits or irreparable harm and without (to the extent permitted by law) the necessity of posting of a bond or other security. Notwithstanding the foregoing, nothing in this Section 3.4 shall in any way limit any confidentiality covenants entered into between any Unitholder and the Company before, on or after the Effective Date.

ARTICLE IV
CONDITIONS PRECEDENT

4.1 Conditions Precedent to Transaction and Deliverables.

a. Company's Obligations. On or before May 1, 2017, Company will perform the following obligations, which such obligations shall serve as a condition precedent to the validity and effectiveness of this Agreement:

i. Cause all Members of the Company to duly execute a copy of the Operating Agreement, and provide such duly executed copy to CPG for execution;

ii. Reflect the grant of Profits Participation to CPG on the books and records of the Company; and

iii. Take such other action and execute such other documents, instruments or agreements as CPG, or CPG's legal counsel, may reasonably require for the purposes of carrying out the terms and intent of the transactions contemplated by this Agreement.

b. CPG's Obligations. On or before May 15, 2017, CPG will perform the following obligations, which such obligations shall serve as a condition precedent to the validity and effectiveness of this Agreement:

i. Duly execute the Operating Agreement, and provide the Company an original copy of the same; and

ii. Take such other action and execute such other documents, instruments or agreements as the Company, or the Company's legal counsel, may reasonably require for the purposes of carrying out the terms and intent of the transaction contemplated by this Agreement.

4.2 Effectiveness of Agreement. This Agreement shall not commence unless and until all actions in this Agreement have been duly taken, performed, executed or waived by the relevant Party.

ARTICLE V
COMPANY'S REPRESENTATIONS, WARRANTIES, AND COVENANTS

5.1 Representations and Warranties of the Company. Company hereby represents, warrants and covenants to CPG that:

a. Authorization. All action on the part of the Company necessary for the authorization, execution and delivery of this Agreement, the performance of all obligations hereunder and the grant of Profits Participation have been taken, or will be taken, on or before April ___, 2017, and this Agreement, when executed and delivered by the Company, shall constitute a valid and legally binding obligation of the Company, enforceable against the Company in accordance with its terms. The Company has obtained from its Members all requisite approvals for the transactions contemplated under this Agreement.

b. Organization, Good Standing and Qualification. Company is a limited liability company duly organized, validly existing and in good standing under the laws of the State of California, is duly qualified to operate business in California and has all requisite power and authority to carry on its business as now conducted and as proposed to be conducted.

c. Governmental Consents. No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state or local governmental authority on the part of the company is required in connection with the consummation of the transaction contemplated by this Agreement.

d. Litigation. There is no action, suit, proceeding or investigation pending or, to the Company's knowledge, currently threatened against the Company that questions the validity of the Agreement or the right of the Company to enter into the Agreement, or to consummate the transactions contemplated hereby.

ARTICLE VI
CPG'S REPRESENTATIONS, WARRANTIES, AND COVENANTS

6.1 Representations and Warranties of CPG. CPG represents, warrants and covenants as follows:

a. Profits Participation for CPG's Own Account; Authority. This Agreement is made in reliance upon CPG's representation to the Company that the Profits Participation to be acquired by CPG hereunder will be acquired for investment for CPG's own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that CPG will not sell, grant any participation in, or otherwise distribute or transfer the same. By executing this Agreement, CPG further represents that subject to the terms and limitations in this Agreement, CPG does not presently have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participations to such person or to any third person, with respect to the Profits Participation to be issued to her under this Agreement. CPG represents that she has full power and authority to enter into this Agreement and this Agreement, when executed and delivered by CPG, shall constitute a valid and legally binding obligation of CPG, enforceable against CPG in accordance with its terms.

b. Tax and Professional Advice. CPG acknowledges that she has not relied and will not rely upon the Company, Company's legal counsel, agent or representative, or any Member with respect to any tax consequences related to the ownership of the Profits Participation or rights to the payments to be made by the Company under this Agreement, including without limitation the treatment of CPG's members as partners or employees of the Company. CPG assumes full responsibility for all such consequences and for the preparation and filing of all tax returns and elections that may or must be filed in connection with the transactions contemplated herein, including without limitation any elections that may be made under Section 83 of the Internal Revenue Code of 1986. CPG understands that it may suffer adverse tax consequences as a result of the grant and issuance of the Profits Participation and other payments to be made by the Company to her under this Agreement. CPG represents has consulted with such professional advisors, if any, as she has seen fit in connection with this Agreement.

c. Economic Risk; Transferee Knowledge. CPG hereby represents and warrants that it has the capacity to protect its own interests in connection with transactions contemplated by this Agreement, including the Profits Participation, and is capable of evaluating the merits and risks of further investment in the Company. CPG furthermore represents and warrants that it has received and has access to sufficient information about the Company's business and financial condition to the extent she deemed it necessary to make a knowledgeable and informed decision to execute this Agreement. CPG furthermore recognizes the Profits Participation, as an investment, involving a high degree of risk, including but not limited to the risk of economic losses from operations of the Company. CPG has reviewed and understands, or has been provided with a sufficient period of time to review and understand, and has made itself appropriately aware of the risks.

d. No Violations. Neither the execution nor the delivery of this Agreement, nor the consummation of the transactions contemplated hereunder, contravenes any provision of law or conflicts with, or will conflict with, or result in any breach, or violation of, or constitute a default under any covenant, agreement, contract or other instrument to which CPG is a party or is bound, or any order, judgment, decree, ordinance, regulation or any requirement of law or of any governmental or judicial authority or result in the creation of any lien, charge or encumbrance upon the Profits Participation be issued to her under this Agreement.

e. Litigation. Except as otherwise provided in writing to the Company, there is no claim, litigation, arbitration or administrative or other similar action, investigation or proceeding pending or threatened which directly or indirectly might have a material adverse effect on or would prevent or hinder CPG's consummation of the transactions contemplated by this Agreement.

ARTICLE VII
INDEMNIFICATION

7.1 Indemnification by Company. The Company shall defend, indemnify and hold harmless CPG from and against any and all claims, judgments, actions, suits, costs, liabilities, damages, debts, dues, sums of money, promises, agreements, executions at law or in equity (whether direct or consequential), taxes (of whatever kind, together with any penalties and interest) or expenses whatsoever (including, but not limited to, any reasonable expenses far attorneys' fees) that may be based upon, arise out of or result from any breach of any representation, warranty, covenant or undertaking of the Company made or pledged in this Agreement.

7.2 Indemnification by CPG. CPG hereby agrees to defend, indemnify and hold the Company and the Company's Members, agents and representatives harmless from and against any and all claims, judgments, actions, suits, costs, liabilities, damages, debts, dues, sums of money, promises, agreements, executions at law or in equity, taxes (of whatever kind, together with any penalties and interest) or expenses whatsoever (including, but not limited to, any reasonable expenses for attorneys' fees) that may be based upon, arise out of or result from any breach of any representation, warranty, covenant or undertaking of CPG made in this Agreement.

ARTICLE VIII
RESERVATION OF INTEREST

The Parties acknowledge and agree that, except for the rights expressly granted by each Party to the other Party under this Agreement, the Company will retain all right, title and interest in and to its products, services, marks and all content, information and marketing materials on its website(s), social media, online or in-print literature or in other mediums, and nothing contained in this Agreement will be construed as conferring upon CPG, by implication, operation of law or otherwise, any other right. Furthermore, CPG hereby acknowledges that Company shall retain all rights and ownership in, to and under the products.

ARTICLE IX
MISCELLANEOUS

9.1 No Agency. Notwithstanding anything in this Agreement, CPG will not make any claims, representations or warranties on behalf of the Company or bind the Company, and acknowledges she is not authorized to do so by this Agreement. The Parties acknowledge that the relationship between them will be that of independent contractors. Nothing contained herein will be construed to imply a joint venture, principal or agent relationship, or other joint relationship, and neither Party will have the right, power or authority to bind or create any obligation, express or implied, on behalf of the other Party.

9.2 Survival. All statements contained in any other written instrument delivered by or on behalf of any Party, or in connection with the transactions contemplated hereby, shall be deemed to be representations and warranties made pursuant to this Agreement by such Party along with the representations and warranties made in this Agreement, and such representations made pursuant to this Agreement shall survive the consummation of the transactions contemplated by this Agreement. More specifically, Section 3.3 and Articles V, VI, VII and VIII of this Agreement shall survive any expiration or termination of this Agreement. Notwithstanding the foregoing, the expiration or termination of this Agreement will not relieve the Parties of any liability or obligation that accrued prior to such expiration or termination.

9.3 Successors and Assigns; Transfer. The terms and conditions of this Agreement shall be binding upon the respective successors and assigns of the Parties and shall inure to the benefit of the Company its successors and assigns. CPG may not assign, transfer or otherwise encumber any rights granted or obligations assigned to her under this Agreement.

9.4 Governing Law; Venue. This Agreement, and all acts and transactions made pursuant hereto and the rights and obligations of the Parties hereunder, shall be governed, construed and interpreted in accordance with the laws of the State of California, without giving effect to principles of conflicts of law. Any action arising out of or relating to this Agreement or to its breach shall be brought in any federal or state court sitting in Riverside County, California, and all Parties hereby submit to the exclusive jurisdiction of the federal and state courts in Riverside County, California.

9.5 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. Signatures delivered by facsimile or electronic means shall have the same force and validity as original signatures.

9.6 Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

9.7 Notices. Any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient upon delivery, when delivered personally or by overnight courier or sent by telegram or fax, or forty-eight (48) hours after being deposited in the U.S. mail as certified or registered mail, with postage prepaid, addressed to the Party to be notified at such Party's address as set forth below, or as subsequently modified by written notice.

If to the Company: The Real Good Food Company LLC
[***]

With a copy to: Varner & Brandt LLP
Attention: Sean S. Varner
3750 University Avenue, Suite 610
Riverside, California 92501

If to CPG: CPG Solutions, LLC
Attention: Andrew Stiffleman
[***]

9.8 Expenses. Each Party to this Agreement shall pay its own expenses incurred with respect to this Agreement, the documents referred to herein and the transactions contemplated hereby and thereby, irrespective of whether such transactions are consummated.

9.9 Attorneys' Fees. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing Party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such Party may be entitled.

9.10 Confidentiality. Each Party agrees that, except with the prior written permission of the other Party, the Parties shall at all times keep confidential and not divulge, furnish or make accessible to anyone (other than their respective attorneys, accountants and advisors on a need to know basis) any confidential information, knowledge or data concerning or relating to the business or financial affairs of the other Party.

9.11 Further Documents. Subsequent to the date hereof, each Party agrees to execute and deliver to the other such further instruments of conveyance and transfer any and all other documents and instruments and to perform such further acts as may be necessary to effectuate or implement the terms and intent of this Agreement.

9.12 Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, the Parties agree to renegotiate such provision in good faith. In the event that the Parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (a) such provision shall be excluded from this Agreement, (b) the balance of the Agreement shall be interpreted as if such provision were so excluded and (c) the balance of the Agreement shall be enforceable in accordance with its terms.

9.13 No Third Party Beneficiary. Notwithstanding anything else contained herein to the contrary, the Parties specifically disavow any desire or intention to create any third-party beneficiary obligations, and specifically declare that no person, other than as set forth in this Agreement, shall have any rights or remedies of any nature or kind whatsoever under or by reason of this Agreement.

9.14 Entire Agreement; Assignment; Binding Effect. This Agreement, and the documents referred to herein constitute the entire agreement between the Parties pertaining to the subject matter hereof, and any and all other written or oral agreements existing between the Parties are expressly canceled. The rights and obligations of any Party under this Agreement may not be transferred or assigned, directly or indirectly, without the prior written consent of the Party burdened by such assignment or transfer, which consent will not be unreasonably withheld.

9.15 Informed Consent. Each Party hereby declares that such Party has received sufficient information, either through said Party's own legal counsel or other sources of said Party's own selection, so as to be able to make an intelligent and informed judgment whether to enter into this Agreement. Each Party further states that he or it has read this Agreement in its entirety prior to executing the document, and that he or it has executed this Agreement voluntarily, with competence and capacity to contract and with knowledge of the terms, significance and legal effect of this Agreement.

9.16 No Interpretational Preference. In the event any disagreement should arise between the Parties regarding the interpretation of any of the provisions of this Agreement, then neither of the Parties shall be entitled to receive any preference by operation of law, or in equity, in the interpretation of such disagreement.

9.17 Incorporation of Documents. Each document identified in this Agreement, whether or not attached hereto, is incorporated herein by reference and made a part hereof at each point of reference.

[*signatures on the following page*]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed on their respective behalf by their respective representatives, thereunto duly authorized, as of the Effective Date.

COMPANY:

The Real Good Food Company LLC,
a California limited liability company

By: */s/ Josh Schreider*
Josh Schreider
Its: Manager

CPG:

CPG Solutions, LLC, a Wyoming limited liability company

By: */s/ Andrew Stiffleman*
Andrew Stiffleman
Its: Manager

EXHIBIT A

AMENDED AND RESTATED OPERATING AGREEMENT

[***attached behind***]

AMENDED AND RESTATED
OPERATING AGREEMENT

OF

THE REAL GOOD FOOD COMPANY LLC,
a California limited liability company

TABLE OF CONTENTS

AMENDED AND RESTATED
OPERATING AGREEMENT
OF
THE REAL GOOD FOOD COMPANY LLC,
A CALIFORNIA LIMITED LIABILITY COMPANY

This Operating Agreement (this ***"Agreement")*** of The Real Good Food Company LLC (the ***"Company"),*** is entered into as of November ___, 2016 (the ***"Effective Date"),*** by the undersigned and any party subsequently admitted as a Member in accordance with the terms and conditions of this Agreement (referred to individually as a ***"Member"*** or collectively as the ***"Members"***).

WHEREAS, the Company was organized by Josh Schreider ***("Initial Member")*** under the Act by filing the Articles of Organization of the Company with the California Secretary of State on February 3, 2016;

WHEREAS, the Initial Member entered into that certain Operating Agreement of the Company dated as of February 3, 2016 ***("Operating Agreement")***;

WHEREAS, the Members desire to enter into this Agreement to amend and restate the Operating Agreement, all on the terms and conditions set forth in this Agreement

The Members agree as follows:

1. Definitions. Capitalized terms in this Agreement are defined in Appendix 1, or they shall have the meanings set forth just before their use in quotations.

2. Formation and Organization.

2.1 Formation. The Company has formed a manager-managed California limited liability company under the laws of the State of California by filing Articles of Organization ***("Articles")*** with the California Secretary of State and adopting this Agreement. The rights and liabilities of the Members shall be determined pursuant to the California Revised Uniform Limited Liability Act as codified in California Corporations Code Section 17701.01 et seq. (the ***"Act")*** and pursuant to the terms of this Agreement. In the event of a conflict between the terms of the Act and this Agreement, the terms of this Agreement shall control, unless expressly prohibited in the Act, in which case the terms of the Act shall control.

2.2 Name. The name of the Company is The Real Good Food Company LLC. The Company may conduct business under that name or any other name unanimously approved by the Members and may take such actions as the Members may unanimously determine to preserve the Company's rights and interests in any name, including, but not limited to, filing any fictitious name certificates and similar filings, and any amendments thereto, that the Members consider appropriate or advisable.

2.3 Office; Registered Agent. The Company will continuously maintain an office and registered agent in the State of California as required by the Act. The principal executive office of the Company is located at 444 East Santa Clara Street, Ventura, California, or such other location as the Manager may determine. The registered agent will be Sean S. Varner, whose address is 3750 University Avenue, Suite 610, Riverside, California 92501, or any other person or entity unanimously designated by the Members.

2.4 Title to Assets; No Partition. Title to all assets acquired by the Company shall be held in the name of the Company. Each Member irrevocably waives all its rights to maintain an action for partition of any Company assets.

2.5 Purposes.

2.5.1 Any Lawful Business. The purpose of the Company shall be to conduct any lawful business, purpose or activity which may be engaged in by a limited liability company organized under the Act, as such business activities may be unanimously determined by the Members from time to time.

2.5.2 Specific Intent. Without limiting Section 2.5.1. above, the Company specifically intends to operate as a food manufacturing company.

2.5.3 Company Powers. The Company shall have the power to perform any and all acts and things necessary, appropriate, proper, advisable, incidental to or convenient for the furtherance and performance of such purposes, and for the protection and benefit of its assets.

2.6 Duration. The term of the Company commenced as of the date of the filing of the Articles and shall be perpetual, unless sooner terminated under Section 13 of this Agreement.

2.7 Limitation of Liability. The Members intend the Company to be a limited liability company under the Act, classified as a partnership for federal, and to the maximum extent possible, state income taxes. No Member shall take any action inconsistent with the express intent of the parties to this Agreement. The liability of each Member and Manager of the Company to third parties for obligations of the Company shall be limited to the fullest extent provided in the Act and other applicable law.

2.8 Manager. The property and affairs of the Company shall be managed by Josh Schreider, until his successor is selected in the manner provided in Section 7.3 below and shall serve all functions assigned to a ***"Manager"*** (as that term is defined in Section 17701.02(n) of the Act), in accordance with the terms of this Agreement.

3. Capital Contributions; Loans and Other Business Transactions.

3.1 Capital Structure. The capital structure of the Company shall consist of one class of Membership Interests. Membership Interests shall be issued to the Members based on Percentage Interests, as set forth in Exhibit A. The Company may, but shall not be obligated to, issue certificates evidencing the Membership Interests issued by the Company.

3.2 Initial Capital Contributions. Each Member shall make Initial Capital Contributions to the Company in such amounts, or forms, as set forth in Exhibit A. Except as provided in this Agreement, no Member may withdraw his/its capital contributions. The Manager will amend Exhibit A from time to time to reflect the current status of Members' class of Membership Interest, Percentage Interests and capital (or cash-equivalent) contributions.

3.3 Additional Capital Contributions. No Member shall be required to make additional Capital Contributions to the Company.

3.3.1 Consent Required. The Manager may determine from time to time in good faith that additional Capital Contributions are necessary for the operations of the Company. On making such a determination, the Manager shall give notice to all Members in writing at least thirty (30) days before the date on which the additional Capital Contribution is due. The notice shall set forth the amount of additional Capital Contribution needed, the purpose for which it is needed, the date by which the Members shall contribute and the manner and method by which each Member may provide written consent to such additional Capital Contribution. If the Members determine by a Majority in Interest that such additional Capital Contribution is necessary or appropriate for the conduct of the Company's business, the Members will then have the first right to make the additional Capital Contribution as specified in the relevant notice. The Manager shall not have the right to seek additional Members for the Company without the consent of a Majority in Interest.

3.3.2 Dilution to Make Up Shortfall. Following the contribution of additional Capital Contributions, the Percentage Interests shall be adjusted based on the then valuation of the Company. The non-contributing Members' Percentage Interests shall be diluted as set forth in Section 3.5 below.

3.4 Capital Accounts. An individual Capital Account shall be established and maintained on the Company's books for each Member. If a Membership Interest is transferred in accordance with this Agreement, the transferee shall succeed to the Capital Account of the transferor. The balance of each Member's Capital Account shall be calculated in accordance with the following provisions:

3.4.1 Additions to Capital Account. Each Member's Capital Account shall be increased by: (a) such Member's Capital Contributions; (b) such Member's distributive share of Net Profit not yet distributed to that Member; (c) any items in the nature of income or gain that are specially allocated to that Member but not yet distributed to that Member; and (d) the amount of any Company liabilities assumed by such Member or secured by any Company property distributed to such Member.

3.4.2 Subtractions from Capital Account. Each Member's Capital Account shall be decreased by: (a) the amount of cash and the Gross Asset Value of any Company assets distributed to such Member pursuant to any provision of this Agreement (net of liabilities encumbering such distributed asset that the recipient Member is considered to assume pursuant to Section 752 of the Code); (b) such Member's distributive share of Net Loss; (c) any items in the nature of expenses or losses which are specially allocated to that Member pursuant to the terms hereof; and (d) the amount of any liabilities of such Member assumed by the Company or which are secured by any property contributed by such Member to the Company.

3.4.3 Compliance with Regulations. The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Sections 1.704-1 (b) and 1.704-2 of the Regulations, and shall be interpreted and applied in a manner consistent with the Regulations. The Manager may modify the manner in which the Capital Accounts are computed to comply with the Regulations if it is not likely to have a material effect on the amounts distributed to any Member upon dissolution of the Company.

3.4.4 Capital Account Adjustment. If the Gross Asset Value of Company assets are adjusted as described in the definition of Gross Asset Value in Appendix 1, the Capital Accounts of all Members shall be adjusted simultaneously to reflect the aggregate net adjustment as if the Company recognized gain or loss equal to the amount of such net adjustment.

3.5 Adjustment of Membership Percentage Interests. In the event additional Capital Contributions are made to the Company as set forth in Section 3.3 of this Agreement, the Members' respective Membership Percentage Interests will be modified to take account of the level of Capital Contributions made by each. The adjustments of the Percentage Interests will be made by the Manager based on its reasonable judgment of the value of the additional Capital Contribution compared to the value of the Company immediately before the additional Capital Contribution in accordance with this Section 3.5. Exhibit A will be amended to reflect any additional Capital Contribution or adjustment in Members' Percentage Interests.

3.6 No Interest. The Company will not pay any interest on Capital Contributions or on the balance of a Member's Capital Account.

3.7 Loans and Other Business Transactions. Upon consent of the Manager: (i) any Member may, at any time, make or cause a loan to be made to the Company in any amount and on those terms upon which the Majority in Interest deems appropriate; and (ii) Members may also transact other business with the Company and, in doing so, they shall have the same rights and be subject to the same obligations arising out of any such business transaction as would be enjoyed by and imposed upon any Person, not a Member, engaged in a similar business transaction with the Company.

4. Allocations of Net Profit and Net Loss.

4.1 Net Loss. Unless otherwise stated in this Agreement, Net Loss will be allocated to the Members in proportion to then Percentage Interests for Company book purposes. Notwithstanding the previous sentence, loss allocations to a Member will, to the extent possible, be made only to the extent that the loss allocations do not create a deficit Capital Account balance for that Member in excess of an amount, if any, equal to that Member's share of Minimum Gain of the Company. Any loss not allocated to a Member because of the foregoing provision will be allocated to the other Members (to the extent the other Members are not limited in respect of the allocation of losses under this Section 4.1). Any loss reallocated under this Section 4.1 will be taken into account in computing subsequent allocations of income and losses pursuant to this Section 4, so that the net amount of any item so allocated and the income and losses allocated to each Member pursuant to this Section 4, to the extent possible, will be equal to the net amount that would be allocated to each Member pursuant to this Section 4 if no reallocation of losses occurred under this Section 4.1.

4.2 Net Profit. Net Profit shall be allocated among the Members in the same proportion as Company Cash Flow is distributed to the Members pursuant to Section 5 of this Agreement.

4.3 Allocations for Tax Purposes.

4.3.1 Tax Allocations. For income tax purposes, each item of income, gain, loss or deduction of the Company shall be allocated among the Members in accordance with the method in which equivalent items of Net Profit or Net Loss are allocated pursuant to this Section 4. The foregoing provisions and the other provisions of this Agreement relating to the allocation

of Net Losses and Net Profits are intended to comply with the Regulations, and if any special allocations are required in the reasonable opinion of the Company's tax advisor to give substantial economic effect to allocated Net Losses and Net Profits pursuant to the Regulations, such special allocations shall be made in the minimum amounts required to satisfy the Regulations. In the case of any special tax allocations allowed under the code or Regulations, the method of allocation and formula determined by the Company's tax advisor shall be followed so long as it complies with state law, the Code, the Regulations and fairly treats each Member. The method of tax allocation selected by the Tax Matters Partner shall be presumed to be "fair to all the members" and any Member or party challenging said allocation on these grounds shall bear the burden of proof.

4.3.2 Allocation upon Transfer of Membership Interests. Net Profit and Net Loss, together with corresponding tax items, shall be allocated between a transferring Member and the Substitute Member using any method approved by the Manager and permitted by Section 706 of the Code.

5. Distributions. Any distributions made pursuant to this Section 5 are subject to the limitations of the Act. The Manager may make distributions of the Company Cash Flow in proportion to each Member's Percentage Interest at such times and frequencies as a Majority in Interest may so elect, subject to any Profits Participant's (defined below) right to share in the same pursuant to this Agreement and any other agreement executed between the Company and that Profits Participant concerning Profits Interest (defined below).

5.1 Return of Distributions in Certain Circumstances. A Member is only obligated to return a Distribution to the extent required under Section 17704.05 of the Act (or elsewhere in the Act). The Manager will endeavor to refrain from authorizing any Distributions that would result in such requirement.

5.2 No Distributions in Kind. Except as otherwise specifically set forth herein, the Members shall not have the right to demand or receive property other than cash in return of Capital Contributions or as to Distributions.

6. No Liability of Members; Indemnity of Members.

6.1 No Liability. Consistent with Section 2.7 above, all debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Member or Manager shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member. This Section does not prevent a Member or Manager, should he or she so choose, from separate agreement to guaranty or otherwise become liable for a debt or obligation of the Company.

6.2 Indemnification.

6.2.1 Members. The Company shall defend, indemnify and hold the Members harmless from and against any loss, claims, damages, liabilities, expenses, judgments, fines or settlements arising from any claims (including reasonable legal expenses and other costs of defense), demands, actions, suits or proceedings (civil, criminal, administrative or investigative) in which they may be involved, as a party or otherwise, by reason of their management of, or involvement in, the affairs of the Company, or which relate to the Company, its business or affairs, if the indemnitee acted in good faith and in a manner the indemnitee reasonably believed to be in, or not opposed to, the best interests of the Company, and, concerning any criminal proceeding, had no reasonable cause to believe the conduct of the indemnitee was unlawful. The termination of a

proceeding by judgment, order, settlement, conviction or upon a plea of *nolo contendere*, or its equivalent, shall not, of itself, create a presumption that the indemnitee did not act in good faith and in a manner which the indemnitee reasonably believed to be in, or not opposed to, the best interests of the Company or that the indemnitee had reasonable cause to believe that the indemnitee's conduct was unlawful, unless there has been a final adjudication in the proceeding that the indemnitee did not act in good faith and in a manner which the indemnitee reasonably believed to be in, or not opposed to, the best interests of the Company.

6.2.2 Expenses. To the fullest extent permitted by applicable law, expenses (including legal fees) incurred by the Members in defending any claim, demand, action, suit or proceeding arising from a Member's act or omission (whether or not constituting negligence or gross negligence) performed or omitted by them on behalf of the Company, shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding.

6.2.3 Managers, Officers and Agents. The Company shall have the power to indemnify any Person who was or is a party, or who is threatened to be made a party, to any legal proceeding by reason of the fact that the Person was or is a Manager, officer, employee or other agent of the Company, or was or is serving at the request of the Company in any capacity, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by that Person in connection with the proceeding, if that Person acted in good faith and in a manner that the Person reasonably believed to be in the best interests of the Company, and, in the case of a criminal proceeding, the Person had no reasonable cause to believe that the Person's conduct was unlawful. The termination of a proceeding by judgment, order, settlement, conviction or upon a plea of *nolo contendere*, or its equivalent, shall not, of itself, create a presumption that the indemnitee did not act in good faith and in a manner which the indemnitee reasonably believed to be in, or not opposed to, the best interests of the Company or that the indemnitee had reasonable cause to believe that the indemnitee's conduct was unlawful, unless there has been a final adjudication in the proceeding that the indemnitee did not act in good faith and in a manner which the indemnitee reasonably believed to be in, or not opposed to, the best interests of the Company, or that the Person had reasonable cause to believe that the Person's conduct was unlawful.

6.2.4 Nonexclusive Right. The indemnification provided by this Section is not exclusive of any other rights to which any Person may be entitled under any Agreement, or as a matter of law, or otherwise.

6.2.5 Former Member or Manager. All provisions of this Section 6 shall apply to any former Member or Manager of the Company for all actions or omissions taken while such person was a Member or Manager of the Company to the same extent as if such person were still a Member or Manager of the Company.

6.2.6 Insurance. The Company may purchase and maintain insurance, to the extent and in such amounts as the Manager shall, in his business judgment, deem reasonable, on behalf of Members, as that term is defined in any insurance policy obtained by the Company, and such other persons or entities as the Members shall determine, against any liability that may be asserted against, or expenses that may be incurred by, any such person or entity in connection with the activities of the Company or such indemnities, regardless of whether the Company would have the power to indemnify such person or entity against such liability under the provisions of this Agreement.

7. Management.

7.1 Manager. The business, property and affairs of the Company shall be managed by the Manager named in Section 2.8 until his successor is selected in accordance with Section 7.3 below. Except as otherwise provided in this Agreement, all decisions concerning the property and affairs of the Company shall be made by the Manager.

7.2 Term. The Manager shall serve until the earlier of the following: (a) resignation, retirement, death or disability; (b) removal by the Members in accordance with Section 7.3 below; and (c) the expiration of the Manager's term as a Manager, if such term is designated by a Majority in Interest.

7.3 Appointment and Removal of the Manager. The Manager shall be appointed by a Majority in Interest for (a) a term expiring with the appointment of a successor, or (b) a term expiring at a definite time specified by a Majority in Interest in connection with the appointment. Members, by a Majority in Interest, may appoint more than one Manager. A Manager may be removed with or without cause at any time by an action of a Majority in Interest. The initial Manager shall be Josh Schreider, who shall serve until the appointment of a successor in accordance with this Section 7.

7.4 Powers and Duties of Manager. The Manager shall preside over the day to day function of the Company, including the following:

(a) Execute on behalf of the Company all instruments, documents and other agreements on behalf of the Company in such forms as the Manager may approve;

(b) Endorse checks, drafts or other evidence of indebtedness to the Company for deposit into one of the Company's accounts;

(c) Do and perform all other acts as may be necessary or appropriate to the conduct of the Company's business; and

(d) Otherwise undertake any other act in the ordinary course of the Company's activities.

Notwithstanding the default rules promulgated by Section 17704.07(c) of the Act, the Manager may only take the following actions upon the approval of a Majority in Interest:

(a) Select the officers of the Company;

(b) Employ accountants, legal counsel, managing agents, tradesmen, contractors, subcontractors or other Persons to perform services for the Company;

(c) Maintain and purchase liability insurance to the extent deemed reasonable or prudent to protect the Company's property and business;

(d) Promptly and swiftly sell, lease exchange or otherwise dispose of all, or substantially of the Company's property outside the ordinary course of the Company's activities;

(e) Commence lawsuits and other proceedings on behalf of the Company;

(f) Cause the dissolution, termination, merger or conversion of the Company; and

(g) Any other powers or duties that may be prescribed in this Agreement or by a Majority in Interest.

7.5 Procedure for Action by the Manager. If there is more than one Manager, actions by the Managers shall be taken at meetings or as otherwise provided in Section 7.5(e) below by at least a majority vote of those serving as the Manager, or the number of votes otherwise sufficient to approve the action pursuant to the terms of this Agreement.

(a) Meetings. No regular meetings of the Manager need be held. If there is more than one Manager, any Manager may call a Manager meeting by giving Notice of the time and place of the meeting at least forty-eight (48) hours before the time of the holding of the meeting. The Notice need not specify the purpose of the meeting, nor the location if the meeting is to be held at the principal executive office of the Company. Participation in a Manager meeting may occur through the use of conference telephone or similar communications equipment, so long as all participants in such meeting can hear one another. Participation in a meeting pursuant to the foregoing sentence constitutes presence in person at such meeting.

(b) Minutes. The Manager shall keep, or cause to be kept, with the books and records of the Company full and accurate minutes of all meetings, notices and waivers of notices of meetings, and all written consents to actions by the Manager.

(c) Quorum. A majority of those serving as the Manager shall constitute a quorum for the transaction of business at any Manager meeting.

(d) Waiver of Notice. Notice of a meeting need not be given to any Manager who signs a waiver of notice or a consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Manager. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. A waiver of notice need not specify the purpose of any Manager meeting.

(e) Action by Written Consent Without a Meeting. Any action required or permitted to be taken by the Manager may be taken without a meeting, if at least a majority of those serving as the Manager individually consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Manager. Such action by written consent shall have the same force and effect as a vote of the Manager at a duly held meeting.

7.6 Time. It is acknowledged that a Manager may have other business interests to which that Manager devotes part of its time. A Manager shall devote as much time to the conduct of the business of the Company as that Manager, in that Manager’s own good faith and discretion, deems necessary.

7.7 Compensation. The Manager shall not be entitled to compensation unless otherwise determined by the Majority in Interest of the Members. Notwithstanding the foregoing, no Manager is prevented from receiving such a salary or other compensation because the Manager is also a Member.

7.8 Business Expenses. The Company shall promptly reimburse the Manager for all ordinary, necessary, and direct expenses incurred by the Manager on behalf of the Company in carrying out the Company's business activities, contingent upon submission of substantiating documentation (such as receipts, paid bills or canceled checks) containing information sufficient to establish the amount and character of any such expenditure.

7.9 No Management by Other Persons or Entities. Except and only to the extent expressly and unanimously delegated by the Members or Manager, no person or entity other than the Manager shall be an agent of the Company or have any right, power or authority to transact any business in the name of the Company or to act for or on behalf of or to bind the Company.

7.10 Title to Assets. The Manager shall cause all assets of the Company, whether real or personal, to be held solely in the name of the Company.

7.11 Banking. All funds of the Company shall be deposited in one or more accounts with one or more recognized financial institutions in the name of the Company, at locations determined by the Manager. Withdrawal from those accounts shall require the signature of the Manager.

8. Company Accounts and Accounting.

8.1 Partnership Tax Treatment. Each Member acknowledges that it understands and intends that the arrangement created hereunder is a partnership for federal (and applicable state and local) income tax purposes and that it intends and expects to be treated as a partner thereof for such purposes. The Members agree that, unless otherwise required by appropriate tax authorities, neither the Company nor any Member shall file or cause to be filed annual returns, reports or other forms inconsistent with such stated intent. No election to treat the Company other than as a partnership for federal income tax purposes or any relevant state or local tax purposes shall be made by or on behalf of the Company or any Member.

8.2 Book of Accounts. Complete books of account of the Company's business, in which each Company transaction shall be fully and accurately entered, shall be kept at the Company's principal execute office and at other locations that the of Manager shall determine from time to time, and shall be open to inspection and copying on reasonable notice by any Member or the Member's authorize representatives during normal business hours. The costs of inspection and copying shall be borne by the Member.

8.3 Method of Accounting. The financial books and records of the Company shall be kept on a cash basis unless changed to the accrual basis by the Manager. The financial statements of the Company shall be prepared in accordance with generally accepted accounting principles and shall be appropriate and adequate for the Company's business and for carrying out the provisions of this Agreement.

8.4 Fiscal Year. The Company's fiscal year (the "***Fiscal Year***") is the calendar year unless changed by the Manager in accordance with applicable tax laws.

8.5 Records. At all times during the term of existence of the Company, and beyond that term if the Manager deems it necessary, the Manager shall keep or cause to be kept the books of account referred to in Section 8.2 above, together with:

(a) Exhibit A, attached hereto, updated in accordance with Section 9.1 below;

(b) A copy of the Articles, as may be amended;

(c) Copies of the Company's federal, state and local income tax or information returns and reports, if any, for the six (6) most recent tax years;

(d) An original executed copy or counterparts of this Agreement, as may be amended;

(e) Any powers of attorney under which the Articles or this Agreement or any amendments to the Articles or this Agreement were executed;

(f) Financial statements of the Company for the six (6) most recent fiscal years; and

(g) The books and records of the Company as they relate to the Company's internal affairs for the current and past four (4) fiscal years.

If the Manager deems that any of the foregoing items shall be kept beyond the term of existence of the Company, the repository of those items shall be as designated by the Manager.

8.6 Financial Statements. At the end of each Fiscal Year, the books of the Company shall be closed and examined, statements reflecting the financial condition of the Company and its Profits or Losses shall be prepared, and a report about those matters shall be issued by the Company's certified public accountant(s). Copies of the financial statements shall be given to all Members. In addition, all Members shall receive, not less frequently than at the end of each calendar quarter, copies of such financial statements regarding the previous calendar quarter as may be prepared in the ordinary course of business by the Manager or accountants selected by the Manager. The Manager shall cause an annual report to be sent to each Member within one hundred twenty (120) days after the end of the Fiscal Year of the Company. The annual report shall be sent by electronic transmission by the Company and shall include:

(a) A balance sheet and income statement, and a statement of Cash Flow of the Company as of the close of the Fiscal Year; and

(b) A statement showing the Capital Account of each Member as of the close of the Fiscal Year and the distributions, if any, made to each Member during the Fiscal Year. Members may request interim balance sheets and income statements, and may, at their own discretion and expense, obtain an audit of the Company books by certified public accountant(s) selected by them; provided, however, that not more than one such audit shall be made during any Fiscal Year of the Company.

8.7 Income Tax Data and Reports. The Tax Matters Partner shall send or cause to be sent to the Members and Transferees, if any, within ninety (90) days after the end of each Fiscal Year, such information as is necessary for the Members to complete their federal and state income tax or information returns together with a copy of the Company's federal, state and local income tax or information returns for that year.

8.8 Tax Matters Partner. The Manager shall act as the Tax Matters Partner. The Members must cooperate with the Tax Matters Partner and shall do or refrain from doing all things reasonably required by the Tax Matters Partner to conduct tax matter proceedings. The Tax Matters Partner shall afford the other Members the opportunity to attend all meetings with tax authorities and all such proceedings. The Tax Matters Partner must promptly notify the other Members upon the receipt of any correspondence from any federal, state or local tax authorities relating to any examination of the Company's affairs.

9. Membership.

9.1 Members; Classes of Membership Interest. The name, present mailing address, class of Membership Interest and Percentage Interests of the Members are set forth on Exhibit A.

There shall be no additional Members admitted to the Company without the written consent of the Majority in Interest, which such consent may be withheld by each Member in his or her sole and absolute discretion. Exhibit A will be amended from time to time on the admission of an Additional Member or Substitute Member, to set forth that Member's name, present mailing address, class of Membership Interest and Percentage Interest.

9.2. Personal Nature of Membership Interests. The Membership Interests shall be personal property for all purposes. All property, real or personal, which the Company owns shall be deemed owned by the Company as an entity and not by any Member.

9.3. Additional Member(s). Additional Person(s) may be issued Membership Interests and admitted to the Company as Additional Member(s) upon terms determined by the Majority in Interest and (i) in accordance with this Agreement and (ii) upon the written subscription of such Additional Person(s) to be bound by and abide by the terms and conditions of this Agreement.

9.4 Admission of Substitute Member(s). No transferee of a Membership Interest may be admitted as a Substitute Member with all the rights of the Member who assigned the Membership Interest without the approval of the Majority in Interest. If so admitted, the Substitute Member shall have all the rights and duties of the Member who assigned the Membership Interest. If not so admitted, the transferee shall have a Transferable Interest only and shall not have Membership Rights. Admission of a Substitute Member shall not release a transferring Member from any obligations or liability to the Company that the transferring Member incurred before the transfer.

9.5 Dissociation of a Member. A Member may dissociate from the Company at any time upon sixty (60) days prior written notice to the Company, without prejudice to the lights, if any, of the Company or the other Members under any contract other than this Agreement to which the dissociating Member is a patty. Dissociation shall not release a Member from any obligations or liabilities under this Agreement accrued or incurred before the effective date of dissociation. Furthermore, the dissociating Member will thereafter be subject to the following: (i) only have a Transferable Interest in the Company (without any Membership Rights); (ii) the Membership Interest is subject to purchase and sale at the Enterprise Value (as defined in Section 11.7 below) by the Company and/or remaining Members under the terms of the Right of First Refusal set forth in Section 11.3; and (iii) the Company will not be required to distribute any property or other assets or any portion of the Capital Contributions or Capital Account of the dissociating Member until similar distributions are made to Members who have not resigned or dissociated from the Company.

9.6 Profits Participants. With the prior written unanimous approval of the Members, the Manager may, from time to time on behalf of the Company, issue a percentage of the Company to individuals as future profits interest in the Company (which future profits interest or the portion thereof earned is hereinafter referred to the "***Profits Interest***" and the individuals shall be referred to individually as a "***Profits Participant***") and collectively as the "***Profits Participants***"). Subject to the terms of this Agreement and a separate agreement between the Company and each Profits Participant, in exchange for providing personal services to the Company, shall receive a future profits only interest in the Company. With the prior written unanimous approval of the Members, the Manager may, on behalf of the Company, negotiate the terms and conditions of the Profits Interest, which may include vesting schedules and contingencies, anti-dilution, earn-in, termination, forfeiture and other terms and conditions.

(a) Forfeiture of Profits Interest. The Profits Interests shall be subject to forfeiture for each Profits Participant as follows: in the event the services of the Profits Participant is terminated by the Company for Cause or the Profits Participant voluntarily terminates his/her services to the Company at any time, the entire Profits Interest of that Profits Participant will be automatically and immediately forfeited and terminated, unless otherwise agreed to in writing between the Company and the Profits Participant. For purposes of this paragraph, "***Cause***" is defined as: (a) willful and material misconduct by the Profits Participant as determined by the Company, including without limitation, willful and material failure to perform the agreed upon duties to or services for the Company, or a material breach of this Agreement or Company policies or procedures, as either may be amended from time to time, and failure to "cure" such misconduct within fourteen (14) days after receipt of written notice from the Company specifying the misconduct; (b) the commission of an act of fraud or embezzlement by the Profits Participant; (c) the conviction, plea of no contest or plea of *nolo contendere* for any felony by the Profits Participant; (d) gross negligence, dishonesty, breach of fiduciary duty or material breach of the terms of this Agreement, or any other agreement with the Company or any of its affiliates, which is not remedied within fourteen (14) days after receipt of written notice from the Company specifying such failure; or (e) any unauthorized use or disclosure by the Profits Participant of confidential information or trade secrets of Company, or any other intentional misconduct by such person adversely affecting the business or affairs of Company in a material manner. In the event all or any portion of the Profits Interest is forfeited, the forfeited Profits Interest will be returned to the Members on a pro rata basis.

(b) Transfer and Assignment of Profits Interests. No Profits Participant may transfer, assign, convey, sell or encumber all or any part of the Profits Interest. Any attempted transfer shall be null and void and shall cause the Profits Interest to be immediately forfeited.

(c) Rights. The Profits Interest is a future interest in profits of the Company only. Therefore, Profits Interest shall not entitle a Profits Participant to have voting rights, otherwise participate in the management or decision-making affairs of the Company or have any other rights not specifically granted to him or her in writing. Furthermore, Profits Interest shall not confer on a Profits Participant any right to continue in the service of Company, or any of its affiliates, or affect their right to terminate the Profits Participant's service at any time. The grant of Profits Interest shall not affect the right of the Company or any parent or subsidiary thereof to reclassify, recapitalize or otherwise change its capital or debt structure or to merge, consolidate, convey any or all of its assets, dissolve, liquidate, wind up or otherwise reorganize.

10. Member Meetings and Voting.

10.1 Member Meetings. Meetings of the Members shall not be required. In the event a meeting of the Members is desired, any Member entitled to vote and holding no less than twenty percent (20%) of the Percentage Interests may call a meeting upon written request to the Company. Notice of the meeting, shall be noticed in writing no earlier than sixty (60) days, nor later than ten (10) days, prior to the meeting date, and shall specify, at a minimum, the time, purpose and location of the meeting. Members representing a Majority in Interest shall constitute quorum for the transaction of business at any Member Meeting. Unless otherwise set forth in this Agreement or required by the Act, all Member votes on any matter shall require an affirmative vote of a Majority in Interest. Such meetings shall be held and adjourned in the manner provided in this Agreement or Section 17704.07(f)-(q) of the Act.

10.2 Written Consent. Any action required or permitted to be taken at any meeting of the Members may be taken without a meeting if Members with the percentage of votes sufficient to approve the action pursuant to the terms of this Agreement resolve thereto in writing (including, without limitation, in electronic form) and the writing or writings are filed with the Company records of actions taken by Members. In no instance where action is authorized by written resolution shall it be required that a meeting of Members be called or notice be given; however, upon passage, a copy of the action taken by written resolution of the Members shall be sent promptly to all Members.

10.3 Membership Rights. The Members have vested the management of the Company in the Manager and shall have no management rights. A Member's Membership Rights includes all rights of a Member other than the Member's Transferrable Interest and shall include the following rights and powers, provided that any vote on these items require a Majority in Interest:

(a) To appoint, remove and replace the Manager in accordance with Section 7.3 above;

(b) To inspect the books, records and accounts of the Company in accordance with Section 8.2 above;

(c) To approve or deny a plan for merger or conversion in accordance with Section 17710.01 et seq. of the Act;

(d) To approve or deny a dissolution or termination of the Company in accordance with Section 13.2 below; and

(e) To the extent expressly required by this Agreement or the Act, to vote on or grant consent or approval concerning matters coming before the Company.

10.4 Independent Activities. Each Member, any partner, shareholder, officer, director or employee thereof, or any person owning a legal or beneficial interest therein (collectively, "***Affiliates***" and each individually an "***Affiliate***"), may engage in or possess an interest in any other business or venture of every nature and description, independently or with others, including those which may be the same or similar to or compete with the Company's business. Neither the Company nor any Member shall have any right, by virtue of this Agreement, in and to such independent ventures or the income or profits derived from any such investment opportunity not otherwise in violation of this Section 10.4. The Members have no duty to submit to the Company any business opportunities in which it may be in any way interested, and the

Members shall have the right to take for their own account (individually or otherwise) or to recommend to others any such investment opportunity not otherwise in violation of this Section 10.4.

10.5 Compensation and Expenses.

10.5.1 Member Compensation. Except as required by law or otherwise provided in this Agreement or by a Majority in Interest, no Member shall be entitled to any compensation for services or activities undertaken in his/its capacity as Member.

10.5.2 Business Expenses. The Company shall promptly reimburse the Members for reasonable and ordinary business expenses that they incur in connection with the Company's business, contingent upon the following: (i) submission of substantiating documentation (such as receipts, paid bills or canceled checks) containing information sufficient to establish the amount and character of any such expenditure and (ii) prior approval from the Manager.

11. Transfer of Membership Interests.

11.1 Transfer. Members may not sell, convey, mortgage, pledge, assign, hypothecate or otherwise dispose of ("***Transfer***"), in whole or in part, any interest or rights in, such Member's Membership Interests, whether now owned or later acquired, except in accordance with this Section 11. Each Member hereby acknowledges the reasonableness of this prohibition in view of the purposes of the Company and relationship of the Members. To the extent that it would not have adverse tax consequences for the remaining Members and would not terminate the Company's existence, a Member may Transfer his/its Membership Interest to the Company at no cost to the Company.

11.2 Transfer Void. Any attempted Transfer of a Member's Membership Interests in contravention of this Section 11 shall be deemed invalid, null and void, and of no force or effect, except any transfer mandated by operation of law and then only to the extent necessary to give effect to such transfer by operation of law.

11.3 Right of First Refusal.

11.3.1 Notice of Intention to Sell. If a Member desires to Transfer his/its Membership Interests, or any part thereof, at any time, such Member shall first give written notice ("***Transfer Notice***") to the Company and the other Members of his/its intention to Transfer such Membership Interests. Any such notice may be given only following receipt by the Member desiring to Transfer his/its Membership Interests or any portion thereof (the "***Selling Member***") or upon receipt of a bona fide written offer for such Transfer, in which case the Transfer Notice shall specify the identity of the proposed Transferee, the amount of the cash purchase price proposed to be paid for such Membership Interests and all material terms of such transaction.

11.3.2 Right of First Refusal.

(a) Any Transfer of Membership Interests requiring the giving of written notice under Section 11.3.1 of this Agreement shall be subject to a right of first refusal on the part of the Company exercisable within twenty (20) business days ("***Company Exercise Period***") of receipt of such Transfer Notice. During such period, the Company, acting through its remaining Members (without taking into account the Selling Member), subject to any

restrictions imposed by law, shall have the right to elect to purchase all (and not less than all) (subject to the condition set forth below) of the Membership Interests (the "***Subject Membership Interests***") proposed to be sold by the Selling Member at a purchase equal to the lesser of the following, as applicable: (i) the same terms as proposed by the proposed Transferee (including without limitation the cash purchase price proposed to be paid for the Subject Membership Interests by such Transferee), or, if such terms and conditions are not amenable to exact duplication, upon substantially equivalent terms and conditions or (ii) the Enterprise Value; provided, however, notwithstanding the foregoing, the Company shall have the right to exercise its right of first refusal and pay the purchase price with twenty percent (20%) in cash and the balance of the purchase price over sixty (60) equal monthly installments pursuant to a promissory note bearing interest at a rate of three percent (3%) per annum. If the Company does not elect to purchase, or is prohibited from purchasing under the Act, all of the Subject Membership Interests within such twenty (20) business day period, then such right of first refusal shall pass to the non-Selling Members in accordance with Section 11.3.2(b) below with respect to the Subject Membership Interests.

(b) If the right of first refusal shall pass to the non-Selling Members as provided in Section 11.3.2(a) above, such remaining Members shall have the right to purchase at the purchase price and on the terms and conditions specified in the Transfer Notice all of the Subject Membership Interests offered by the Selling Member by giving notice of acceptance to the Selling Member within ten (10) business days of the earlier of the expiration of the Company Exercise Period or the non-Selling Members' receipt of notice that the Company has not elected to purchase all of the Subject Membership Interests ("***Member Exercise Period***"). The remaining Members shall also have the right to purchase all the Subject Membership Interests on the same terms as the Company could have purchased the Subject Membership Interests; provided, however, that the remaining Members must purchase in the aggregate all of the Subject Membership Interests offered by the Selling Member. If the operation of the foregoing provisions of this Section 11.3.2(b) does not result in the purchase of all of the Subject Membership Interests offered by the Selling Member, then the Selling Member may sell all of the offered Subject Membership Interests to the proposed Transferee at the price and on the terms and conditions set forth in the Transfer Notice during a period of forty-five (45) business days immediately following the expiration of the Member Exercise Period. If the sale of such Subject Membership Interests is not completed within such forty-five (45) business day period or if the price or terms or conditions of sale are materially modified from those contained in the Transfer Notice, then the procedures specified in this Section 11.3 shall be repeated.

11.3.3 No Membership Rights Transferred. If the conditions of Transfer set forth in Section 11.3.2 above are satisfied, the Selling Member may Transfer all or any portion of the Member's Transferable Interests to the proposed Transferee. If the Selling Member Transfers all or any portion of the Member's Transferable Interests to a non-Member pursuant to this Section 11.3, the Transferee shall not receive any of the transferor's Membership Rights, if any. Additionally, the non-Member Transferee shall have no right to: (i) become a Member without the unanimous approval of all Members; (ii) exercise any Membership Rights other than those specifically pertaining to the ownership of the Transferable Interests; or (iii) act as an agent of the Company. Furthermore, the proportionate share of the Membership Rights, which would have been transferred if such Transferable Interests were transferred to a Member, shall be distributed to the remaining Members and the Selling Member shall have no further Membership Rights associated with the Transferable Interests transferred.

11.3.4 Member Contributions and Payments During Transfer. During any period of time in which a Member is contemplating a Transfer or effectuating a Transfer, that Member shall continue to be obligated to make any payments required by the Members under

Article 14 below and shall continue to be obligated to make any such payments until such responsibility is effectively transferred with the transfer of that Member's Membership Interests in accordance with this Section 11.

11.4 Death or Incapacity of Member. Upon the death or incapacity of a Member, such Member's Membership Interests shall be deemed offered to the remaining Members, pro rata, relative to the Percentage Interest held by such Members, at the Enterprise Value set forth in Section 11.7 below. In the event a remaining Member does not accept such Member's pro rata portion of such offer, such Member's portion of the Membership Interests shall be offered to the other remaining Members. In the event that any Membership Interests shall remain unallocated, such Membership Interests shall be offered to the Company. In the event that any Membership Interests shall yet remain unallocated, such Membership Interests may be offered to a third party upon the terms and conditions set forth in this Agreement, or they may be distributed pursuant to the laws of descent or by trust to the heirs of the deceased or incapacitated Member. In either case, the Transferee shall succeed to the Member's Transferable Interest, with all of the rights associated with the Member's Transferable Interest; however, the Transferee shall not become a Member and shall not have the right to: (i) become a Member; (ii) exercise any Membership Rights; or (iii) act as an agent of the Company. Instead, the deceased or incapacitated Member's Membership Rights, which would have been transferred if such Membership Interests were transferred to a Member, shall be distributed to the remaining Members in proportion to their Membership Interests. The Company shall have the power to purchase and maintain insurance on behalf of any person who is or was a Member of the Company in order to assure that adequate funds will be available for the purchase of such Member's Membership Interest upon his death or incapacity.

11.5 Marital Dissolution. If, in connection with the divorce or dissolution of the marriage of a Member, any court issues a decree or order that transfers, confirms, or awards a Membership Interest, or any portion thereof, to that Member's spouse (an "***Award***"), then, notwithstanding that such transfer would constitute an unpermitted Transfer under this Agreement, that Member shall have the right to purchase from his or her former spouse the Membership Interest, or portion thereof, that was so transferred, and such former spouse shall sell the Membership Interest or portion thereof to that Member, at the Enterprise Value set forth in Section 11.7 as adjusted for marketability and minority discounts. If the Member fails to consummate the purchase within one hundred eighty (180) days after the court Award (the "***Expiration Date***"), the Company and the other Members shall have the option to purchase from the former spouse the Membership Interest or portion thereof under Section 11.3.2 of this Agreement; provided that the option period shall commence on the later of (1) the day following the Expiration Date, or (2) the date of actual notice of the Award. In the event such Membership Interest is not purchased pursuant to this Section 11.5, the former spouse shall be treated as a Transferee, having all of the rights associated with the Member's Transferable Interest, but shall not become a Member and shall not have the right to: (i) become a Member without the unanimous approval of all Members; (ii) exercise any Membership Rights; or (iii) act as an agent of the Company. The Membership Rights which would have been transferred if such Membership Interests were transferred to a Member, shall be distributed to the Members in proportion to their Membership Interests.

11.6 Transfer of Interests for Estate Planning. Notwithstanding the restrictions on the transfer of Membership Interests provided in this Section 11, a Member may Transfer his/its Transferable Interests to any revocable trust created for the benefit of the Member, or any combination between or among the Member, the Member's spouse or domestic partner and the Member's issue, provided that the Member retains a beneficial interest

in the trust and all of the voting interest included in the Membership Interest. A Transfer of a Member's beneficial interest in the trust, or failure to retain such voting interest, shall be deemed a Transfer of Membership Interest restricted by this Section 11.

11.7 Enterprise Value.

11.7.1 Valuation by Agreement. The Company's value on a going concern basis (the "***Enterprise Value***") may be established by agreement between the Members from time to time.

11.7.2 Appraisal. If there has been no agreement as to value as provided in Section 11.7.1 above within twelve (12) months of an event requiring an agreement on value, the Company and the Member whose Membership Interests are to be purchased, or such Member's successor, shall agree upon a value, or if a value cannot be agreed upon within thirty (30) days of an event requiring an agreement on value, shall either agree upon a single appraiser to determine the value or each appoint an appraiser to determine the value of the Company. If the two (2) appraisers agree upon such value, they shall jointly render a single written report stating that value. If the two (2) appraisers cannot agree upon the value of the Company, they shall each render a separate written report and shall appoint a third appraiser, who shall appraise the Company, determine its value, and render a written report of his or her opinion thereon. Each party shall share equally the fees if a single appraiser is agreed upon, shall pay the fees and other costs of the appraiser appointed by such party if two (2) appraisers are required, and the fees and other costs of the third appraiser shall be shared equally by both parties. The appraiser(s) must apply marketability and minority discounts in considering value.

The value contained in the aforesaid appraiser's written report, the joint written report or the written report of the third appraiser, as the case may be, shall be the Enterprise Value; provided, however, that if the value of the equity contained in the appraisal report of the third appraiser is more than the higher of the first two (2) appraisals, the higher of the first two (2) appraisals shall govern; and provided, further, that if the value of the equity contained in the appraisal report of the third appraiser is less than the lower of the first two (2) appraisals, the lower of the first two (2) appraisals shall govern.

12. Dissociation.

12.1 Occurrence of a Dissociation Event. Upon the occurrence of a Dissociation Event, the Dissociated Member shall be deemed to have offered his/its Membership Interest for sale in accordance with Section 11.3 above. In addition, upon such Dissociation Event, the Dissociated Member shall no longer be deemed a Member of the Company, but shall continue to have a Transferable Interest in the Company.

12.2 Admission as Substitute Member. Notwithstanding Section 12.1 above, within ninety (90) days after the expiration of the Company's right to repurchase a Membership Interest, which right to repurchase resulted from a Dissociation Event, any party acquiring the Transferable Interest in the Company as a result of a Dissociation Event may request in writing admission to the Company as a Substitute Member. If the acquiring party's request for admission as a Substitute Member is denied (as evidenced either in writing or by the Company's failure to respond within fifteen (15) days of Company's receipt of any such request), said acquiring party shall continue as a Transferee. If no timely request for Substitute Member status is made, the acquiring party shall thereafter have only the rights of a Transferee under this Agreement.

13. Dissolution, Liquidation and Termination of the Company.

13.1 Limitations. The Company may be dissolved, liquidated and terminated pursuant only to the provisions of this Section. The Members waive all their other rights to cause the dissolution of the Company or the sale or partition of any of its assets.

13.2 Cause of Dissolution. The first to occur of the following events shall cause the Company to be dissolved:

(a) A vote of the Majority in Interest in favor of dissolution and termination of the Company;

(b) A unanimous vote of those serving as the Manager in favor of dissolution and termination of the Company;

(c) The sale or other disposition of substantially all of the Company's assets and the receipt in cash of the proceeds thereof;

(d) At the end of the term of this Agreement, as set forth in Section 2.6 above; or

(e) The date on which the Company is dissolved by operation of law or decree of judicial dissolution entered pursuant to the Act.

13.3 Authority to Wind Up. The Manager has all necessary power required to marshal the assets of the Company, to pay its creditors, to distribute assets and otherwise wind up the business and affairs of the Company. The Manager has the power to continue to conduct the business and affairs of the Company during the period of liquidation of the Company consistent, in the Manager's judgment, with the orderly winding up of the Company.

13.4 Liquidation of the Company. Upon dissolution of the Company: (a) the Company shall be wound up and liquidated and shall not engage in any activity except that is necessary to wind up its business; (b) the noncash assets shall be liquidated; and (c) the remaining assets shall be distributed as expeditiously as possible.

13.4.1 Cash Distributions and Net Profit and Net Loss Allocations. Dining the winding up and liquidation period, the Members shall continue to receive Distributions and to share in Net Profit and Net Loss for tax purposes as provided in this Agreement. If the Company is liquidated within the meaning of Section 1.704-l(b)(2)(ii)(g) of the Regulations, liquidating Distributions shall be made in compliance with Section 1.704-l(b)(2)(ii)(b)(2) of the Regulations.

13.4.2 Distributions. Each Company asset shall be either distributed in kind or sold, as determined by a Majority in Interest. Subject to Section 17707.01 et seq. of the Act, the assets shall be distributed according to the following priority:

(a) Expenses. First, to pay all expenses of winding up, liquidating, and terminating the Company, second, to pay off all Company obligations to third party creditors;

(b) Reserves. Then, to establish any reserves which the Manager deems necessary for contingent or unforeseen obligations of the Company, which reserves will be distributed when they are, in the Manager's judgment, no longer needed;

(c) Outstanding Loans to Members. Then, to repay outstanding loans to Members. If there are insufficient funds to pay those loans in full, each Member shall be repaid in proportion to the ratio that the Member's loan, together, with accrued and unpaid interest, bears to the total of all loans from Members, including all accrued and unpaid interest. Repayment shall first be credited to unpaid principal and the remainder shall be credited to accrued and unpaid interest; and

(d) Liquidating Distributions. Liquidating Distributions shall be made in compliance with Section 1.704-l(b)(2)(ii)(b)(2) of the Regulations only to the Members, if any, who have positive Capital Accounts until reduced to zero (or in the ratio of such Capital Account balances, if more than one Member has a positive Capital Account balance and the amount to be distributed is less than the sum of the positive Capital Account balances), and then to the Members in proportion to their Percentage Interests, all subject to any Profits Participant's right to share in the same pursuant to this Agreement and any other agreement executed between the Company and that Profits Participant concerning Profits Interest. If any Member's interests in the Company is "liquidated" within the meaning of Section 1.761-1(d) of the Regulations, liquidating Distributions, if any, shall be made to such Member in the same amounts and at such times as would have been made to such Member, in accordance with the foregoing provision of this Section, if the Company itself were being "liquidated." No Member shall have an obligation to contribute amounts to the Company because of a deficit balance in such Member's Capital Account.

13.5 Filing Certificate of Dissolution. Upon dissolution and liquidation of the Company, the Manager shall cause the execution and filing of a Certificate of Dissolution with the California Secretary of State in accordance with Section 17707.08 of the Act.

14. Consent to Representation by Company Counsel. The Members each acknowledge that Varner & Brandt LLP ("***Counsel***") drafted this Agreement as counsel to the Company, and not as counsel to any individual Member. Each Member acknowledges that it is hereby:

14.1 Receiving from Counsel a disclosure that a conflict of interest may arise if Counsel were to represent any or all of the Members in addition to the Company, and therefore has not acted as counsel to any Member when drafting this Agreement;

14.2 Advised by Counsel that his or its interests in the Agreement may conflict with those of the other Members and with the Company;

14.3 Advised by Counsel that this Agreement will have tax consequences;

14.4 Advised by Counsel to seek independent counsel regarding this Agreement and its tax consequences, and each Member has either done so, or has elected to waive its right to do so at this time;

14.5 Aware that if a conflict between the parties hereto concerning this Agreement arises in the future, Counsel may be required to withdraw from representing some or all of the parties; and

14.6 Knowingly consents to the representation of the Company by Counsel under these circumstances and has sought independent and further legal counsel to the extent he, she or it deemed necessary.

15. Miscellaneous.

15.1 Amendment. This Agreement may be amended only by written approval of a Majority in Interest.

15.2 Authority. Each individual signatory hereto represents and warrants that he or she is duly authorized to execute this document and is personally bound, or if executing on behalf of another, is authorized to do so and that the other is bound.

15.3 Consents. Whenever a Member is asked to provide consent, such Member shall not unreasonably withhold or delay giving the consent requested and will only be deemed enforceable if delivered in writing.

15.4 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which shall constitute one agreement.

15.5 Exhibit and Appendix. Exhibit A and Appendix 1 are attached and incorporated herein by this reference.

15.6 Interpretation. The provisions hereof shall be interpreted to give effect to their fair meaning and shall be construed as though prepared by each of the Members. The entire agreement of the Members is set forth herein, and all prior negotiations, documents and discussions are superseded. The Members acknowledge there are no applicable representations, warranties or terms which are not stated herein. The invalidity of any provision shall not affect the validity of any other provision. Section headings are for convenience only and may not be used in interpretations. All interpretations are to be made in accordance with California law.

15.7 Notices. All notices required or allowed shall be in writing and shall be sent to the addresses shown on Exhibit A. A Member may change his/its address for notice by giving notice to the other Members. Notice may be delivered by personal delivery, electronic mail, facsimile transmission during normal business hours of the recipient, an overnight delivery service, or U.S. Mail sent certified with return receipt requested. Notices are effective on the earlier of the date received, the date of the delivery receipt, or the third day after postmark, as applicable.

15.8 References. All references to this Agreement include references to all its amendments. References to a Member include, bind, and inure to the benefit of, that Member’s officers, agents, employees, successors in interest and assignees. Reference to days means consecutive calendar days including weekends and holidays.

15.9 Third-Party Rights. This Agreement is intended to create enforceable rights between the Members only, and creates no rights in, or obligations to, any other Persons whatsoever. Without limiting the generality of the foregoing, as to any third party, a deficit Capital Account of a Member shall not be deemed a liability of such Member nor an asset or property of the Company. None of the provisions of this Agreement shall be for the benefit of or enforceable by any third-party creditors of the Company.

15.10 Time. Time is of the essence of all provisions hereof where time is a factor.

15.11 Venue. The venue and jurisdiction for any disputes arising from this Agreement shall be San Bernardino County, California.

15.12 Waiver. No right or remedy will be waived unless the waiver is in writing and signed by the party claimed to have made the waiver. One waiver will not be interpreted as a continuing waiver.

15.13 Attorney Fees. In the event that any dispute under or related to this Agreement between the Company and the Members or among the Members should result in litigation or arbitration, the prevailing party in the dispute will be entitled to recover from the other party(ies) all reasonable fees, costs and expenses of enforcing any right of the prevailing party, including without limitation, reasonable attorneys' fees and expenses, all of which will be deemed to have accrued upon the commencement of the action and be paid whether or not the action is prosecuted to judgment. Any judgment or order entered in the action will contain a specific provision providing for the recovery of reasonable attorneys' fees and costs incurred in enforcing the judgment and an award of prejudgment interest from the date of the breach at the maximum rate allowed by law.

(signature page follows)

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the date first written above.

MEMBERS:

/s/ Josh Schreider
Josh Schreider, an individual

PPZ, LLC,
a Wyoming limited liability company

/s/ Rhea Lamia
By: Rhea Lamia
Its: Manager

SLINGSHOT CONSUMER LLC,
a Wyoming limited liability company

/s/ Bryan Freeman
By: Bryan Freeman
Its: Manager

EXHIBIT A

MEMBERS, CAPITAL CONTRIBUTIONS AND PERCENTAGE INTERESTS

MEMBERS	CAPITAL CONTRIBUTION	PERCENTAGE INTEREST
Josh Schreider Address: [***]	[***]	[***]%
PPZ, LLC, a Wyoming limited lability company Address: [***]	[***]	[***]%
Slingshot Consumer LLC, a Wyoming limited liability company Address: [***]	[***]	[***]%

APPENDIX 1

DEFINITIONS

REFERENCES TO "SECTIONS" OR "PARAGRAPHS" CONTAINED IN THIS APPENDIX, UNLESS OTHERWISE IDENTIFIED, ARE REFERENCES TO THE SECTIONS OR PARAGRAPHS OF THE OPERATING AGREEMENT OF THE REAL GOOD FOOD COMPANY LLC, OF WHICH THIS APPENDIX IS A PART.

1. Act. California Revised Uniform Limited Liability Company Act as codified in California Corporations Code Section §§17701.01 – 17713.13, including any amendments from time to time.

2. Additional Member. A Member admitted as a Member after the Effective Date.

3. Adjusted Capital Contribution. A Member's Capital Contributions, adjusted as follows:

(a) Increased by the amount of any Company liabilities which, in connection with Distributions made to a Member, are assumed by such Member or are secured by any Company property distributed to such Member; and

(b) Reduced by (i) the amount of Distributions and the Gross Asset Value of any Company property distributed to such Member and (ii) the amount of any liabilities of such Member assumed by the Company or which are secured by any property contributed by such Member to the Company. If any Member Transfers all or any portion of his/its Membership Interests in accordance with the terms of this Agreement, his/its transferee shall succeed to the Adjusted Capital Contribution of the transferor to the extent it relates to the transferred Membership Interests.

4. Available Cash. Means all net revenues from the Company's operations, including net proceeds from all sales, refinancing and other dispositions of the Company property that the Manager, in his/its/her sole discretion, deem in excess of the amount reasonably necessary for the operating requirements of the Company, including debt reduction and reserves deemed reasonably necessary to meet accrued or contingent liabilities of the Company, reasonably anticipated operating expenses and working capital requirements.

5. Bankruptcy. Means that a petition is filed by or against a Person as "debtor" and the adjudication of such Person as bankrupt under the provisions of the bankruptcy laws of the United States of America has commenced, or that such Person made an assignment for the benefit of its creditors generally or a receiver is appointed for substantially all of the property and assets of such Person, as defined in the Act.

6. Capital Account. With respect to any Member, the account reflecting the capital interest of the Member in the Company, consisting of the Member's Initial Capital Contribution maintained and adjusted in accordance with Section 4.3.

7. Capital Contribution. The amount of cash or the Gross Asset Value of property contributed to the Company by a Member. Capital Contributions do not include amounts paid to

any Person concerning any assignment of a Membership Interest or any interest therein or concerning any substitution of a Member. Capital Contributions also shall not be deemed a loan.

8. Cash Flow. The sum arrived at by deducting the total "costs" of the Company from the total gross cash receipts of the Company derived from all sources. For purposes of this definition, "costs" shall include, but not be limited to, (a) all obligations incurred or paid by the Company, (b) all payments of principal and interest on loans to the Company, (c) direct out of pocket expenses of the Company, (d) any amounts set aside for reserves for working capital or contingencies, and (e) Company administrative expenses. Costs shall not include cost recovery, amortization, depreciation deductions and expenditures of funds from reserves. The determination of what is a "cost" must be approved by the Members irrespective of the treatment of such matters for tax and accounting purposes.

9. Code. The Internal Revenue Code of 1986, as amended.

10. Company. The limited liability company formed pursuant to the Articles and this Agreement.

11. Depreciation. For each Fiscal Year or other period, the depreciation, amortization, or other cost recovery deduction allowable concerning an asset for such period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such period, Depreciation shall bear the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such period bears to such beginning adjusted tax basis.

12. Dissociated Member. A Member to whom a Disassociation Event occurs.

13. Dissociation Event. Each event named in Section 17706.02 of the Act and each of the following:

(a) The Bankruptcy of a Member;

(b) If a Member shall admit in writing his/its inability to pay his/its debts as they mature;

(c) If a Member shall give notice to any governmental body of insolvency or pending insolvency;

(d) If a Member files a petition seeking for the Member any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any state law;

(e) If a Member makes an assignment for the benefit of creditors;

(f) If a Member seeks, consents to, or acquiesces in the appointment of a trustee for, receiver for, or liquidation of the Member or Interest Holder or of any or all substantial part of the Member's properties;

(g) If a Member is acting as a Member by virtue of being a trustee of a trust, the termination of the trust;

(h) If a Member is a partnership or limited liability company, the dissolution and commencement of winding up of the partnership or limited liability company;

(i) If a Member is a corporation, the dissolution of the corporation or the revocation of its charter;

(j) If a Member is a partnership, limited liability company or corporation, a change in control of such entity; or

(k) If a Member is an estate, the distribution by the fiduciary of the estate's entire interest in the Company.

14. Distribution(s). As defined in Section 17701.02 of the Act and, additionally, any cash or other property distributed to Members arising from their Membership Interests.

15. Fiscal Year. Defined in Section 8.4.

16. Gross Asset Value. An asset's adjusted basis for federal income tax purposes, except as follows:

(a) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset, as reasonably determined by the contributing Member and the Company;

(b) The Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values, as determined by the Members, as of the following times: (i) the acquisition of an additional interest in the Company by any new or existing Member in exchange for more than a de minimis Capital Contribution; (ii) the distribution by the Company to a Member of more than a de minimis amount of Company property other than money, unless all Members receive simultaneous Distributions of undivided interests in the distributed property in proportion to their interests in the Company; and (iii) the termination of the Company for federal income tax purposes pursuant to Code Section 708(b)(1)(B);

(c) The Gross Asset Value of any Company asset distributed to any Member shall be the gross fair market value on the date of distribution; and

(d) If the Gross Asset Value of an asset is determined or adjusted pursuant to paragraph (a) or (b) of this definition, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account concerning such asset for purposes of computing Net Profit and Net Loss.

17. Initial Capital Contribution. The Initial Capital Contribution of each Member stated in Exhibit A.

18. Majority in Interest. Members holding more than fifty percent (50%) of Percentage Interest entitled to vote on the matter at hand.

19. Members. As defined in Section 17701.02 of the Act and, additionally, refers collectively to all Persons admitted as members of the Company and as set forth in Section 9.1 of

the Agreement and who have not dissociated under Section 9.5. Reference to a ***"Member"*** is any one of the Members and includes the Initial Member.

20. Membership Interest. Defined in Section 17701.02 of the Act and, additionally, the entire interests of a Member in the Company representing such Member's rights, powers and privileges as specified in this Agreement and the Act. The term Membership Interest includes the Member's Membership Rights, if any, and Transferable Interest.

21. Membership Rights. All rights of a Member concerning the Company other than that Member's Transferable Interest, and shall include: (a) the right to inspect the books and records of the Company; (b) the right, to the extent specifically provided for in this Agreement, to participate in the business, affairs and management of the Company and to vote on or grant consent or approval concerning matters coming before the Company; and (c) appoint the Manager.

22. Minimum Gain. The excess of the fair market value of a property over the tax basis of that property, provided that Minimum Gain is never less than the excess of the amount, if any, by which the Nonrecourse Liability secured by a property exceeds the tax basis of that property.

23. Net Profit and Net Loss. For each Fiscal Year, an amount equal to the taxable income or loss of the Company for such year, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss and deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments: (a) if the Gross Asset Value of any Company asset is adjusted pursuant to the provisions of the definition of Gross Asset Value, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Net Profit or Net Loss; (b) gain or loss resulting from any disposition of Company property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value; (c) in lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year or other period, computed in accordance with the definition of Depreciation; (d) any receipts of the Company that are exempt from federal income tax and are not otherwise included in taxable income or loss shall be added to such taxable income or loss; and (e) any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Section 1.704-1(b)(2)(iv)(i) of the Regulations, and not otherwise taken in account in computing taxable income or loss pursuant to this paragraph, shall be subtracted from such taxable income or added to such taxable loss.

24. Nonrecourse Liability. Any liability secured by a property or Company assets with respect to which no Member (or a party closely related to the Member) is personally liable.

25. Percentage Interest. A Member's right to receive distributions from the Company and allocations of Net Profits and Net Losses and items of income and expense from the Company pursuant to this Agreement and the Act, expressed as a percentage of those items. The relative Percentage Interests of the Members are as set forth on Exhibit A (as amended from time to time). Percentage Interests shall be adjusted in Exhibit A from time to time to properly reflect the admission of new Members, if any, or any other event having an effect on a Member's Percentage Interest.

26. Person. An individual, partnership, limited partnership, trust, estate, association, corporation, limited liability company, or other entity, whether domestic or foreign. Nothing in this subdivision shall be construed to confer any rights under the California Constitution or the United States Constitution.

27. Regulations. The current Treasury Regulations promulgated under the Code.

28. Substitute Member. A Transferee who has also been admitted to all the rights of membership pursuant to this Agreement.

29. Supermajority. Members holding more than sixty-six and two-thirds percent (66.67%) of the Percentage Interest of the Company

30. Tax Matters Partner. The Member who is authorized and required to represent the Company at Company expense in connection with all examinations of the Company's affairs by tax authorities, including administrative and judicial proceedings, and to expend Company funds as necessary and reasonable for professional services and costs associated therewith.

31. Transferable Interest. Defined in Section 17701.02 of the Act and, additionally, all of the interests of a Member in the Company's Net Profits, Net Losses, Capital and Distributions (expressly excluding any Membership Rights).

32. Transferee. Defined in Section 17701.02 of the Act and, additionally, a recipient of a Membership Interest who is not admitted as a Substitute Member, holds only an Transferable Interest in the Company, and shall not have the right to (i) become a Member without the unanimous approval of all Members, (ii) exercise any Membership Rights, or (iii) act as an agent of the Company.

LEASE

3 Executive Campus, Suite 145 & 155, Cherry Hill, New Jersey

THIS LEASE is made on the 1 day of June , 2021, between 3 ECCH Owner LLC, a Delaware limited liability company (hereinafter referred to as "Landlord"); and The Real Good Food Company LLC, a California limited liability company (hereinafter referred to as "Tenant").

PREAMBLE

BASIC LEASE PROVISIONS AND DEFINITIONS

In addition to other terms elsewhere defined in this Lease, the following terms whenever used in this Lease should have only the meanings set forth in this Preamble, unless such meanings are expressly modified, limited or expanded elsewhere herein.

(1) **Additional Rent**: All sums in addition to Basic Rent payable by Tenant to Landlord pursuant to the provisions of this Lease for the collection of which Landlord shall have all the remedies as are permitted for the collection of Basic Rent.

(2) **Building Hours**: The Building Hours shall be any and all hours during which the tenants wish to operate provided that such hours are not in violation of any law or any approval of Cherry Hill Township that has been granted with respect to the Land or the Building.

(3) **Common Area(s)**: Common Areas shall be all facilities that service all of the tenants in the Building and include by way of example and not by way of limitation, the parking areas designated for common use, sidewalks, lawn and landscaped areas, hallways, stairwells, elevators, all air conditioning systems and rooms, electrical rooms and closets and other utility rooms, janitors' closets, telephone closets, and machine rooms, the roof, flues, stacks, pipe shafts, and vertical ducts with their enclosing walls. Tenant's use of those Common Areas not open to all tenants is subject to Landlord's consent, which may be denied for any reason. Landlord may at any time close temporarily any of the Common Areas to make repairs or to prevent the dedication of the same, and may do such other acts in and to the Common Areas as in its judgment may be desirable to improve the convenience thereof but shall always in connection therewith endeavor to minimize any inconvenience to Tenant. Landlord may change or modify the size, use, shape, or location of the Common Areas.

(4) **Common Area Maintenance Costs ("CAM")**: All Real Estate Taxes assessed against the Land and the Building of which the Premises are a part of including assessments for improvements, sidewalks, parking areas, walkways, as more particularly defined in Section 3 below. All Operating Costs of any nature whatsoever,

including but not limited to utility and energy costs, repairs, maintenance, replacement, plant maintenance and replacement, lawn maintenance and replacement, cleaning, and other costs of maintaining Common Areas as more particularly defined in Section 3 below.

(5) **Broker(s)**: Jones Lang LaSalle ("Listing Broker") and Markeim Chalmers, Inc. ("Cooperating Broker") (collectively, the "Brokers")

(6) **Improvements**: The building and appurtenances located at 3 Executive Campus, Cherry Hill Township, County of Camden, State of New Jersey and anything that affixed thereto.

(7) **Commencement Date**: The date that Landlord turns over possession of the Premises substantially completed in accordance with Exhibit "B" attached. As used in this Lease, the terms "substantial completion" and "substantially complete" shall mean that Landlord's Work has been completed with the exception of minor items which can be fully completed without material interference with Tenant. Following determination of the actual Commencement Date, upon request by either Landlord or Tenant both parties hereto shall complete, execute and deliver a Commencement Date Agreement in the form attached hereto as Exhibit D.

(8) **Rent Commencement Date:** Four (4) months following the Commencement Date.

(9) **Demised Premises or Premises**: Suite 145 containing approximately 844 gross rentable square feet, Suite 155 containing approximately 4,920 gross rentable square feet (for a combined total of approximately 5,764 gross rentable square feet), as shown on Exhibit A hereto.

(10) **Expiration Date**: Sixty-fourth (64) months following the Commencement Date.

(11) **Basic Rent**:

Lease Months	Annual Basic Rent	Monthly Basic Rent
0-4	$0	$0
5-16	$103,752.00	$8,646.00
17-28	$106,634.04	$8,886.17
29-40	$109,515.96	$9,126.33
41-52	$112,398.00	$9,366.50
53-64	$115,280.04	$9,606.67

(12) **Tenant's Percentage**: The percentage which is determined by reference to a fraction, the numerator of which is the number of rentable square feet in the Premises and the denominator of which is the number of rentable square feet in the Building. It is acknowledged and agreed that any storage, exterior wall, roof, garage or amenity space that is rented or offered for rent shall be excluded from the denominator. As of the date hereof, Tenant's Percentage is 1.34%**.**

(13) **Land: Lot 1, Block 68.01, on the tax map of the Cherry Hill Township, Camden County, State of New Jersey.**

(14) **Lease Year**: As used in this Lease, Lease Year shall mean the twelve (12) month period commencing on the Commencement Date and each twelve (12) month period thereafter.

(15) **Permitted Use**: Suite 145: test kitchen, and for no other purpose; Suite 155: general office and administrative purposes, and for no other purpose.

(16) **Term**: Sixty-four (64) months, commencing on the Commencement Date and expiring on the Expiration Date.

(17) **Base Year**: 2021

(18) **Security Deposit**: $50,000.00 (due and payable upon Tenant's execution of this Lease). Provided Tenant is not in default of this Lease and no event has occurred that with the giving or notice and/or the passage of time would give rise to an event of default hereunder, and (a) in the event that Tenant provides evidence to Landlord that Tenant has become a publicly traded entity, then promptly following Tenant's request Landlord shall refund the entire then outstanding Security Deposit to Tenant, or (b) in the event that Tenant has paid all rent as and when due for twenty eight (28) consecutive months from the Rent Commencement Date, then promptly following Tenant's request Landlord shall refund fifty percent (50%) of the then outstanding Security Deposit to Tenant.

(19) **Prepaid Rent**: $8,646.00 (due and payable upon Tenant's execution of this Lease; to be applied to the first month's rent following the Rent Commencement Date)

(20) **Notice Address For Landlord**: 3 Executive Campus, Suite 130, Cherry Hill, New Jersey 08002

(21) **Notice Address For Tenant**: _____ [Please provide]
Sean Varner, Varner & Brandt, LLP
3750 University Ave., Riverside, CA 92501

(22) **Tenant Options To Renew**: One (1) five (5) year option (See Section 41 hereof)

(23) **Tenant's Tax ID#:** __[***]__ [Please provide]

(24) **Force Majeure**: Those situations beyond either party's control, including by way of example and not limitation, acts of God, pandemics, accidents, repairs, strikes, shortages of labor, supplies or materials, inclement weather, or, where applicable, the passage of time while waiting for an adjustment of insurance proceeds. Notwithstanding anything herein to the contrary, Force Majeure shall not apply to Tenant's obligation to pay Rent and/or Additional Rent.

(25) **Parking Permits**. Twenty-eight (28), determined based on 4.93 spaces for each 1,000 rentable square feet in the Premises.

(26) **Tenant Occupancy Level**. In no event shall Tenant permit more than twenty-eight (28) (based on 4.93 persons per 1,000 rentable square feet of the Premises) people to occupy the Premises at any one time.

W I T N E S S E T H:

For and in consideration of the covenants herein contained, and upon the terms and conditions herein set forth, Landlord and Tenant agree as follows:

1. **DESCRIPTION** Landlord hereby leases to Tenant, and Tenant hereby hires from Landlord, the Demised Premises, as shown on the plan or plans, initialed by the parties hereto, marked Exhibit A attached hereto and made part of this Lease, in the building located at 3 Executive Campus, Cherry Hill Township, County of Camden, State of New Jersey (the "Building"), together with the non-exclusive right to use the Common Areas in common with Landlord, its invitees, other tenants of the Building, and their invitees, customers and employees.

2. **TERM** The Premises are leased for the Term to commence on the Commencement Date, and to end at 11:59 p.m. on the Expiration Date.

3. **RENT** Commencing on the Rent Commencement Date, Tenant shall pay to Landlord during the Term the Basic Rent. The Basic Rent shall be payable in advance on the first day of each calendar month in equal monthly installments, except that Basic Rent shall be prorated for the first and last months if the Rent Commencement Date commences on a day other than the first day of a calendar month or if the Term ends on a day other than the last day of a calendar month. Tenant shall pay the Prepaid Rent (as set forth in Section 19 of the Basic Lease Provisions) in advance upon execution of this Lease. Tenant shall pay Basic Rent, and any Additional Rent as hereinafter provided, to Landlord at Landlord's above stated address, or at such other place as Landlord may designate, without demand and without counterclaim, deduction or setoff.

It is expressly agreed that Tenant will pay in addition to the Basic Rent, an additional rental to cover Tenant's Percentage, as defined in the Preamble, of CAM as hereinabove defined and as further described by each of the following categories:

(A) Operating Costs. "Operating Costs" means all reasonable and actual costs and expenses incurred by Landlord in the operation, maintenance, and management of the Common Areas of the Building, including, by way of illustration and not of limitation: management fees, labor, including all wages and salaries; social security taxes, and other taxes which may be levied against Landlord upon such wages and; supplies; repairs and maintenance; maintenance and service contracts; repaving, restriping, painting; wall and window washing; tools and equipment (which are not required to be capitalized for federal income tax purposes); the cost of any loss which is the responsibility of Landlord because of the existence of commercially reasonable deductibles;-fire, rent, liability and other insurance and deductibles thereunder; trash removal; lawn care; snow removal; sums levied, assessed, imposed or required to be paid to any governmental authority on account of the parking of motor vehicles, including all sums required to be paid pursuant to transportation controls imposed by the Environmental Protection Agency under the Clean Air Act of 1970, or otherwise required to be paid by any governmental authority with respect to the parking, use, or transportation of motor vehicles, or reduction or control of motor vehicle traffic, or motor vehicle pollution; utility costs, and all other items properly constituting direct operating costs according to standard accounting practices, but, notwithstanding anything to the contrary herein, Operating Costs shall not include depreciation and amortization of the Building or equipment; interest and late fees; income or excess profits taxes; costs of maintaining Landlord's corporate existence and Landlord's general corporate overhead; franchise, inheritance, estate, succession, transfer and gift taxes; capital levy, margin, revenue, corporation or net profit taxes calculated upon Landlord's net income, except to the extent such items substitute for Real Estate Taxes (as defined below) as expressly provided in subsection (c) below; any expenditures required to be capitalized for federal income tax purposes, unless said expenditures are for the purpose of reducing Operating Costs for the Building or on the Land or are required under any governmental law, ordinance or regulation, in which event the costs thereof shall be included. Commencing upon the Rent Commencement Date, Tenant shall pay to Landlord as Additional Rent, Tenant's Percentage of increases in Operating Costs over and above the Base Year.

Notwithstanding the foregoing, with the exception of utilities, taxes and insurance, Tenant's share of the remaining Operating Expenses ("Controllable Operating Expenses") shall be subject to the following cap (the "OE Cap"): For the calendar year 2022, the OE Cap shall be four percent (4%) over the 2021 Controllable Operating Expenses, and for each calendar year thereafter the OE Cap shall increase cumulatively by four percent (4%) per annum. For example, if 2021 Controllable Operating Expenses are 100.00, then the 2022 OE Cap shall

be $104.00 and the 2023 OE Cap shall be $108.16, etc... Tenant shall then pay Tenant's Percentage of the increase in Controllable Operating Expenses (subject to the applicable OE Cap) over the Base Year Controllable Operating Expenses. The OE Cap shall have no effect on non-Controllable Operating Expenses, as to which Tenant shall continue to pay Tenant's Percentage as set forth herein.

(B) Utilities and Electric Costs. Landlord shall provide, at no additional cost to Tenant, HVAC services to the Premises between the hours of 8 am and 6 pm Monday through Friday except on the following holidays: Christmas Day, Thanksgiving Day, Labor Day, Memorial Day, New Year's Day and July 4th. Any overtime HVAC shall be requested by Tenant in writing and shall be billed back to Tenant monthly at $75.00 per hour per Suite (provided however that Landlord may increase such hourly charge from time to time to reflect increases in the costs of electricity). Tenant shall pay to Landlord as a CAM charge constituting Additional Rent, Tenant's Percentage of electricity costs to the Building and the other Improvements (including the Premises). As of the date hereof the electrical cost is $3.00 per rentable square foot per annum. The electric cost shall be due and payable monthly commencing upon the Commencement Date (notwithstanding the Rent Commencement Date may occur at a later date). The electric charge shall be pro-rated from the Commencement Date through the last day of the month in which the Commencement Date occurs. Thereafter the electric cost shall be due and payable on the first day of each month of the Term and shall be payable in advance on the first day of each calendar month. The electric costs shall be reconciled annually as set forth in Section 3(E) hereof. If any utilities serving the Premises are separately metered, then Tenant shall pay all charges for such utilities directly to the applicable utility company.

(C) Taxes. Tenant shall pay to Landlord as a CAM charge constituting Additional Rent, Tenant's Percentage of increases in Real Estate Taxes for the Building and Land at which the Demised Premises are located above the Base Year. "Real Estate Taxes" include, but are not limited to, real estate, city, county, village, school and transit taxes, or taxes, assessments or charges levied, imposed, or assessed against the Building and Land by any other taxing authority, whether general or specific, ordinary or extraordinary, foreseen or unforeseen. Notwithstanding the foregoing, Real Estate Taxes shall not include franchise, inheritance, estate, succession, transfer and gift taxes, capital levy, margin, revenue, corporation or net profit taxes calculated upon Landlord's net income; provided, however, if due to a future change in the method of taxation, any franchise, income or profit tax shall be levied against Landlord in substitution for, or in lieu of any tax which would otherwise constitute a Real Estate Tax, such franchise, income or profit tax shall be deemed to be a Real Estate tax for the purposes hereof; conversely, any additional real estate tax hereafter imposed in substitution for, or in lieu of, any franchise, income or profit tax (which is not in substitution for, or in lieu of, a Real Estate tax as hereinbefore provided) shall not be deemed a Real Estate tax for the purposes hereof.

Notwithstanding anything contained herein to the contrary, Tenant shall assume and pay to Landlord in full at the time of paying the Basic Rent any excise, sales, use, gross receipts or other taxes (other than a net income or excess profits tax) which may be imposed on or measured by such Basic Rent or Additional Rent or may be imposed on Landlord or on account of the letting or which Landlord may be required to pay or collect under any law now in effect or hereafter enacted.

(D) In the event any lease period is less than twelve (12) months, then the CAM shall be adjusted to equal the proportion that said period bears to twelve (12) months, and Tenant shall pay to Landlord as Additional Rent for such period, an amount equal to Tenant's Percentage of the CAM for said period with respect to each of the aforesaid categories.

(E) Payment. At any time, and from time to time, Landlord shall advise Tenant in writing of Tenant's Percentage with respect to CAM as estimated for the current calendar year as then known to Landlord, and thereafter, Tenant shall pay as Additional Rent, Tenant's Percentage, of CAM for the then current period affected by such advice (as the same may be periodically revised by Landlord as additional costs are incurred) in equal monthly installments of Additional Rent on the first day of each month, such new rates being applied to any months for which the monthly Basic Rent shall have already been paid which are affected by any escalation in Operating Costs, utility and energy costs or Real Estate Taxes. The adjustment for the then expired months shall be made at the payment of the next succeeding installment of Basic Rent, all subject to final adjustment at the expiration of each calendar year.

(F) Books and Records. Landlord shall maintain books of account which shall be open to Tenant and its representatives at all reasonable times so that Tenant can determine that such CAM charges have, in fact, been paid or incurred. Any disagreement with respect to any one or more of said charges if not satisfactorily settled between Landlord and Tenant, shall be referred by either party to an independent certified public accountant to be mutually agreed upon in good faith by Landlord and Tenant. Pending resolution of said dispute, Tenant shall pay to Landlord the sum so billed by Landlord subject to its ultimate resolution as aforesaid. If it is determined by such independent certified public accountant that any CAM charge by the Landlord was incorrect, Landlord shall promptly (but in any event within thirty (30) days after the accountant's determination) repay to Tenant the amount of such charge.

(G) Right of Review. Once Landlord shall have finally determined CAM at the expiration of a calendar year it shall so notify Tenant of such determination and Tenant specifically waives any right to dispute any such charge more than twelve (12) months after the date of the notice of such determination.

(H) Tenant's percentage allocation of Operating Costs shall be based one hundred percent (100%) occupancy of the Building. Operating Costs that vary with occupancy and which are attributable to any part of the Term of this Lease in which less than one hundred percent (100%) of the net rentable area of the Building is occupied by tenants shall be adjusted by Landlord to the amount which Landlord reasonably believes such Operating Costs would have been if one hundred percent (100%) of the net rentable area of the Building had been so occupied and the tenants therein paying full rent without regard to any rental abatements. Notwithstanding the foregoing, Landlord shall not collect or be entitled to collect more than one hundred percent (100%) of the Operating Costs actually paid by Landlord in connection with the operation of the Building.

4. **USE AND OCCUPANCY** Tenant shall use and occupy Premises for the Permitted Use and for no other purpose. Tenant shall not use or permit the use of the Premises or any part thereof in any way which would violate any certificate of occupancy for the Building or Premises, or any of the covenants, agreements, terms, provisions and conditions of this Lease or for any unlawful purposes or in any unlawful manner and Tenant shall not suffer or permit the Premises or any part thereof to be used in any manner or anything to be done therein or suffer or permit anything to be brought into or kept in the Premises which, in the reasonable judgment of Landlord, shall in any way impair the character, reputation or appearance of the Building, impair or interfere with any of the Building services or the proper and economic heating, cleaning, air conditioning or other servicing of the Building or the Premises, or impair or interfere with the use of any of the other areas of the Building by, or occasional discomfort, inconvenience or annoyance to, any of the other tenants or occupants of the Building, if any.

Tenant shall, with commercially reasonable diligence, perform all work for which it is responsible, as described and in accordance with the requirements set forth in Exhibit C hereto ("Tenant's Work"), in order to prepare Demised Premises for the opening of business.

5. **ENVIRONMENTAL**

(A) Landlord warrants that, to the best of its knowledge, there is no Hazardous Substances (as defined below) in or around the Premises. Tenant covenants to commit no act of waste and to take good care of the Premises and the fixtures and appurtenances thereon, and shall, in the use and occupancy of the Premises comply with all present and future laws, orders and regulations of the federal, state and municipal governments or any of their departments affecting the Premises and with any and all environmental requirements resulting from the Tenant's use of the Premises. This covenant shall survive the expiration or sooner termination of this Lease. With respect to Hazardous Substances and/or environmental laws, Landlord shall make all necessary repairs to the Premises and to the Common Areas, to include but not be limited to, repairs to all Improvements outside of the Building, including to the parking

lot, sidewalks, landscaped areas, the roof, windows and other structural portions of the Building and to the Building systems (including the heating, ventilating and air conditioning, electrical and plumbing lines) unless said systems service only the Premises, except where the repair has been made necessary by misuse or neglect by Tenant or Tenant's agents, servants, visitors or licensees, in which event Landlord shall nevertheless make the repair but Tenant shall pay to Landlord, as Additional Rent, within thirty (30) days after demand including reasonable supporting documentation, the reasonable and actual cost therefor (net of any insurance proceeds which Landlord may receive on account of such repair). Landlord shall comply with all present and future laws, orders and regulations of the federal, state and municipal governments or any of their departments affecting Hazardous Substances in the Common Areas, except where the need for such compliance has been made necessary by the specific manner of Tenant's use, in which case Landlord shall effect the compliance but Tenant shall pay to Landlord, as Additional Rent, immediately upon demand, the costs thereof.

(B) Tenant acknowledges the existence of environmental laws, rules and regulations. Tenant shall comply with any and all such laws, rules and regulations.

(C) Tenant agrees not to generate, store, manufacture, refine, transport, treat, dispose of, or otherwise permit to be present on or about the Premises, any Hazardous Substances. As used herein, "Hazardous Substances" shall be defined as any "hazardous chemical," "hazardous substance" or similar term as defined in the Comprehensive Environmental Responsibility Compensation and Liability Act, as amended (42 U.S.C. 9601, et seq.), the New Jersey Environmental Cleanup Responsibility Act, as amended, N.J.S.A. 13:1K-6 et seq. and/or the Industrial Site Recovery Act ("ISRA"), the New Jersey Spill Compensation and Control Act, as amended, N.J.S.A. 58:10-23.11b, et seq., any rules or regulations promulgated thereunder, or in any other applicable federal, state or local law, rule or regulation dealing with environmental protection. Hazardous Substances shall not include office supplies, cleaning supplies, and other similar supplies and materials used in the ordinary course of Tenant's business. It is understood and agreed that the provisions contained in this Section shall be applicable notwithstanding the fact that any substance shall not be deemed to be a Hazardous Substance at the time of its use by the Tenant but shall thereafter be deemed to be a Hazardous Substance.

(D) In the event Tenant fails to comply with any governmental law relating to Hazardous Substances applicable to Tenant as of the termination or sooner expiration of the Lease and as a consequence thereof Landlord is unable to rent the Demised Premises, then the Landlord shall treat the Tenant as one who has not removed at the end of its Term, and thereupon be entitled to all remedies against the Tenant provided by law in that situation including a monthly rental of one hundred fifty (150%) percent of the Basic Rent for the last month of the Term of this Lease or any renewal term (plus any Additional Rents), payable in advance on the first day of each month, until such time as Tenant provides Landlord with a negative declaration or confirmation that any required clean-up plan has been successfully completed.

(E) Tenant agrees to defend, indemnify and hold harmless Landlord and each mortgagee of the Premises from and against any and all liabilities, damages, claims, losses, judgments, causes of action, costs and expenses (including the reasonable fees and expenses of counsel) which may be incurred by the Landlord or any such mortgagee or threatened against Landlord or such mortgagee, relating to or arising out of any breach by Tenant of the undertakings set forth in this Section, said indemnity to survive the Lease expiration or sooner termination.

(F) Notwithstanding anything contained herein to the contrary, Tenant shall have no responsibility for any cost or expense for any Hazardous Substance or environmental condition caused or created by Landlord or Landlord's agents, employees or contractors, or determined to have been in existence at the Premises prior to the Commencement Date of this Lease. Landlord agrees to defend, indemnify and hold harmless Tenant from and against any and all liabilities, damages, claims, losses, judgments, causes of action, costs and expenses (including the reasonable fees and expenses of counsel, environmental cleanup costs, administrative and remediation costs, fines and penalties levied or assessed by the NJDEP or other state or federal administrative agencies having jurisdiction with respect to the Demised Premises) which may be incurred by Tenant as a result of said pre-existing Hazardous Substance or pre-existing condition caused or created by Landlord, Landlord's agents, employees or contractors. Tenant agrees to notify Landlord immediately upon the discovery of any such pre-existing Hazardous Substance or environmental condition.

6. **ALTERATIONS, ADDITIONS OR IMPROVEMENTS**

(A) Tenant shall not, without first obtaining the written consent of Landlord, make any alterations, additions or improvements in, to or about the Premises. Provided Tenant first provides Landlord with written plans or information detailing any proposed alterations, additions or improvements, Landlord shall not unreasonably withhold, condition or delay its consent. For purposes hereof, Landlord shall not be deemed to have unreasonably withheld its consent if the proposed alteration, addition or improvement impacts any structural portion of the Building or any Building system, including by way of example but not limitation, the HVAC, plumbing or electrical systems. Nothing herein contained shall be construed to prevent Tenant from making cosmetic or decorative changes (e.g., painting, wall covering) to the interior of the Premises without Landlord's prior written approval. All alterations of the exterior of the Premises are subject to the Landlord's prior written approval. Notwithstanding the foregoing, Tenant shall have the right to erect or install such signage as shall be allowed by law which cannot be seen from the street in the interior of the Lease Premises. Landlord shall install (i) an electric sign on the main lobby directory of the Building on Tenant's behalf, and (ii) signage on Tenant's suite entry door, at the cost and expense of Landlord. Such sign shall be comparable in size and appearance with the existing signs in the Building. Tenant shall not have the right to construct, erect, place, put, or maintain any sign inside or outside of the Building without the prior written

consent of Landlord, which may be withheld in its sole discretion. Any and all alterations to the Premises shall be performed in accordance with the requirements of Exhibit C hereto.

(B) Tenant Improvements. All improvements made by Tenant to the Premises, which are so attached to the Premises that they cannot be removed without material injury to the Premises, shall become the property of Landlord upon installation, whether paid for in whole or in part by Tenant, and shall be and remain a part of the Premises and the property of Landlord. Not later than the last day of the Term, Tenant shall, at Tenant's expense, remove all Tenant's personal property and those improvements made by Tenant which have not become the property of Landlord, including trade fixtures (other than built-in cabinetwork), and movable paneling partitions, and all IT wiring; repair all injury done by or in connection with the installation or removal of said property, improvements, and the like; cap or terminate all electrical and telephone connections at service entry panels as required by law; and surrender the Premises in as good condition as they were at the beginning of the Term, reasonable wear and tear, and damage by fire, the elements, casualty, or other cause not due to the misuse or neglect by Tenant, Tenant's agents, servants, visitors or licensees excepted. All other property of Tenant remaining on the Premises after the last day of the Term of this Lease shall be conclusively deemed abandoned and may be removed by Landlord, and Tenant shall reimburse Landlord for the actual cost of such removal. Landlord may have any such property stored at Tenant's risk and expense.

7. **ASSIGNMENT AND SUBLEASE** Tenant may not mortgage, pledge, hypothecate, assign, transfer, license, sublet or otherwise deal with this Lease or the Premises in any manner except as follows:

(A) In the event that Tenant desires to sublease the whole or any portion of the Premises or assign the Lease to any other party, the terms and conditions of such sublease or assignment shall be communicated to Landlord in writing at least fifteen (15) days before the proposed sublease or assignment is to take effect. Provided that in Tenant's request for approval of a proposed sublease or assignment Tenant cites this Section 7(A) and explicitly informs Landlord of this fifteen (15) day requirement, then if Landlord fails to timely object to a proposed sublease or assignment, Landlord's shall be deemed to have consented to such sublease or assignment. Any proposed sublease or assignment shall be subject to Landlord's prior written consent, which may not be unreasonably withheld, conditioned or delayed and subject to the consent of any mortgagee, trust deed holder or ground Landlord, on the basis of the following terms and conditions:

(1)The Tenant shall provide to Landlord the name and address of the assignee or subtenant.

(2)The assignee shall assume, by written instrument in form and substance acceptable to Landlord, all of the obligations of this Lease, and a copy of such assumption agreement shall be furnished to Landlord on or prior to the effective date of such assignment. Any sublease shall expressly acknowledge that said subtenant's rights against the Landlord shall be no greater than those of the Tenant.

(3)The Tenant and each assignee shall be and remain liable for the observance of all the covenants and provisions of this Lease, including, but not limited to, the payment of Basic Rent and Additional Rent reserved herein, as and when required to be paid, through the entire Term of this Lease, as the same may be renewed, extended or otherwise modified.

(4) The Tenant and any assignee shall pay to Landlord, upon application for approval of an assignment or sublease, a fee of $1,000.00, which shall non-refundable regardless of whether or not Landlord's consent is provided.

(5) In any event, the acceptance by Landlord of any rent (Basic and Additional) from the assignee or from any of the subtenants or the failure of Landlord to insist upon a strict performance of any of the terms, conditions and covenants herein shall not release Tenant herein, nor any assignee assuming this Lease, from any and all of the obligations herein during and for the entire Term of this Lease.

(6) Tenant shall have no claim, and hereby waives the right to any claim; against Landlord for money damages by reason of any reasonable refusal, withholding or delaying by Landlord of any consent, and in such event, Tenant's only remedies therefore shall be an action for specific performance, injunction or declaratory judgment to enforce any such requirement. Landlord acknowledges that Tenant may commence such action by way of an expedited proceeding (e.g. Order to Show Cause) before the Superior Court of New Jersey, Camden County and Landlord shall take all reasonable actions (including acceptance of a Verified Complaint and an Order to Show Cause) requested by Tenant to ensure that such dispute is heard before the Superior Court in such an expedited proceeding. Landlord and Tenant further agree that the determination of such Court shall be final and non-appealable.

(B) Except as specifically provided for herein, no portion of the Demised Premises or of Tenant's interest in this Lease may be acquired by any other person or entity, whether by assignment, mortgage, sublease, transfer, operation of law or act of the Tenant, nor shall Tenant pledge its interest in this Lease or in any security deposit required hereunder.

(C) In the event that this Lease shall be assigned or that any portion of the Premises shall be sublet by Tenant, it is expressly understood that it shall be reasonable for Landlord to require that a security deposit in an amount equal to three (3) months of the base rent be delivered by the assignee or subtenant as a condition for the assignment/sublease.

8. **COMPLIANCE WITH RULES AND REGULATIONS** Tenant shall observe and comply with any reasonable rules and regulations as Landlord may prescribe, on written notice to Tenant, for the safety, care and cleanliness of the Building and Improvements and the comfort, quiet, convenience, quality and enjoyment of other occupants of the Building. The initial rules and regulations are attached hereto as Exhibit F. Tenant shall not place a load upon any floor of the Demised Premises exceeding the floor load per square foot area which it was designed to carry and which is allowed by law. Such installations shall be placed and maintained by Tenant, at Tenant's expense, in settings sufficient, in Landlord's judgment, to absorb and prevent vibration, noise and annoyance.

9. **DAMAGES TO BUILDING/WAIVER OF SUBROGATION** If the Building is damaged by fire or any other cause to such extent that the cost of restoration, as reasonably estimated by Landlord, will equal or exceed twenty-five (25%) percent of the replacement value of the Building (exclusive of foundations) just prior to the occurrence of the damage or if any damage to the Premises costing more than Fifty Thousand and 00/100 ($50,000.00) Dollars occurs within the last twelve (12) months of the Term, then Landlord may, no later than the sixtieth (60th) day following the damage, give Tenant a notice of election to terminate this Lease. In the event of such election, this Lease shall be deemed to terminate on the thirtieth (30th) day after the giving of said notice, and Tenant shall surrender possession of the Premises on or prior to such date; and the Basic Rent and any Additional Rent shall be apportioned as of the date of such damage. If the cost of restoration shall not entitle Landlord to terminate this Lease or if, despite the cost, Landlord does not elect to terminate this Lease pursuant to any right contained herein, Landlord shall restore the Building and the Premises with reasonable promptness, subject to Force Majeure and further subject to the availability and adequacy of the insurance proceeds and Tenant shall have no right to terminate this Lease, except as specifically set forth above and as follows: In the event that following a casualty Landlord elects to make such repairs and Landlord's repairs are not substantially completed within one hundred eighty (180) days following the casualty (which date will be extended to the extent the work is in progress and Landlord is diligently pursuing the completion of same), then Tenant may elect to terminate this Lease by providing 30 days' written notice to Landlord of such election. Landlord need not restore fixtures and improvements owned by Tenant.

In any case in which use of the interior of the Premises is affected by any casualty to the Building, there shall be an equitable adjustment in Basic Rent and an equitable reduction in the CAM depending on the period for which and the extent to which the interior of the Premises is not reasonably usable or accessible for the purpose for which they are leased hereunder. The words “restoration” and “restore” as used in this Section shall include repairs. If the damage results from the fault of Tenant or Tenant’s agents, servants or licensees, Tenant shall not be entitled to any abatement or reduction in Basic Rent, except to the extent of any rent insurance received by Landlord.

Except as provided in Section 5 hereof, notwithstanding the provisions of this Section 9 of this Lease or any other provision of this Lease, in the event of any loss or damage to the Building, the Premises and/or any contents, each party waives all claims against the other and its or their agents, servants, employees and partners for any such loss or damage and each party shall look only to any insurance which it has obtained to protect against such loss (or in the case of Tenant, waives all claims against any tenant of the Building that has similarly waived claims against such Tenant) and each party shall obtain, for each policy of such insurance, provisions waiving any claims against the other party (and against any other tenant[s] in the Building that has waived subrogation against the Tenant) for loss or damage within the scope of such insurance.

10. **EMINENT DOMAIN** In the event that the whole of the Land and the Building or any portion of the Premises shall be lawfully condemned or taken in any manner for any public or quasi-public use (a “Taking” or “Taken”), this Lease and the term and estate hereby granted shall forthwith cease and terminate as of the date of vesting of title. In the event that a part of the Land or Building shall be so Taken, then Landlord (whether or not the Premises be affected) may at Landlord’s option terminate this Lease and the term and estate hereby granted as of the date of such vesting of title by notifying Tenant in writing of such termination within sixty (60) days following the date on which Landlord shall have received notice of vesting of title. If Landlord does not so elect to terminate this Lease, as aforesaid, this Lease shall be and remain unaffected by such Taking, and the rent payable hereunder shall not be abated. In the event of any Taking of all or a part of the Land and the Building (which may include the Premises), Landlord (or the mortgagee of any interest in the Land and/or the Building, if pursuant to the terms of the mortgage, or if pursuant to terms of the mortgage, or if pursuant to law, mortgagee is entitled to receive all or a portion of the condemnation award), shall be entitled to receive the entire award in the condemnation proceeding. Tenant hereby expressly assigns to Landlord or to the mortgagee, as provided above any and all right, title and interest of Tenant now or hereafter arising in or to any such award or any part thereof. Tenant shall not be entitled to receive any part of such award from Landlord, the mortgagee, or the condemning authority. Tenant shall not have the right to participate in the condemnation proceeding. Notwithstanding the foregoing, Tenant may bring a separate claim for a separate award against the Taking authority for the value of the estate vested by this Lease in Tenant and any fixtures or improvements made by Tenant, provided such claim and/or award does not impact Landlord’s award.

11. **INSOLVENCY OF TENANT** If any of the following events occur, they shall constitute a default under this Lease: (a) the appointment of a receiver to take possession of all or substantially all of the assets of Tenant, or (b) a general assignment by Tenant for the benefit of creditors, or (c) any action taken or suffered by Tenant under any insolvency or bankruptcy act (unless, in the case of an action filed against Tenant, the same is dismissed within thirty (30) days of filing), shall constitute a default of this Lease by Tenant, and Landlord may terminate this Lease forthwith and upon notice of such termination Tenant's right to possession of the Demised Premises shall cease, and Tenant shall then quit and surrender the Premises to Landlord but Tenant shall remain liable as hereinafter provided in Section 12 hereof.

12. **DEFAULT / LANDLORD'S REMEDIES ON DEFAULT** In the event that Tenant does not deliver any payment of Basic Rent or any Additional Rent to Landlord within ten (10) days of its due date, same shall constitute a default hereunder, without notice. In the event that Tenant fails to perform any of the other covenants and conditions hereof or permits the Premises to become deserted, abandoned or vacated (except in the event of a casualty), Landlord may give Tenant a written notice, and if Tenant does not perform such covenant within thirty (30) days after delivery of such notice (or if such other failure to perform is of such nature that it cannot be remedied within such thirty (30) day period and Tenant commences to remedy such non-performance within such thirty (30) day period and thereafter proceeds with reasonable diligence and in good faith to perform, then such thirty (30) day period shall be extended for an additional sixty (60) days), same shall constitute a default hereunder. In the event of such a default beyond the applicable notice and cure period, Landlord may terminate this Lease on not less than ten (10) days' written notice to Tenant, and on the date specified in said notice, Tenant's right to possession of the Demised Premises shall cease, and Tenant shall then quit and surrender the Premises to Landlord, but Tenant shall remain liable as hereinafter provided. If this Lease shall have been so terminated by Landlord pursuant to Sections 11 or 12 hereof, Landlord may at any time thereafter resume possession of the Premises by any lawful means and remove Tenant or other occupants and their effects. Tenant hereby waives all right of redemption to which Tenant or any person under Tenant might be entitled by any law now or hereafter in force. If Landlord shall pay any monies or incur any expenses, including attorney's fees and costs, in connection with the enforcement of any violation of any covenant, undertaking, obligation or agreement of Tenant as set forth in, and due by Tenant, under this Lease, the amounts so paid or incurred, shall be considered Additional Rent payable by Tenant with the next installment of rent thereafter to become due and payable and may be collected or enforced as by provided law with respect to payment of rent. Landlord's remedies hereunder are in addition to any remedy allowed by law and/or in equity.

In the event of any litigation (including all appeals) arising out of this Lease and involving Landlord and Tenant, the prevailing party shall be entitled to receive all costs incurred, including reasonable attorney's fees.

13. **SUBORDINATION OF LEASE** This Lease and any option contained herein shall be subject and subordinate to any mortgage and/or trust deed which may now or hereafter affect the real property of which the Premises form a part, and also to all renewals, modifications, consolidations and replacements of said mortgage or trust deed. In the event of the sale, transfer or assignment of Landlord's interest in the Demised Premises, or all or any portion of the real property of which it is a part, or in the event any proceedings are brought for the foreclosure of or for the exercise of any power of sale under any mortgage on the Demised Premises or such real property, at the option of the mortgagee Tenant shall attorn to the respective transferee, assignee or purchaser and recognize such party as Landlord under this Lease (to the extent applicable). Although no instrument or act on the part of Tenant shall be necessary to effectuate such subordination and attornment, Tenant will, nevertheless, execute and deliver such further instruments confirming such subordination of this Lease and attornment as may be reasonably requested by the holders of said mortgage or trust deed consistent with the provisions of this Lease, provided that such party provides the Tenant with a non disturbance agreement in form and substance reasonably required by such holders. If Tenant fails to execute and deliver any such documents or instruments within ten (10) days after written request therefore, at Landlord's option, such shall be considered to be default by Tenant under this Lease (without any further obligation for notice and/or right to cure).

14. **SECURITY DEPOSIT.** Landlord acknowledges receipt, subject to clearance if by check, from Tenant of an amount as specified in the Basic Lease Provisions hereof as the Security Deposit, such amount as partial consideration for Landlord to enter into this Lease, and which is to be held as collateral security for the payment of any rentals and other sums of money payable by Tenant under this Lease and for the faithful performance of all other covenants and agreements of Tenant hereunder; amount of said Security Deposit without interest to be repaid to Tenant after the termination of this Lease and any renewal thereof, provided Tenant shall have made all such payments, performed all such covenants and agreement and left Demised Premises in same physical condition as when Tenant first occupied Demised Premises, normal wear and tear excepted, and has made no modifications requiring a building permit without first obtaining such permit and consent of Landlord. Upon any default by Tenant hereunder, after expiration of any applicable notice or cure period set forth herein, all or part of said Security Deposit may at Landlord's sole option, be applied on account of such defaults, and thereafter Tenant shall promptly restore the resulting deficiency in Security Deposit. Tenant hereby irrevocably waives the benefit of any provision of law requiring such Security Deposit to be held in escrow or by a third party, and said Security Deposit shall (subject to the terms and conditions set forth herein) remain the property of Tenant, but may be co-mingled by Landlord (with its own funds). In the event that Landlord's interest in the Demised Premises be sold, Landlord may deliver or merely credit the funds deposited hereunder by Tenant to the purchaser of Landlord's interest; and, thereupon, provided such purchaser acknowledges receipt of the Security Deposit, Landlord shall by virtue of such circumstance and these terms fully, finally, and

absolutely be discharged from any further liability with respect to such Security Deposit; and this provision shall also apply to the benefit of any and all other deposits; and this provision shall also apply to the benefit of any and all subsequent transferees. Tenant agrees that Tenant will look solely to the Landlord or its successor(s) in interest, as applicable, for the return of its Security Deposit, and not in any event to any mortgagee who has assumed Landlord's position, either by mortgagee in possession, foreclosure or the acceptance of a deed in lieu thereof, unless said mortgagee shall have first in writing actually acknowledged receipt of that specific Security Deposit. Tenant further agrees that Security Deposit cannot be used as last month's rent.

15. **RIGHT TO CURE TENANT'S BREACH** If Tenant breaches any covenant or condition of this Lease beyond applicable notice and cure periods, Landlord may, on reasonable notice to Tenant (except that no notice need be given in case of emergency), cure such breach at the expense of Tenant and the reasonable and actual amount of all expenses, including reasonable attorneys' fees, incurred by Landlord in so doing (whether paid by Landlord or not) shall be deemed Additional Rent payable on demand.

16. **LIENS** Tenant shall not do any act, or make any contract, which may create or be the foundation for any lien or other encumbrance upon any interest of Landlord or any ground or underlying Landlord in any portion of the Premises. If, because of any act or omission (or alleged act or omission) of Tenant, any Construction Lien Claim or other lien (collectively "Lien"), charge, or order for the payment of money or other encumbrance shall be filed against Landlord and/or any ground or underlying Landlord and/or any portion of the Premises (whether or not such Lien, charge, order, or encumbrance is valid or enforceable as such), Tenant shall, at its own cost and expense, cause same to be discharged of record or bonded within thirty (30) days after the filing thereof; and Tenant shall indemnify and save harmless Landlord and all ground and underlying Landlord(s) against and from all costs, liabilities, suits, penalties, claims, and demands, including reasonable counsel fees, resulting therefrom. If Tenant fails to comply with the foregoing provisions, Landlord shall have the option of discharging or bonding any such Lien, charge, order, or encumbrance, and Tenant agrees to reimburse Landlord for all actual and reasonable costs, expenses and other sums of money in connection therewith (as additional rental) with interest at the maximum rate permitted by law-promptly upon demand. All materialmen, contractors, artisans, mechanics, laborers, and any other persons now or hereafter contracting with Tenant or any contractor or subcontractor of Tenant for the furnishing of any labor services, materials, supplies, or equipment with respect to any portion of the Premises, at any time from the date hereof until the end of the Term, are hereby charged with notice that they look exclusively to Tenant to obtain payment for same.

17. **RIGHT TO INSPECT AND REPAIR** Landlord may enter the Premises but shall not be obligated to do so (except as required by any specific provision of this Lease) at any reasonable time upon no less than 48 hours' prior written notice to Tenant (except in the event of an emergency in which event no notice is required) for the purpose of

inspection or the making of such repairs, replacement or additions, in, to, on and about the Premises or the Building, as Landlord deems necessary or desirable. Landlord's entry into the Premises shall not unreasonably interfere with Tenant's business and operations upon the Premises. A representative of Tenant may accompany Landlord during its inspection of any portion of the Premises where such unaccompanied entry by Landlord is restricted by applicable law.

18. **INTERRUPTION OF SERVICES OR USE** Interruption or curtailment of any service maintained in the Building or at the Land, if caused by Force Majeure, shall not entitle Tenant to any claim against Landlord or to any abatement of Basic Rent or Additional Rent, and shall not constitute a constructive or partial eviction, unless Landlord fails to take reasonable measures under the circumstances to restore the service or as otherwise set forth in this Section 18. If Landlord fails to take such reasonable measures under the circumstances to restore the curtailed service, Tenant's remedies shall be limited to an equitable abatement of Basic Rent and Additional Rent for the duration of the curtailment beyond said reasonable period to the extent such Premises are not reasonably usable or accessible by Tenant. If the Premises are rendered untenable or inaccessible in whole or in part, for a period of two (2) consecutive business days, by the making of repairs, replacements or additions, other than those made with Tenant's consent or caused by misuse or neglect by Tenant, or Tenant's agents, servants, visitors or licensees, there shall be a proportionate abatement of Basic Rent and Additional Rent from and after said second (2nd) consecutive business day and continuing for the period of such untenability or inaccessibility. In no event shall Tenant be entitled to claim a constructive eviction from the Premises unless Tenant shall first have notified Landlord in writing of the condition or conditions giving rise thereto, and, if the complaints be justified, unless Landlord shall have failed, within a reasonable time after receipt of such notice, to remedy, or commence and proceed with due diligence to remedy, such condition or conditions. Any time limits required to be met by either party pursuant to this Section 18 shall, unless specifically stated to the contrary elsewhere in this Lease, be automatically extended by the number of days by which any performance called for is delayed due to Force Majeure. The remedies provided for in this Section 18 shall be Tenant's sole remedies for any interruption of service or use as described above.

19. **TENANT'S ESTOPPEL**. Tenant shall, from time to time, within ten (10) days of Landlord's written request, execute, acknowledge and deliver to Landlord a written statement certifying that the Lease is unmodified and in full force and effect, or that the Lease is in full force and effect as modified and listing the instruments of modification; the dates to which the Basic Rent and Additional Rent and charges have been paid; and, to the best of Tenant's knowledge, whether or not Landlord is in default hereunder, and if so, specifying the nature of the default and any such other reasonable information as Landlord may request. It is intended that any such statement delivered pursuant to this Section may be relied on by a prospective purchaser of Landlord's interest or mortgagee of Landlord's interest or assignee of any mortgage of Landlord's interest.

Tenant's failure to deliver such statement within such time shall be conclusive upon Tenant that: (i) this Lease is in full force and effect and not modified except as Landlord may represent; (ii) not more than one month's Basic Rent payment has been paid in advance; and (iii) there are no such defaults. Notwithstanding the presumptions of this Section, Tenant shall not be relieved of its obligation to deliver said statement.

20. **HOLDOVER TENANCY** If Tenant holds possession of the Premises after the Term of this Lease, Tenant, at Landlord's option, shall become a tenant from month to month under the provisions herein provided, but at a Monthly Basic Rent as provided for pursuant to N.J.S.A. 2A:42-6 and without the requirement for demand or notice by Landlord to Tenant demanding delivery of possession of said Premises (but Additional Rent shall continue as provided in this Lease), which sum shall be payable in advance on the first day of each month, and such tenancy shall continue until terminated by Landlord by notice to Tenant given at least thirty (30) days prior to the intended date of termination, or until Tenant shall have given to Landlord, at least sixty (60) days prior to the intended date of termination, a written notice of intent to terminate such tenancy, which termination date must be as of the end of a calendar month. The time limitations described in this Section 20 shall not be subject to extension for Force Majeure.

21. **RIGHT TO SHOW PREMISES** Landlord may show the Premises to prospective purchasers and mortgagees upon 48 hours' prior written notice to Tenant; and, during the nine (9) months prior to termination of this Lease, to prospective tenants, during Building Hours on reasonable notice to and provided that such showing does not unreasonably interfere with Tenant's business and operations upon the Premises.

22. **CONDITION OF PREMISES**.

(A) The Premises shall be accepted by Tenant in its as-is condition except as set forth in Exhibit "B" hereof to the contrary. Notwithstanding the foregoing, nothing herein shall relieve Landlord from its obligation to repair latent defects in the Premises and subject to Landlord's obligations in Section 22(D) below.

(B) Prior to the Commencement Date, Tenant will inspect the Demised Premises and its acceptance of the occupancy of the Premises shall be deemed to be an acknowledgment that it is fully familiar with its condition and except as explicitly stated in this Agreement, including Exhibits, to the contrary is leasing same in its then "AS-IS" condition.

(C) Tenant shall, at Tenant's sole cost and expense, keep the Premises and every part thereof in good condition and repair, ordinary wear and tear, casualty and condemnation excepted, and in compliance with all applicable laws. Tenant shall upon the expiration or sooner termination of this Lease hereof surrender the Premises to the Landlord in good condition, ordinary wear and tear, casualty and condemnation excepted. Except as set forth in Section 22(D) and Exhibit "B", Landlord shall have no obligation whatsoever to alter, remodel, improve, repair, decorate or paint the Premises or any part thereof and the parties hereto affirm that Landlord has made no representations to Tenant respecting the condition of the Premises or the Building.

(D) Notwithstanding the provisions of Section 22(C) hereof, Landlord shall repair and maintain the structural portions of the Building, including the basic plumbing, air conditioning, heating, and electrical systems, installed or furnished by Landlord, to the point of connection for services to the Premises, unless such maintenance and repairs are caused in part or in whole by the act, neglect, fault or omission of the Tenant, its agents, servants or employees, in which case Tenant shall directly and individually, pay to Landlord the reasonable cost of such maintenance and repairs. Landlord shall not be liable for any failure to make any such repairs or to perform any maintenance unless such failure shall persist for an unreasonable time after written notice of the need of such repairs or maintenance is given to Landlord by Tenant. Except as may be hereinafter provided, there shall be no abatement of Rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of any repairs, alterations or improvements in or to any portion of the Building or the Premises or in or to fixtures, appurtenances and equipment therein. Tenant waives the right to make repairs at Landlord's expense under any law, statute or ordinance now or hereafter in effect.

(E) Landlord shall be responsible for the janitorial services for the Premises described in Exhibit "E" hereto. Tenant shall pay monthly in advance Additional Rent of $0.85/sf per annum ($408.28 per month) for janitorial services from the Commencement Date through the Rent Commencement Date.

23. **WAIVER OF JURY TRIAL/NON-MANDATORY COUNTERCLAIMS** If Landlord commences any summary proceedings or an action for nonpayment of Rent, Tenant shall not interpose any non-mandatory counterclaim of any nature or description in any such proceedings or action. Tenant and Landlord both waive a trial by jury of any or all issues arising in any action or proceeding between the parties hereto or their successors, under or connected with this Lease, or any of its provisions.

24. **LATE CHARGE** Anything in this Lease to the contrary notwithstanding, at Landlord's option, Tenant shall pay a "Late Charge" of five (5%) percent of any installment of Monthly Basic Rent or Additional Rent received by Landlord more than five (5) days after the due date thereof for each monthly period or portion thereof that the same remains unpaid, such Late Charge to cover the extra expense involved in handling delinquent payments. Landlord and Tenant agree that this late charge represents a reasonable estimate of such costs and expenses in light of the then-anticipated harm caused by such non-payment and is fair compensation to Landlord for its loss suffered by such late payment by Tenant. Acceptance of this late charge shall not constitute a waiver of Tenant's default with respect to such late or nonpayment by Tenant nor prevent Landlord from exercising all other rights and remedies available to Landlord under this Lease.

25. **INSURANCE**

(A) Tenant's Insurance. Tenant shall, at its own expense, keep the Premises insured throughout the term of this Lease: (a) under a general commercial liability insurance in which Landlord shall be an additional insured, insuring the Landlord against any and all liability or claims of liability arising out of, occasioned by or resulting from any accident, cause, event or other happening or otherwise in or about the Premises for injuries to any person or persons and for damage to property for limits not less than $1,000,000.00 per occurrence and $2,000,000 annual aggregate, with an additional $5,000,000.00 umbrella; (b) a commercial property insurance policy insuring the Premises, including the Tenant's improvements to the same for a limit of Insurance not less than 100% of the then insurable value of the Premises and the Tenant's personal business property upon the Premises, against any loss or damage by fire and such other risks as may be included in the broadest form of extended coverage insurance from time to time available in commercially reasonable amounts specified by Landlord but not less than 100% of the then insurable value of the Premises; and (c) Business Auto Liability covering owned, non-owned and hired vehicles with a combined single limit of not less than $1,000,000.00 per accident; and (d) insurance protecting against liability under Worker's Compensation Laws with limits at least as required by statute.

All insurance provided by Tenant shall be carried in favor of Tenant, Landlord, and the holder of any mortgage as their respective interests may appear and shall name Landlord and the holder of any mortgage as additional insureds. The loss under such policies insuring against damage to the Premises by fire or other casualty shall be payable to the Landlord and the holder of any mortgage as their interests may appear.

All insurance required by any provision of this Lease shall be issued by such responsible insurance companies licensed or authorized to do business in the State of New Jersey and having a rating of "A-" or better. All policies referred to in this Lease shall be in such form reasonably acceptable to Landlord and shall be obtained by Tenant for periods of not less than one (1) year.

(B) Landlord's Insurance. Landlord covenants and agrees that throughout the Term it will insure the Building (excluding Tenant's improvements to the Premises) against damage by fire and standard extended coverage perils, in an amount equal to the full replacement cost of the Building. In addition, Landlord shall maintain and keep in force and effect during the Term, General Liability Insurance against any and all liability or claims of liability arising out of, occasioned by or resulting from any accident, cause, event or other happening or otherwise in or about the Building and Land for injuries to any person or persons and for damage to property for limits not less than $1,000,000.00 per occurrence and $2,000,000 annual aggregate. Landlord may, but shall not be obligated to, take out and carry any other forms of insurance as it or the mortgagee or ground Landlord (if any) of Landlord may require or reasonably determine available. All insurance carried by Landlord shall be included as CAM pursuant to Subsection 3(A). Notwithstanding its inclusion as CAM or any contribution by Tenant to

the cost of insurance premiums by Tenant as provided herein, Tenant acknowledges that it has no right to receive any proceeds from any such insurance policies carried by Landlord. Tenant further acknowledges that the exculpatory provisions of this Lease and the provisions of Subsection 25(A) as to Tenant's insurance are designed to insure adequate coverage as to Tenant's property and business without regard to fault and to avoid Landlord obtaining similar coverage for said loss for its negligence or that of its agents, servants or employees which could result in additional costs includable as part of CAM which is payable by Tenant. Landlord will not carry insurance of any kind on Tenant's furniture or furnishings, or on any fixtures, equipment, appurtenances or improvements of Tenant under this Lease and Landlord shall not be obligated to repair any damage thereto or replace the same.

(C) Waiver of Subrogation. Any all risk policy or similar casualty insurance, which either party obtains in connection with the Premises, Building or Land, shall include a clause or endorsement denying the insurer any rights of subrogation against the other party (i.e. Landlord or Tenant) for all perils covered by said policy. Should such waiver not be available then the policy for which the waiver is not available must name the other party as an additional named insured affording it the same coverage as that provided the party obtaining said coverage.

26. **NO OTHER REPRESENTATIONS** No representation(s) or promise(s) shall be binding on the parties hereto except those representations and promises contained herein or in some future writing signed by the party making such representation(s) or promise(s).

27. **QUIET ENJOYMENT** Landlord covenants that if, and so long as, Tenant pays the Basic Rent, and any Additional Rent as herein provided, and performs the covenants hereof, Landlord shall do nothing to affect Tenant's right to peaceably and quietly have, hold and enjoy the Premises for the Term herein mentioned, subject to the provisions of this Lease-and to any mortgage or deed of trust to which this Lease shall be subordinate.

28. **INDEMNITY** Tenant shall indemnify and save harmless Landlord and its agents against and from (a) any and all claims (i) arising from (x) the conduct or management by Tenant, its subtenants, licensees, its or their employees, agents, contractors or invitees on the Demised Premises or of any business therein, or (y) any work or thing whatsoever done, or any condition created (other than by Landlord for Landlord's or Tenant's account) by or at the request of Tenant in or about the Demised Premises during the Term of this Lease or during the period of time, if any, prior to the Commencement Date that Tenant may have been given access to the Demised Premises, or (ii) arising from any negligent or otherwise wrongful act or omission of Tenant or any of its subtenants or licensees or its or their employees, agents, contractors or invitees, and (b) all costs, expenses and liabilities incurred in or in connection with each such claim or action or proceeding brought thereon. In case any action or proceeding is brought against Landlord by reason of any such claim, Tenant, upon notice from Landlord, shall resist and defend such action or proceeding.

The provisions of this Section 28 shall survive the expiration or earlier termination of this Lease.

29. **LANDLORD'S EXCULPATION** Landlord and Landlord's agents, employees and contractors shall not be liable for, and Tenant hereby irrevocably and unconditionally releases all claims for, damage to person(s) or property sustained by Tenant or any person claiming by, through, or under Tenant resulting from a fire, accident, occurrence or condition in or upon the Demised Premises or the Building, including but not limited to such claims for damage resulting from (i) any defect in or failure of plumbing, heating or air conditioning equipment, electric wiring or installation thereof, water pipes, stairs, railing or walks, (ii) any equipment or appurtenance becoming out of repair, (iii) the bursting, leaking or running of any tank, washstand, water closet, waste pipe, sprinkler head or pipe, drain or any other pipe or tank in, upon or about such building or the Demised Premises, (iv) the backup of any sewer pipe or downspouts, (v) the escape of steam or hot water, (vi) water being upon or coming through the roof or any other place upon or near such building or Demised Premises or otherwise, (vii) the falling of any fixtures, plaster or stucco, (viii) broken glass, (ix) any act or omission of co-tenants or other occupants of said building or adjoining or contiguous property or buildings, (x) loss of or injury to Tenant or to Tenant's property or that for which Tenant is legally liable from any cause whatsoever, including but not limited to theft or burglary, and (xi) the furnishing of or failure to furnish or the interruption in connection with the furnishing of any service which Landlord is obligated to furnish pursuant to this Lease, unless in any such event said damage is the direct result of an act of gross negligence and/or intentional misconduct on the part of Landlord, its agents, employees and/or contractors.

30. **RULES OF CONSTRUCTION/APPLICABLE LAW/ NO RECORDING** Any table of contents, captions, headings and titles in this Lease are solely for convenience of reference and shall not affect its interpretation. This Lease shall be construed without regard to any presumption or other rule requiring construction against the party causing this Lease to be drafted. If any words or phrases in this Lease shall have been stricken out or otherwise eliminated, whether or not any other words or phrases have been added, this Lease shall be construed as if the words or phrases so stricken out or otherwise eliminated were never included in this Lease and no implication or inference shall be drawn from the fact that said words or phrases were so stricken out or otherwise eliminated. Each covenant, agreement, obligation or other provision of this Lease on Tenant's part to be performed, shall be deemed and construed as a separate and independent covenant of Tenant, not dependent on any other provision of this Lease. All terms and words used in this Lease, regardless of the number or gender in which they are used, shall be deemed to include any other number and any other gender as the context may require. This Lease shall be governed and construed in accordance with the laws of the State of New Jersey (excluding New Jersey conflict of

laws) and by the State courts of New Jersey. If any of the provisions of this Lease, or the application thereof to any person or circumstances, shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such provision or provisions to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and every provision of this Lease shall be valid and enforceable to the fullest extent permitted by law. Neither this Lease nor any memorandum or synopsis hereof may be recorded, and any recording in violation hereof shall be but a nullity and shall constitute an event of default by Tenant hereunder.

31. **BROKER** Tenant and Landlord each covenants and represents that other than the Brokers there was no broker or realtor that brought about this Lease transaction. Landlord and Tenant agree to indemnify and hold each other harmless from and against claims of any other brokers claiming through such party with respect to this transaction. Landlord shall pay the Listing Broker in accordance with Landlord's agreement with the Listing Broker and the Cooperating Broker shall be paid pursuant to its agreement with the Listing Broker.

32. **PERSONAL LIABILITY**. Notwithstanding anything to the contrary provided in this Lease, it is specifically understood and agreed, such agreement being a primary consideration for the execution of this Lease by Landlord, that there shall be absolutely no personal liability on the part of Landlord, its constituent members (to include but not be limited to officers, directors, partners and trustees), their respective successors, assigns or any mortgagee in possession (for the purposes of this Section, collectively referred to as "Landlord"), with respect to any of the terms, covenants and conditions of this Lease, and that Tenant shall look solely to the equity of Landlord in the Building and the rents and profits therefrom for the satisfaction of each and every remedy of Tenant in the event of any breach by Landlord of any of the terms, covenants and conditions of this Lease to be performed by Landlord, such exculpation of liability to be absolute and without any exceptions whatsoever. A deficit capital account of any portion in Landlord shall not be deemed an asset or property of Landlord. The foregoing limitation of liability shall be noted in any judgment secured against Landlord and in the judgment index.

33. **NO OPTION**. The submission of this Lease Agreement for examination does not constitute a reservation of or option for the Premises and this Lease Agreement becomes effective as a Lease Agreement only upon execution and delivery thereof by Landlord and Tenant.

34. **NOTICES**. Any notice by either party to the other shall be in writing and shall be deemed to have been duly given only if (a) delivered personally or (b) sent by registered mail or certified mail, return receipt requested, in a postpaid envelope or (c) sent by recognized overnight courier service such as Federal Express, addressed if to Tenant, at the Notice Address set forth in Section 21 of the Basic Lease Provisions hereof; if to Landlord, at the Notice Address set forth in Section 20 of the Basic Lease Provisions

hereof; or to either at such other address as Tenant or Landlord, respectively, may designate in writing. Notice shall be deemed to have been duly given upon its receipt or rejection as evidenced by a return receipt or upon delivery if personally served.

35. **ACCORD AND SATISFACTION**. No payment by Tenant or receipt by Landlord of a lesser amount than the then due Basic Rent and Additional Rent payable hereunder shall be deemed to be other than a payment on account of the earliest due monthly Basic Rent and Additional Rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment for Basic Rent or Additional Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Basic Rent and Additional Rent or pursue any other remedy provided herein or by law.

36. **EFFECT OF WAIVERS** No failure by Landlord to insist upon the strict performance of any covenant, agreement, term or condition of this Lease, or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial Basic Rent or Additional Rent during the continuance of any such breach, shall constitute a waiver of any such breach or of such covenant, agreement, term or condition. No consent or waiver, express or implied, by Landlord to or of any breach of any covenant, condition or duty of Tenant shall be construed as a consent or waiver to or of any other breach of the same or any other covenant, condition or duty, unless in writing signed by Landlord.

37. **MORTGAGEE'S NOTICE AND OPPORTUNITY TO CURE** Tenant agrees to give any mortgagees and/or trust deed holders of which Landlord has provided the identity and an address, by registered mail, a copy of any notice of default served upon Landlord, provided that, prior to such notice, Tenant has been notified in writing (by way of notice of assignment of rents and leases or otherwise) of the address of such mortgagees and/or trust deed holders. Tenant further agrees that, if Landlord shall have failed to cure such default within the time provided for in this Lease, then the mortgagees and/or trust deed holders shall have an additional thirty (30) days within which to cure such default, or if such default cannot reasonably be cured within that time, then such additional time as may be necessary, if within such thirty (30) days, any mortgagee and/or trust deed holder has commenced and is diligently pursuing the remedies necessary to cure such default (including but not limited to commencement of foreclosure proceedings if necessary to effect such cure), in which event this Lease shall not be terminated while such remedies are being so diligently pursued.

38. **LANDLORD'S RESERVED RIGHTS.** Landlord and Tenant acknowledge that the Premises are in a Building which is not open to the general public. Access to the Building is restricted to Landlord, Tenant, their agents, employees and to their invited visitors. In the event of a labor dispute including a strike, picketing, informational or associational activities directed at Tenant or any other tenant, Landlord reserves the right unilaterally to alter Tenant's ingress and egress to the Building or make any other change in operating conditions to restrict pedestrian, vehicular or delivery ingress and

egress to a particular location. Additionally, Landlord reserves unto itself all rights not granted Tenant, including by way of example and not by way of limitation, the right to change the name by which the Building is commonly known.

39. **CORPORATE AUTHORITY** The undersigned officers and representatives of Tenant and Landlord executing this Lease on behalf of Tenant and Landlord represent and warrant that they are officers of the applicable entity with authority to execute this Lease on behalf of such entity.

40. **GOVERNMENT REQUIREMENTS.** In the event of the imposition of federal, state, or local governmental control, rules, regulations, or restrictions on the use or consumption of energy or other utilities or with respect to any other aspect of this Lease during the Term, both Landlord and Tenant shall be bound thereby. In the event of a difference in interpretation of any governmental control, rule, regulation or restriction between Landlord and Tenant, the interpretation of Landlord shall prevail, and Landlord shall have the right to enforce compliance, including the right of entry into the Premises to effect compliance.

41. **TENANT'S RENEWAL OPTION.**

Provided the Lease is in good standing and no default by Tenant exists hereunder and no event has occurred that with the passage of time and/or the giving of notice would result in a default by Tenant hereunder, Landlord hereby gives and grants to Tenant the right, privilege and option of extending this Lease in accordance with the Options to Renew set forth in Section 22 of the Basic Lease Provisions. Tenant shall exercise such options by giving notice to the Landlord of its intention to so renew not less than nine (9) months prior to the then applicable expiration of the Term. Failure to give any such notice shall be deemed a waiver of Tenant's right to exercise this option and shall conclusively make the remaining option(s) to extend, if any, null and void. All of the terms, covenants and conditions of this Lease shall apply during the extended term(s), except that Basic Rent during the extended term shall be determined as follows: Within thirty (30) days after Landlord's receipt of Tenant's written notice exercising the option to extend the term, Landlord shall deliver to Tenant written notice of the Basic Rent for the first year of said extended term, which Basic Rent shall be at then market rates for similar premises in the area of the Building, which shall be supported by reasonable evidence supplied by Landlord, but in no event less than the Basic Rent for the then expiring year. In the event that the Basic Rent for the Renewal Term exceeds the Basic Rent for the then expiring year, then Tenant shall thereafter have fifteen (15) days in which to revoke its notice of renewal, failing which Tenant shall be deemed to have exercised said option to renew at the Basic Rent set forth in Landlord's notice. So long as the Basic Rent determined by Landlord is supported by reasonable evidence, Tenant shall not have any other remedy should it disagree with said determination. In the event of such renewal, Basic Rent shall thereafter increase annually by three percent (3%) per annum. All renewals and extensions under this Lease shall be deemed to be included in the definition of Term as set forth herein.

42. **AMERICANS WITH DISABILITIES ACT.** Landlord assumes all responsibility for continuing Common Area compliance with all requirements of the Americans with Disabilities Act of 1990 and as revised from time to time (the "ADA"). After the Commencement Date, Tenant shall be responsible for ADA compliance within the Premises.

43. **PARKING.**

(A) During the Term, Tenant shall have the right to use (on a non-exclusive first-come, first-served basis) the number of Parking Permits set forth in Basic Lease Provision 25 hereof for the unreserved parking of passenger automobiles in the parking areas designated from time to time by Landlord for the use of tenants of the Building ("Parking Areas"). Landlord shall have no obligation to police or otherwise monitor the use of the Parking Areas.

(B) Tenant shall park and shall cause its employees to park only in the Parking Areas. Neither Tenant nor its employees or invitees shall park at any time more vehicles in the Parking Areas than the number of Parking Permits provided to Tenant per Provision 25 hereof. In order to restrict the use by Tenant's employees of areas designated or which may be designated by Landlord as handicapped, reserved or restricted parking areas, or for any other business purpose, Tenant agrees that it will, at any time and from time to time as requested by Landlord, furnish Landlord with the owners' names and license plate numbers of any vehicle of Tenant and Tenant's agents and/or employees.

(C) Landlord reserves the right to institute a parking control system, and to establish and modify or amend rules and regulations governing the use thereof. Landlord shall have the right to revoke a user's parking privileges in the event such user fails to abide by the rules and regulations governing the use of the Parking Areas. Tenant shall be prohibited from using the Parking Areas for purposes other than for parking registered vehicles. The storage, repair or overnight parking of vehicles in the Parking Areas is strictly prohibited.

(D) Tenant shall not assign or otherwise transfer any Parking Permits (other than to a permitted assignee of this Lease, or a permitted subtenant of the Premises), and any attempted assignment or other transfer shall be void. Tenant and its employees shall observe reasonable safety precautions in the use of the Parking Areas and shall at all times abide by all rules and regulations governing the use of the Parking Areas promulgated by Landlord or the Parking Areas operator (if any). Landlord reserves the right to temporarily close the Parking Areas during periods of unusually inclement weather or for repairs, or to prevent a dedication thereto, and Tenant shall not be entitled to any abatement of Rent or other damages as a result thereof. Landlord does not assume any responsibility, and shall not be held liable, for any damage or loss to any automobile or personal property in or about the Parking Areas, or for any injury sustained by any person in or about the Parking Areas.

44. TIME OF ESSENCE

Time is of the essence with respect to all time frames, terms, and conditions set forth herein.

[SIGNATURE PAGE FOLLOWS]

The parties hereto have hereunto set their hands and seals the day and year first above written.

Landlord: 3 ECCH Owner LLC

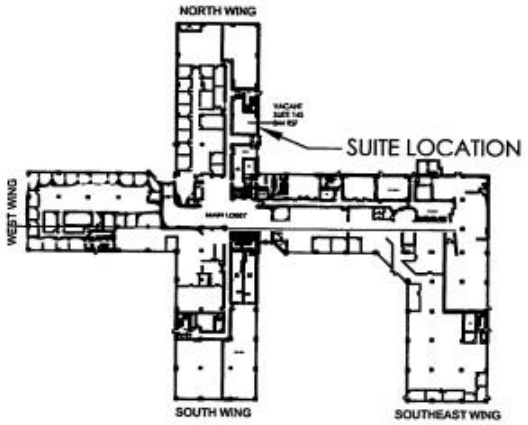
By: */s/ Sol Ekstein*
Sol Ekstein, Vice President

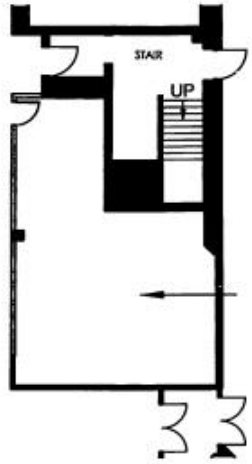
Tenant: The Real Good Food Company LLC

By: */s/ Gerard G. Law*
Name: Gerard G. Law
Title: CEO

EXHIBIT A

Premises



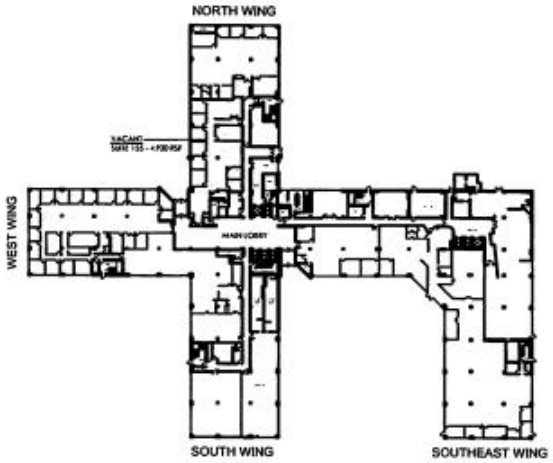


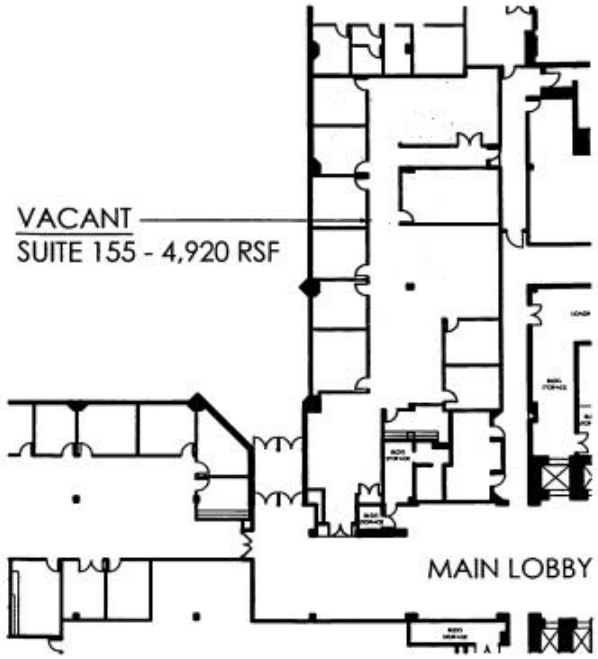
VACANT
SUITE 145
844 RSF

3 EXECUTIVE CAMPUS - SUITE 145

POLEK SCHWARTZ
ARCHITECTS

FLOOR NUMBER
01
05-26-2017





3 EXECUTIVE CAMPUS - SUITE 155

JLL

POLEK SCHWARTZ
ARCHITECTS

FLOOR NUMBER
01
02-28-2020

EXHIBIT B
Landlord Work

The Demised Premises shall be accepted by Tenant in its existing “as-is” condition except as set forth in this Exhibit “B”. All other repairs and/or alterations, whether required by a governmental agency or for any other reason whatsoever, will be performed at the sole cost and expense of the Tenant.

Landlord shall perform the following “Landlord’s Work”:

- Ensure the Premises complies with all appliable laws prior to Tenant’s Work
- Carpet and paint in Suite 155

Construction Contribution - Provided Tenant is not in default of any of the provisions of this Lease, Landlord agrees to give to Tenant a Construction Contribution equal to twenty dollars ($20.00) per square foot of the Premises. Notwithstanding anything in the Lease to the contrary, Landlord will be the owner of the tenant improvements paid for by Tenant and reimbursed directly to Tenant from Landlord. The Construction Contribution shall be payable to Tenant within 10 days upon Landlord’s receipt of the following:

(a) Copy of Certificate of Occupancy;
(b) Confirmation that Tenant has opened for business in the Demised Premises and commenced to pay rent;
(c) Final Releases of Liens (if applicable) from any parties with lien rights who are providing any materials and/or improvements within the Demised Premises;
(d) Copies of paid invoices for improvements made by Tenant to the Premises in at least the amount of the Construction Contribution.

EXHIBIT “C”

TENANT’S WORK

All Tenant’s Work shall conform to all applicable governing codes and shall include the work listed below.

Tenant shall perform the following “Tenant’s Work”:

1. Construction:

   (a) Interior partitions, doors and windows (if applicable).
   (b) Any wall and floor finishes.

2. Electrical:

   (a) Any and all electrical work required by Tenant which is not Landlord’s obligation as per Exhibit “B”.
   (b) Telephone installation.

3. Tenant will furnish one complete set of plans with specifications to the Landlord for Landlord’s approval.

4. Tenant will pay for any utility charges associated with the Demised Premises during and after Tenant’s construction of the Demised Premises.

5. Tenant will require any contractor or sub-contractor to remove and dispose of, at least once a week, all debris and rubbish caused by the Tenant’s Work and upon completion to remove all temporary structures, debris and rubbish of whatever kind remaining on any part of the Building and/or Land.

6. Tenant’s contractors and subcontractors (including Tenant’s movers) shall be required to provide, in addition to the insurance required to be maintained by Tenant, the following types of insurance and the following minimum amounts naming Landlord and any other persons having interest in the Building and/or Land as additional insureds as their interest may appear, issued by companies approved by Landlord.

   (a) Workmen’s Compensation coverage with limits of at least $500,000 for the employer’s liability coverage thereunder.

   (b) Builder’s Risk-Completed Value fire and extended coverage covering damage to the construction and improvements to be made by Tenant in amounts at least equal to the estimated completed cost of said construction and improvements with 100% coinsurance protection.

(c) Automobile Liability coverage with bodily injury limits of at least $500,000 per person. $1,000,000 per accident, and $500,000 per accident for property damage.

Certificates, original or duplicate policies for all of the foregoing insurance shall be delivered to Landlord before Tenant's Work is started and before any contractor's equipment is moved to any part of the whole Land and/or Building. In all other respects the insurance coverage above mentioned shall comply with the provisions of this Lease.

7. All work done by Tenant to be by licensed contractors. Landlord may post notice of non-responsibility for Tenant's work.

8. In the event Tenant should elect to hire Landlord's General Contractor to perform Tenant's Work, and said act creates a "co-mingling" of Landlord and Tenant's Work that may result in the delay of the completion of Landlord's Work in accordance with Exhibit "B", Tenant agrees to notify Landlord so that the parties may agree to a revised Rent Commencement Date.

9. Notwithstanding anything in the Lease to the contrary, Tenant shall not at any time make any alterations, improvements, demolitions and/or other modifications to the Demised Premises which would directly or indirectly cause the building containing the Demised Premises and/or the Common Areas and/or any other portion of the Land and/or Building to be in violation of any applicable governmental and/or quasi-governmental laws, codes, rules and/or regulations including but not limited to the Americans with Disabilities Act.

Exhibit D

Commencement Date Agreement

THIS COMMENCEMENT DATE AGREEMENT is entered into by **3 ECCH Owner LLC** ("**Landlord**"), and _____ ("**Tenant**") as of the date this Agreement is executed by the last to sign of Landlord and Tenant as shown on the signature page(s) attached hereto.

WHEREAS, Landlord and Tenant entered into a Lease dated _____ (the "Lease"); pursuant to which Landlord leased to Tenant certain Premises (Suite # _____) within the Building located at 3 Executive Campus, Cherry Hill, New Jersey, as more particularly described in the Lease;

AND WHEREAS, for the purpose of establishing fixed dates, the parties hereby execute this Agreement setting forth the Commencement Date, Rent Commencement Date, Expiration Date and other dates of the Lease;

NOW, THEREFORE, Landlord and Tenant hereby agree as follows:

1. Capitalized terms used in this Agreement not specifically defined herein have the meanings given such terms in the Lease.

2. Landlord delivered possession of the Premises to Tenant (for purposes of constructing Tenant's work or otherwise) on _____, 20____.

3. The Commencement date of the initial Term of the Lease is _____, 20____.

4. The Rent Commencement date of the Lease is _____, 20____.

5. The Expiration Date of the initial Term of the Lease is _____, 20____, subject to _____ (__) renewal terms of _____ (__) years each.

6. This Agreement shall not modify the Lease except as herein expressly set forth. The parties hereto acknowledge that the Lease is in full force and effect.

The parties hereby execute this Agreement as of the dates set forth below.

Landlord: 3 ECCH Owner LLC	Tenant:_____
By: _____	By:_____
Print Name: _____	Print Name:_____
Title: _____	Title:_____
Date: _____	Date:_____

EXHIBIT “E”

Janitorial

[***]

EXHIBIT F

BUILDING RULES AND REGULATIONS

The following rules and regulation shall apply to the Premises, the Building, and the appurtenances thereto:

1. Sidewalks, doorways, vestibules, halls, stairways, and other Common Areas to which Tenant has access shall not be obstructed by Tenant or Tenant's agents, or used for purposes other than ingress to and egress from the Premises and for going from one part of the building to another.

2. Plumbing, fixtures and appliances shall be used only for the purposes for which designed, and no sweepings, rubbish, rags or other unsuitable material shall be thrown or deposited therein.

3. Without the prior written consent of Landlord, no signs, advertisements or notices shall be inscribed, painted, affixed or displayed in, on, upon or behind any windows or doors (except as may be mandated by the applicable legal requirement), or to any other portion of the Premises or the building. No company name, logo, sign, advertisement or notice shall be inscribed, painted or affixed outside the Premises or on any doors without the prior written consent of Landlord.

4. Landlord shall provide all door locks to the Premises at Tenant's cost, and Tenant shall not install any additional door locks in the Premises without Landlord's prior written consent, which shall not be unreasonably withheld. Landlord shall initially provide to Tenant, without charge, two (2) keys each to the Premises and the Building, and upon Tenant's request, Landlord shall provide to Tenant, also without charge, two (2) additional sets of keys. Landlord shall provide any additional keys requested by Tenant, at Tenant's cost. Upon the expiration date or sooner termination of the Lease, Tenant shall return all keys to Landlord, and shall reimburse Landlord for the cost to replace any keys which are lost or otherwise not returned to Landlord.

5. Tenant shall not move furniture or office equipment in or out of the building, or dispatch or receive any bulky material, merchandise or materials which require movement through the lobby or use of elevators or stairways (collectively, "moving" or "moved") without Landlord's consent, which shall be requested in writing at least ten (10) days prior to such moving. All such moving shall be conducted under Landlord's supervision, at such times and in such a manner as Landlord may reasonably require. Tenant assumes all risks of, and shall be liable for, all damage to articles moved and injury to persons or public as a result of any such moving. Landlord reserves the right to reasonably inspect all freight to be brought into the building, and to exclude from the building any freight which violates these Rules and Regulations or the Lease.

6. Landlord may reasonably (i) prescribe size and weight limitations, (ii) designate

specific locations within the Premises for safes and other heavy equipment or items, and (iii) require the use of supporting devices, so as to distribute weight in a manner reasonably acceptable to Landlord.

7. Intentionally omitted.

8. When not in use, all doors leading from the Premises to the corridors shall be kept closed. Nothing shall be swept or thrown into the corridors, elevator shafts, stairways or any other portion of the Common Areas.

9. No portion of the Premises shall be used or occupied at any time as sleeping or lodging quarters.

10. Tenant and Tenant's agents shall cooperate with Landlord's employees in keeping the Premises neat and clean. Except as provided to the contrary in the Lease, and subject to all of the terms thereof, Landlord reserves the right to reasonably designate and/or approve in writing all internal lighting that may be visible from the public, common or exterior areas. Except as provided to the contrary in the Lease, the design, arrangement, style, color, character, quality and general appearance of the portion of the Premises visible from public, common and exterior areas, and contents of such portion of the Premises, including furniture, fixtures, signs, artwork, wall coverings, carpet and decorations, and all changes, additions and replacements thereto shall at all times have a neat professional, attractive, first class office appearance. Tenant shall not enter into any contract with any supplier of towels, water toilet articles, waxing, rug shampooing, venetian blind washing, furniture polishing, lamp servicing, cleaning of electrical fixtures, or other similar services without the prior written consent of Landlord.

11. Tenant shall not employ any person or persons for the purpose of cleaning the Premises without the prior written consent of Landlord. Tenant shall endeavor to notify Landlord within eight (8) hours of any spill or stain on any carpeting within the Premises, so that Landlord may advise the janitorial service to promptly remove such stain. If Landlord is not notified, but observes the stain, then Landlord may enter the Premises and have the stain removed. The direct, reasonable and out-of-pocket cost of removing any such stains shall be the responsibility of Tenant, regardless of whether or not Tenant advised Landlord of the existence thereof.

12. To ensure orderly operation of the building, no ice, towels, etc. shall be delivered to the Premises except by parties approved in advance by Landlord, which approval shall not be unreasonably withheld. Notwithstanding the foregoing, water and newspapers may be delivered to the Premises without Landlord's consent.

13. Tenant shall not cause any nuisance in the building or otherwise unreasonably interfere in any way with other tenants or persons having business therein.

14. No machinery, other than normal office equipment, shall be operated in the Premises or in the Common Areas without Landlord's prior written consent.

15. Landlord shall not be responsible to Tenant or any other party for any loss of or damage to property, whether within the Premises or the Common Areas, however occurring.

16. [INTENTIONALLY OMITTED]

17. [INTENTIONALLY OMITTED].

18. Tenant shall not mark, drive nails into, or screw or drill into, any walls, partitions, woodwork or plaster, except in the course of installing ordinary and customary wall hangings and artwork. No tenant shall in any way deface any part of the Premises or the building. No tenant shall lay linoleum, or other similar floor covering, so that the same shall come into direct contact with the floor of the Premises, and if linoleum or other similar floor covering is desired to be used, an interlining of builder's deadening felt shall be first affixed to the floor, by a paste or other material, soluble in water, the use of cement or other similar adhesive material being expressly prohibited.

19. All vehicles belonging to Tenant and Tenant's agents which are parked in the parking area shall be: (i) licensed; (ii) in good operating condition; (iii) parked within designated parking spaces, one vehicle to each space; and (iv) parked in such space only during such time as the operator of such vehicle is in the Premises for the purpose of conducting business with or for Tenant. No vehicle may be parked as a "billboard" vehicle in the parking area. If any vehicle belonging to Tenant or Tenant's agents is parked improperly, then Landlord shall have the right to: (y) tow such vehicle from the parking area at Tenant's expense; or (z) place a "boot" on the vehicle to immobilize it, and charge Landlord's then-standard rate to remove the "boot". Notwithstanding anything contained herein or in the Lease to the contrary, in no event shall the default of any employee, agent, or invitee of Tenant with respect to Tenant's parking rights constitute a default of Tenant under this Lease; in any such event, Landlord's sole rights and remedies shall be limited to towing and other legal actions against the offending individual and its automobile.

20. Landlord reserves the right to reasonably control access to and use of, and monitor and supervise any work in or affecting, the "wire" or telephone, electrical, plumbing or other utility closets, the systems and equipment, and any changes, connections, new installations, and wiring work relating thereto (or Landlord may engage or designate an independent contractor to provide such services). Tenant shall obtain Landlord's prior written consent which consent shall not be unreasonably withheld, conditioned or delayed for any such access, use and work in each instance, and shall comply with such requirements as Landlord may reasonably impose, and the other provisions respecting electric installations and connections, respecting telephone lines and connections, and respecting work in general. Except with Landlord's consent as aforesaid, Tenant shall have no right to use any broom closets, storage closets,

janitorial closets, or other such closets, rooms and areas whatsoever. Tenant shall not install in or for the Premises any equipment which requires more electric current than Landlord is required to provide under this Lease, without Landlord's prior written approval.

21. Tenant shall not use the Premises for any use which is disreputable, creates fire hazards, or results in an increased rate of insurance on the building or any of its contents.

22. All garbage, refuse, trash and other waste shall be kept by Tenant in the kind of container, placed in the areas, and prepared for collection in the manner and at the times and places specified by Landlord, subject to respecting hazardous materials.

23. In order to ensure security of the building, Landlord reserves the right to: (i) reasonably limit or regulate access to the building during nights and weekends; (ii) exclude from the building, at any time other than normal business hours (i.e., 9:00 A.M. and 5:00 P.M.), all persons who do not present an employee identification card or a pass to the building signed by an authorized signatory of Tenant. Tenant shall be responsible for all persons to whom it issues such an identification card or pass. If Landlord provides overtime HVAC service, same shall only be provided to the perimeter units located within the Premises, and not to any central system serving the building.

24. The building is a smoke-free environment, and smoking is not permitted anywhere in the building, including the Common Areas and the Premises. Any persons wishing to smoke shall extinguish their cigarettes in the receptacles to be provided outside of the rear entrance to the building, and are prohibited from discarding cigarette butts on the ground or outside of any building entrance.

25. Tenant shall not waste electricity, water, heat or air conditioning or other utilities or services, and agrees to cooperate with Landlord in Landlord's reasonable efforts to cause the building to operate in and to assure the most effective and energy efficient manner and shall not allow the adjustment (except by Landlord's authorized building personnel) of any controls. Tenant shall not obstruct, alter or impair the efficient operation of the building systems and equipment, and shall not place any item so as to interfere materially with air flow. Tenant shall keep corridor doors closed.

26. Employees of Landlord shall not perform any work for Tenant or do anything outside of their regular duties unless under special instructions from Landlord.

27. Tenant shall not conduct, or permit any other person to: (i) conduct any auction within the Premises;
(ii) manufacture or store goods, wares or merchandise upon the Premises, except for the storage of usual supplies and inventory to be used by Tenant in the conduct of its business within the Premises; (iii) use the Premises for gambling; (iv) cause a nuisance from the Premises;
(v) adversely affect the indoor air quality of the Premises or building; (vi) produce

unusual odors within the Premises; (vii) occupy any portion of the Premises as an office of a public stenographer, o·r as a barber or manicure shop; (viii) manufacture or sell any intoxicating beverages or tobacco within the Premises; (ix) bring any no dangerous, inflammable, combustible or explosive object or material into the building other than normal office products stored and disposed of in compliance with all Environmental Laws; (x) use strobe or flashing lights in or on the Premises; (xi) use any source of power other than electricity; (xii) operate any electrical or other device from which may emanate electrical, electromagnetic, x-ray, magnetic resonance, energy, microwave, radiation or other waves or fields so to unreasonably interfere with or impair radio, television, microwave, or other broadcasting or reception from or in the building, or impair or interfere with computers, faxes or telecommunication lines or equipment at the building or elsewhere, or create a health hazard; (xiii) bring or permit any bicycle or other vehicle (except a wheelchair or cart for a handicapped person), or dog (except in the company of a blind person or except where specifically permitted) or other animal or bird in the building; or (xiv) do or permit any Tenant's agents to do upon the Premises or building anything in any way tending to unreasonably disturb, bother, annoy or interfere with Landlord or any other tenant at the building, or otherwise disrupt orderly and quiet use and occupancy of the building.

28. Landlord reserves the right to exclude or expel from the building any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of these Rules.

29. Except as expressly provided to the contrary in the Lease, and subject to all of the terms thereof, Tenant shall not at any time cook or sell food in any form by or to any of Tenant's agents or employees or any other parties on the Premises, nor permit any of the same to occur (other than in microwave ovens and coffee makers properly maintained in good and safe working order and repair in lunch rooms or kitchens for employees as may be permitted or installed by Landlord, which does not violate any applicable legal requirements or bother or annoy any other tenant).

30. No awnings or other projections shall be attached to the outside walls of the building. No curtains, blinds, shades or screens shall be attached or hung in, or used in connection with, any window or door of the Premises without the prior written consent of Landlord as to quality, type, design and color, and method of attachment.

31. Canvassing, solicitation and peddling in the building are prohibited, and Tenant shall cooperate to prevent the same.

32. Furniture, freight and other large or heavy articles, and all other deliveries may be brought into the building only at times and in the manner reasonably designated by Landlord, and always at the Tenant's sole responsibility and risk. Landlord may inspect items brought into the building or Premises with respect to weight or dangerous nature or compliance with all applicable legal requirements. Landlord may (but shall have no

obligation to) require that all furniture, equipment, cartons and other articles removed from the Premises or the building be listed and a removal permit therefor first be obtained from Landlord. Tenant shall not take nor permit Tenant's agents or visitors to take in or out of other entrances or elevators of the building any item normally taken, or which Landlord otherwise reasonably requires to be taken, in or out through service doors or on freight elevators. Landlord may impose reasonable charges and requirements for the use of freight elevators and loading areas, and reserves the right to alter schedules without notice. Any handcarts used at the building shall have rubber wheels and sideguards, and no other material handling equipment may be brought upon the building without Landlord's prior written approval.

33. Except in connection with prospective subleasing and assignments, Landlord shall have the right to prohibit any advertising by Tenant which includes references to or depictions of the Building and which, in Landlord's reasonable opinion, tends to impair the reputation of the Building or its desirability as an office building, and upon written notice from Landlord, Tenant shall refrain from or discontinue such advertising.

34. Tenant shall cooperate with Landlord in connection with, and shall participate in (including all of Tenant's employees and invitees who are in the Premises at the time of any fire drill), fire drills for. the building that are organized by or on behalf of Landlord from time to time (not more frequently than once per calendar quarter). Landlord shall give Tenant reasonable advance notice of each fire drill.

35. At Landlord's option, tenants shall purchase from Landlord or its designee all lighting tubes, lamps, bulbs and ballasts used at the Premises and tenants shall pay Landlord's actual costs within thirty (30) days after demand therefor.

36. Tenant shall be responsible for ensuring compliance by Tenant's agents with these Rules, as they may be amended from time to time upon reasonable prior notice to Tenant. Tenant shall cooperate with any reasonable program or requests by Landlord to monitor and enforce the Rules and Regulations and taking appropriate action against such of the foregoing parties who violate these provisions.

37. Intentionally deleted.

38. Unless otherwise defined in these Rules and Regulations, capitalized terms shall have the meaning ascribed to them in the Lease. In the event of any conflict between these Rules and Regulations and the terms and provisions of the Lease, the latter shall control the resolution of such conflict.

39. Landlord reserves the right to rescind, alter or waive any rule or regulation at any time prescribed for the building. No rescission, alteration or waiver of any rule or regulation in favor of one tenant shall operate as a rescission, alteration or waiver in favor of any other tenant.

EXHIBIT G
GYM ADDENDUM TO LEASE
BY AND BETWEEN
3 ECCH OWNER LLC ("LANDLORD") AND
THE REAL GOOD FOOD COMPANY LLC ("TENANT")

i) Conflict. In the event of a conflict between the provisions of this Addendum and that certain Lease to which this Addendum is attached by and between Landlord and Tenant (the "Lease") for the Premises located at 3 Executive Campus, Suites 145 & 155, Cherry Hill Township, County of Camden, State of New Jersey, this Addendum shall control. Except as specifically modified herein, all terms and conditions of the Lease shall remain in full force and effect.

ii) Definitions. All terms capitalized but not defined herein shall have the meanings ascribed thereto in the Lease.

iii) Gym Use. Landlord has leased or may lease the gym located on the ground floor of the building containing the Premises (the "Gym") to a third party operator (the "Gym Owner"). Prior to the expiration or earlier termination of the Lease, provided Tenant is not in default of the Lease beyond any applicable notice and cure period, then Tenant and its employees and principals (collectively, the "Tenant Parties") shall have the non-exclusive right to use the Gym subject to the following conditions:

(i) Tenant's use of the Gym shall be limited to the Tenant Parties, and in no event shall any other guests or invitees of Tenant be permitted to enter and/or use the Gym.

(ii) Landlord, Gym Owner, and their respective owners, officers, agents, employees, organizers, representatives and successors (collectively, the "Owner Parties") shall not be liable for the loss, theft or damage to the personal property of the Tenant Parties, and Tenant agrees to hold the Owner Parties harmless from any and all claims, damages, lawsuits, contracts, actions, suits, demands, agreements, liabilities, obligations and/or proceedings of every nature and description both at law and in equity (collectively, "Claims") associated with the loss, theft or damage the personal property of the Tenant Parties.

(iii) Landlord urges all Tenant Parties to obtain a physical examination from their physicians prior to the use of the Gym. Tenant warrants that each of the Tenant Parties shall be in good health, qualified, and in proper physical condition to engage in the activities to which he/she partakes in the Gym, and shall not have any disability, impairment or ailment preventing them from engaging in any form of exercise or activity at the Gym that will be detrimental to their health or safety.

(iv) Tenant understands and agrees that the Tenant Parties are voluntarily participating in the various activities at the Gym and assuming any and all risks that may result from participating in such activities, including but not limited to death, serious bodily injury, permanent disability, paralysis, pain, suffering and/or similar or related conditions (collectively "Injury"). The Owner Parties have not made any

effort or taken any action, and shall not be required to make any effort or take any action, to protect the Tenant Parties from any and all risks of Injury described in this Addendum. In recognition of the possible dangers connected with any physical activity, Tenant on behalf of itself and the Tenant Parties hereby knowingly and voluntarily fully and forever releases, discharges, acquits and forgives the Owner Parties from any and all Claims that the Tenant Parties ever had, now has, or hereafter can, shall or may hereafter have of any kind whatsoever arising as the result of the entry and/or use of the Gym by the Tenant Parties. This waiver and release includes, without limitation, all injuries which may occur as a result of: (a) participation in any activity at the Gym; (b) equipment or amenity malfunction; (c) negligent use of equipment or amenities by the Tenant Parties and/or anyone else in the Gym; and/or (d) the Tenant Parties slipping and/or falling in the Gym.

(v) The Tenant Parties shall follow any and all Gym rules as may be promulgated from time to time by the Gym Owner. Violation of these rules may result in suspension or cancellation of the applicable Tenant Party's right to enter and/or use the Gym.

(vi) The Tenant Parties' participation in the use of the Gym is entirely at his/her own risk.

(vii) TENANT, FOR ITSELF AND EACH OF THE TENANT PARTIES, HEREBY WAIVES, RELEASES AND DISCHARGES ANY AND ALL CLAIMS (as defined above) THAT IT AND/OR ANY OF THEM MAY OTHERWISE HAVE TO SUE ANY OF THE OWNER PARTIES FOR ANY INJURY (as defined above), INCLUDING ANY INJURY ARISING FROM THE ACTIVE OR PASSIVE NEGLIGENCE OF ANY OF THE OWNER PARTIES, ANY LOSS OF PROPERTY, AND/OR ANY PROPERTY DAMAGE.

(viii) Tenant has read and fully understands this Addendum. Tenant understands that it has given up substantial rights by signing this Addendum, understands that this Addendum cannot be modified orally, and Tenant is fully aware of the legal consequences as a full release of liability for Injury, loss of property and/or property damage. Tenant signs this Addendum freely and voluntarily without any inducement, assurance, or guarantee being made to it by Landlord and/or any person or entity on its behalf. Tenant intends that its signature operate as a complete and unconditional release of all liability to the greatest extent allowed by the laws of the State of New Jersey.

(ix) **Tenant shall obtain and deliver to Landlord the "Individual Fitness Center Waiver Of Liability & Release" (the current form of which is attached hereto as Exhibit "A", subject to modifications as required by Landlord and/or the Gym Owner from time to time in their sole and absolute discretions) from all Tenant Parties prior to allowing such Tenant Parties to enter and/or use the Gym.**

Notwithstanding the foregoing or anything herein to the contrary, the Owner Parties reserve the following rights:

(a) The right to temporarily or permanently close the Gym for renovations or as otherwise determined by Landlord and/or the Gym Owner, without any liability to Tenant or any reduction in Tenant's rent.
(b) The right to restrict the hours that the Gym is open and available for use.
(c) The right to expand or contract the size of the Gym.
(d) The right to add and/or remove equipment from the Gym.

In consideration for the Tenant Parties right to use the Gym, Tenant shall pay to Landlord additional rent in the following amounts: (a) $75.00 per Tenant Party initiation fee, due and payable in advance prior to such Tenant Party first using the gym, plus (b) $29.00 per Tenant Party per month, due and payable in advance on the first day of each calendar month simultaneous with the payment of Tenant's Basic Rent. The monthly fee shall be prorated on a per diem basis for any partial calendar months.

If any portion of this Addendum shall be deemed by a court of competent jurisdiction to be invalid, then the remainder of this Addendum shall remain in full force and effect and the offending provision or provisions severed herefrom.

This Addendum shall survive the expiration or earlier termination of the Lease.

LANDLORD:
3 ECCH Owner LLC,

BY:_____
Sol Ekstein, Vice President

Date:_____

TENANT:
The Real Good Food Company LLC

BY:_____

Print Name:_____

Title:_____

Date:_____

EXHIBIT "A"

FITNESS CENTER WAIVER OF LIABILITY & RELEASE
INDIVIDUAL

As consideration for Participant having the non-exclusive right to use the fitness center located at 3 Executive Campus, Cherry Hill, New Jersey (the "Fitness Center"), and as a condition to any such use, Participant hereby agrees as follows:

Participant understands and agrees that Participant's participation in various activities at the Fitness Center shall be completely voluntary, and Participant hereby assumes any and all risks that may result from participating in such activities, including but not limited to death, serious bodily injury, non-serious bodily injury, illness, permanent and/or temporary disability, paralysis, pain, suffering and/or similar or related conditions (collectively "Injury"). 3 ECCH Owner LLC ("Building Owner"), the owner of the Fitness Center, if applicable ("Gym Owner"), and their respective directors, owners, officers, agents, employees, organizers, representatives, and successors and assigns (collectively, the "Owner Parties") shall not be required to make any effort or take any action to protect Participant from any and/or all risks of Injury.

Because physical exercise can be strenuous and subject to risk of serious injury, Owner Parties recommend that Participant obtain a physical examination from a doctor before using any exercise equipment or participating in any exercise activity in the Fitness Center. Participant agrees that if Participant engages in any physical exercise or activity or otherwise enters and/or uses the Fitness Center and/or uses any Fitness Center amenities, Participant does so entirely at Participant's own risk.

Participant acknowledges and agrees that Participant is not permitted to use the Fitness Center if any of the following conditions exist at the time of such intended use: (a) Participant has a cough, (b) Participant has or has within the last 14 day had a fever, (c) Participant has come in contact with any confirmed COVID-19 positive patient(s) in the last 14 days, (d) Participant is experiencing shortness of breath or difficulty breathing, (e) Participant is experiencing other flu-like symptoms, such as gastrointestinal upset, headache or fatigue, (f) Participant has experienced recent loss of taste and/or smell, and/or (g) Participant has traveled in the past 14 days to any regions affected by COVID-19.

Participant acknowledges that Participant is physically fit and mentally capable of performing the physical activity Participant chooses to participate in. After having read this Fitness Center Waiver Of Liability & Release and knowing these facts, and in consideration of acceptance of Participant's entry and use of the Fitness Center, Participant agrees, for Participant's self and anyone entitled to act on Participant's behalf, to HOLD HARMLESS, INDEMNIFY, WAIVE AND RELEASE each and every of the Owner Parties from any and all claims, actions, causes of action, damages, liabilities and/or expenses including, without limitation, reasonable attorney's fees, in connection with Participant's entry and/or use of the Fitness Center (including loss, theft, Injury and/or damage to personal property), and Participant agrees to voluntarily give up and waive any right that Participant may otherwise have to bring a legal action against any and/or all of the Owner Parties for Injury and/or property damage. To the extent that statute or case law does not prohibit releases for negligence, this release is also for negligence on the part of the Owner Parties.

The foregoing waiver and release includes, without limitation, all Injuries which may occur as a result of: (1) Participant's use of any and/or all of the amenities and/or equipment in the Fitness Center and Participant's participation in any activity in the Fitness Center; (2) the sudden and unforeseen malfunctioning of any equipment; (3) Participant's slipping and/or falling while in the Fitness Center; (4) contact with other participants; (5) the effects of the weather, including high heat and/or humidity; (6) Covid-19 and/or any other pandemic, epidemic or other sickness, and (7) all other risks being known and appreciated by me.

Participant's use of the Fitness Center shall be limited to Participant only, and in no event shall any other guests or invitees of Participant be permitted to enter and/or use the Fitness Center. Participant shall follow any and all Fitness Center rules as may be promulgated from time to time by Owner Parties. Violation of these rules may result in suspension or cancellation of Participant's right to enter and/or use the Fitness Center.

Notwithstanding the foregoing or anything herein to the contrary, Owner Parties reserve the following rights:

(a) The right to close the Fitness Center for renovations or as otherwise determined by Owner Parties in their sole and absolute discretion, without any liability to Participant.
(b) The right to reasonably restrict the hours that the Fitness Center is open and available for use.
(c) The right to expand or contract the size of the Fitness Center.
(d) The right to add and/or remove equipment from the Fitness Center.

If any portion of this Fitness Center Waiver Of Liability & Release shall be deemed by a court of competent jurisdiction to be invalid, then the remainder of this Fitness Center Waiver Of Liability & Release shall remain in full force and effect, and the offending provision or provisions severed herefrom.

By signing this Fitness Center Waiver Of Liability & Release, Participant acknowledges that Participant understands its content and that this Fitness Center Waiver Of Liability & Release cannot be modified orally.

Participant's Name (Please Print): _____

Participant's Signature: _____ Date: _____

Company employed with: _____ Work Phone/ Ext: _____

In case of emergency, contact: _____ Phone: _____

PMC Financial Services Group, LLC

Loan and Security Agreement

Borrower: **The Real Good Food Company LLC**

Address: **3750 University Avenue, Suite 610**
Riverside, CA 92501

Date: **June 30, 2016 (the "Effective Date")**

THIS LOAN AND SECURITY AGREEMENT is entered into on the above date between PMC Financial Services Group, LLC, a Delaware limited liability company ("Lender"), whose address is 3816 E. La Palma Avenue, Anaheim, CA 92807, and the borrower(s) named above (jointly and severally, the "Borrower"), whose chief executive office is located at the above address ("Borrower's Address"). The Schedule to this Agreement (the "Schedule") shall for all purposes be deemed to be a part of this Agreement, and the same is an integral part of this Agreement. (Definitions of certain terms used in this Agreement are set forth in Section 8 below.)

1. LOANS.

1.1 Loans. Lender will make loans to Borrower (the "Loans"), in amounts determined by Lender in its good faith business judgment. up to the amounts (the "Credit Limit") shown on the Schedule, provided no Default or Event of Default has occurred and is continuing, and subject to deduction of Reserves for accrued interest and such other Reserves as Lender deems proper from time to time in its good faith business judgment.

1.2 Interest. All Loans and all other monetary Obligations shall bear interest at the rate shown on the Schedule, except where expressly set forth to the contrary in this Agreement. Accrued interest shall be payable monthly, on the last day of the month, and shall be charged to Borrower's loan account (and the same shall thereafter bear interest at the same rate as the other Loans). Regardless of the amount of outstandings under the Revolver Maximum Amount from time to time, Borrower shall pay Lender minimum monthly interest on the Revolving Loans during the term of this Agreement in the amount set forth on the Schedule ("Minimum Monthly Interest").

1.3 Overadvances. If at any time or for any reason the total of all outstanding Loans and all other monetary Obligations exceeds the Credit Limit (an "Overadvance"), Borrower shall immediately pay the amount of the excess to Lender, without notice or demand. Without limiting Borrower's obligation to repay to Lender the amount of any Overadvance, Borrower agrees to pay Lender interest on the outstanding amount of any Overadvance, on demand, at the Default Rate.

1.4 Fees. Borrower shall pay Lender the fees shown on the Schedule, which are in addition to all interest and other sums payable to Lender and are not refundable.

1.5 Loan Requests. To obtain a Loan, Borrower shall make a request to Lender by facsimile or telephone, such request to provide Lender with at least one Business Day's notice. Loan requests received after 3:00 PM (California time) will not be considered by Lender until the second Business Day after such request. Lender may rely on any telephone request for a Loan given by a person whom Lender believes is an authorized representative of Borrower, and Borrower will indemnify Lender for any loss Lender suffers as a result of that reliance.

2. SECURITY INTEREST. To secure the payment and performance of all of the Obligations when due, Borrower hereby grants to Lender a security interest in all of the following (collectively, the "Collateral"): all right, title and interest of Borrower in and to all of the following, whether now owned or hereafter arising or acquired and wherever located: all Accounts; all Inventory; all Equipment; all Deposit Accounts; all General Intangibles (including without limitation all

Intellectual Property); all Investment Property; all Other Property; and any and all claims, rights and interests in any of the above, and all guaranties and security for any of the above, and all substitutions and replacements for, additions, accessions, attachments, accessories, and improvements to, and proceeds (including proceeds of any insurance policies, proceeds of proceeds and claims against third parties) of, any and all of the above, and all Borrower's books relating to any and all of the above.

3. REPRESENTATIONS, WARRANTIES AND COVENANTS OF BORROWER.

In order to induce Lender to enter into this Agreement and to make Loans, Borrower represents and warrants to Lender as follows, and Borrower covenants that the following representations will continue to be true, and that Borrower will at all times comply with all of the following covenants, throughout the term of this Agreement and until all Obligations have been paid and performed in full:

3.1 Corporate Existence and Authority. Borrower is and will continue to be, duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization. Borrower is and will continue to be qualified and licensed to do business in all jurisdictions in which any failure to do so would result in a Material Adverse Change. The execution, delivery and performance by Borrower of this Agreement, and all other documents contemplated hereby (i) have been duly and validly authorized, (ii) are enforceable against Borrower in accordance with their terms (except as enforcement may be limited by equitable principles and by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to creditors' rights generally), and (iii) do not violate Borrower's articles or certificate of incorporation, or Borrower's by-laws, Borrower's partnership agreement or operating agreement (as the case may be), or any law or any material agreement or instrument which is binding upon Borrower or its property, and (iv) do not constitute grounds for acceleration of any indebtedness or obligation under any agreement or instrument which is binding upon Borrower or its property.

3.2 Name; Trade Names and Styles. The name of Borrower set forth in the heading to this Agreement is its correct name. Listed in the Representations are all prior names of Borrower and all of Borrower's present and prior trade names. Borrower shall give Lender 30 days' prior written notice before changing its name or doing business under any other name. Borrower has complied, and will in the future comply, in all material respects, with all laws relating to the conduct of business under a fictitious business name.

3.3 Place of Business; Location of Collateral. The address set forth in the heading to this Agreement is Borrower's chief executive office. In addition, Borrower has places of business and Collateral is located only at the locations set forth in the Representations. Borrower will give Lender at least 30 days prior written notice before opening any additional place of business, changing its chief executive office, or moving any of the Collateral to a location other than Borrower's Address or one of the locations set forth in the Representations, without Lender's prior written consent.

3.4 Title to Collateral; Perfection; Permitted Liens.

(a) Borrower is now, and will at all times in the future be, the sole owner of all the Collateral, except for items of Equipment which are leased to Borrower. The Collateral now is and will remain free and clear of any and all liens, charges, security interests, encumbrances and adverse claims, except for Permitted Liens. Lender now has, and will continue to have, a first-priority perfected and enforceable security interest in all of the Collateral, subject only to Permitted Liens, and Borrower will at all times defend Lender and the Collateral against all claims of others.

(b) Borrower has set forth in the Representations all of Borrower's Deposit Accounts, and Borrower will give Lender five Business Days advance written notice before establishing any new Deposit Accounts and will cause the institution where any such new Deposit Account is maintained to execute and deliver to Lender a control agreement in form sufficient to perfect Lender's security interest in the Deposit Account and otherwise satisfactory to Lender in its good faith business judgment.

(c) In the event that Borrower shall at any time after the date hereof have any commercial tort claims against others, which it is asserting or intends to assert, and in which the potential recovery exceeds $50,000, Borrower shall promptly notify Lender thereof in writing and provide Lender with such information regarding the same as Lender shall request. Such notification to Lender shall constitute a grant of a security interest in the commercial tort claim and all proceeds thereof to Lender, and Borrower shall execute and deliver all such documents and take all such actions as Lender shall request in connection therewith.

(d) None of the Collateral now is or will be affixed to any real property in such a manner, or with such intent, as to become a fixture. Borrower is not and will not become a lessee under any real property lease pursuant to which the lessor may obtain any rights in any of the Collateral and no such lease now prohibits, restrains, impairs or will prohibit, restrain or impair Borrower's right to remove any Collateral from the leased premises. Whenever any Collateral is located upon real property in which any third party has an interest, Borrower shall, whenever requested by Lender, cause such third party to execute and deliver to Lender, in form acceptable to Lender, such waivers and subordinations as Lender shall specify. Borrower will keep in full force and effect, and will comply with all terms of, any lease of real property where any of the Collateral now or in the future may be located.

3.5 Maintenance of Collateral. Borrower will maintain the Collateral in good working condition (ordinary wear and tear excepted), and Borrower will not use the Collateral for any unlawful purpose. Borrower will immediately advise Lender in writing of any material loss or damage to the Collateral.

3.6 Books and Records. Borrower has maintained and will maintain at Borrower's Address complete and accurate books and records, comprising an accounting system in accordance with GAAP.

3.7 Financial Condition, Statements and Reports. All financial statements now or in the future delivered to Lender have been, and will be, prepared in conformity with GAAP and now and in the future will fairly present the results of operations and financial condition of Borrower, in accordance with GAAP, at the times and for the periods therein stated. Between the last date covered by any such statement provided to Lender and the date hereof, there has been no Material Adverse Change.

3.8 Tax Returns and Payments; Pension Contributions. Borrower has timely filed, and will timely file, all required tax returns and reports, and Borrower has timely paid, and will timely pay, all foreign, federal, state and local taxes, assessments, deposits and contributions now or in the future owed by Borrower. Borrower may, however, defer payment of any contested taxes, provided that Borrower (i) in good faith contests Borrower's obligation to pay the taxes by appropriate proceedings promptly and diligently instituted and conducted, (ii) notifies Lender in writing of the commencement of, and any material development in, the proceedings, and (iii) posts bonds or takes any other steps required to keep the contested taxes from becoming a lien upon any of the Collateral. Borrower is unaware of any claims or adjustments proposed for any of Borrower's prior tax years which could result in additional taxes becoming due and payable by Borrower. Borrower has paid, and shall continue to pay all amounts necessary to fund all present and future pension, profit sharing and deferred compensation plans in accordance with their terms, and Borrower has not and will not withdraw from participation in, permit partial or complete termination of, or permit the occurrence of any other event with respect to, any such plan which could reasonably be expected to result in any liability of Borrower, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other governmental agency.

3.9 Compliance with Law. Borrower has complied, and will comply, in all respects, with all provisions of all foreign, federal, state and local laws and regulations applicable to Borrower, including, but not limited to, those relating to Borrower's ownership of real or personal property, the conduct and licensing of Borrower's business, and all environmental matters.

3.10 Litigation. There is no claim, suit, litigation, proceeding or investigation pending or threatened against or affecting Borrower in any court or before any governmental agency (or any basis therefor known to Borrower). Borrower will promptly inform Lender in writing of any claim, proceeding, litigation or investigation in the future threatened or instituted against Borrower.

3.11 Use of Proceeds. All proceeds of all Loans shall be used solely for Borrower's working capital. Borrower is not purchasing or carrying any "margin stock" (as defined in Regulation G of the Board of Governors of the Federal Reserve System) and no part of the proceeds of any Loan will be used to purchase or carry any "margin stock" or to extend credit to others for the purpose of purchasing or carrying any "margin stock."

4. ACCOUNTS; INVENTORY.

4.1 Representations Relating to Accounts; Representations Relating to Inventory.

(a) Borrower represents and warrants to Lender as follows: Each Account with respect to which Loans are requested by Borrower shall, on the date each Loan is requested and made, (i) represent an undisputed bona fide existing unconditional obligation of the Account Debtor created by the sale, delivery, and acceptance of goods or the rendition of services, or the non-exclusive licensing of Intellectual Property, in the ordinary course of Borrower's business, and (ii) meet the Minimum Eligibility Requirements set forth in Section 8 below.

(b) Borrower represents and warrants to Lender as follows: (i) All Eligible Inventory is of good and merchantable quality, free from defects; and (ii) As to each item of Inventory that is identified by Borrower as Eligible Inventory in a borrowing base report submitted to Lender, such Inventory is not excluded as ineligible by virtue of one or more of the excluding criteria set forth in the definition of Eligible Inventory.

4.2 Representations Relating to Documents and Legal Compliance. Borrower represents and warrants to Lender as follows: All statements made and all unpaid balances appearing in all invoices, instruments and other documents evidencing the Accounts are and shall be true and correct and all such invoices, instruments and other documents and all of Borrower's books and records are and shall be genuine and in all respects what they purport to be. All sales and other transactions underlying or giving rise to each Account shall comply in all material respects with all applicable laws and governmental rules and regulations. To the best of Borrower's knowledge, all signatures and endorsements on all documents, instruments, and agreements relating to all Accounts are and shall be genuine, and all such documents, instruments and agreements are and shall be legally enforceable in accordance with their terms.

4.3 Schedules and Documents relating to Accounts. Borrower shall deliver to Lender transaction reports and schedules of collections, as provided in the Schedule, on Lender's standard forms; provided, however, that Borrower's failure to execute and deliver the same shall not affect or limit Lender's security interest and other rights in all of Borrower's Accounts. If requested by Lender, Borrower shall furnish Lender with copies (or, at Lender's request, originals) of all contracts, orders, invoices, and other similar documents, and all shipping instructions, delivery receipts, bills of lading, and other evidence of delivery, for any goods the sale or disposition of which gave rise to such Accounts, and Borrower warrants the genuineness of all of the foregoing. Borrower shall also furnish to Lender an aged accounts receivable trial balance as provided in the Schedule. In addition, Borrower shall deliver to Lender, on its request, the originals of all instruments, chattel paper, security agreements, guarantees and other documents and property evidencing or securing any Accounts, in the same form as received, with all necessary endorsements, and copies of all credit memos.

4.4 Collection of Accounts. Upon future activation of lockbox arrangements, at Lender's sole discretion, Borrower agrees that any and all Accounts must be collected through the lockbox arrangements required under this Section 4.4, until such time, Borrower shall have the right to collect all Accounts, unless and until a Default or an Event of Default has occurred and is continuing. If any Default or Event of Default has occurred and is continuing, Borrower shall hold all payments on, and proceeds of, Accounts in trust for Lender, and Borrower shall immediately deliver all such payments and proceeds to Lender in their original form, duly endorsed, to be applied to the Obligations in such order as Lender shall determine. If any Event of Default has occurred and is continuing, Lender may, (a) require that all proceeds of Accounts be deposited by Borrower into a lockbox account, or such other "blocked account" as Lender may specify, pursuant to a blocked account agreement in such form as Lender may specify, and (b) in that event, Borrower shall notify all Account Debtors to make all payments to the lockbox or blocked account. Lender may also notify all Account Debtors to make all payments to such lockbox or blocked account. Nothing herein limits any other remedies of Lender on the occurrence of any Default or Event of Default.

4.5 Remittance of Proceeds. All proceeds arising from the disposition of any Collateral shall be delivered, in kind, by Borrower to Lender in the original form in which received by Borrower not later than the following Business Day after receipt by Borrower, to be applied to the Obligations in such order as Lender shall determine. Borrower agrees that it will not commingle proceeds of Collateral with any of Borrower's other funds or property, but will hold such proceeds separate and apart from such other funds and property and in an express trust for Lender. Nothing in this Section limits the restrictions on disposition of Collateral set forth elsewhere in this Agreement.

4.6 Disputes. Borrower shall notify Lender promptly of all disputes or claims relating to Accounts. Borrower shall not forgive (completely or partially), compromise or settle any Account for less than payment in full, or agree to do any of the foregoing, except that Borrower may do so, provided that: (i) Borrower does so in good faith, in a commercially reasonable manner, in the ordinary course of business, and in arm's length transactions, which are reported to Lender on the regular reports provided to Lender; (ii) no Default or Event of Default has occurred and is continuing; and (iii) taking into account all such discounts, settlements and forgiveness, the total outstanding Loans will not exceed the Credit Limit.

4.7 Verification. Lender may, from time to time, verify directly with the respective Account Debtors the validity, amount and other matters relating to the Accounts, by means of mail, telephone or otherwise, either in the name of Borrower or Lender or such other name as Lender may choose, and Lender or its designee may, at any time, notify Account Debtors that it has a security interest in the Accounts.

4.8 No Liability. Lender shall not be responsible or liable for any shortage or discrepancy in, damage to, or loss or destruction of, any goods, the sale or other disposition of which gives rise to an Account, or for any error, act, omission, or delay of any kind occurring in the settlement, failure to settle, collection or failure to collect any Account, or for settling any Account in good faith for less than the full amount thereof, nor shall Lender be deemed to be responsible for any of Borrower's obligations under any contract or agreement giving rise to an Account.

5. ADDITIONAL DUTIES OF BORROWER.

5.1 Financial and Other Covenants. Borrower shall at all times comply with the financial and other covenants set forth in the Schedule.

5.2 Insurance. Borrower shall, at all times insure all of the tangible personal property Collateral and carry such other business insurance, with insurers reasonably acceptable to Lender, in such form and amounts as Lender may require in its good faith business judgment, and Borrower shall provide evidence of such insurance to Lender. All such insurance policies shall name Lender as the exclusive loss payee, and shall contain a lenders loss payee endorsement in form reasonably acceptable to Lender. Upon receipt of the proceeds of any such insurance, Lender shall have the discretion to either deliver such proceeds (or any portion thereof) to Borrower for the repair or replacement of Collateral or apply such proceeds (or portion thereof not delivered to

Borrower) in reduction of the Obligations as Lender shall determine in its good faith business judgment; provided, however, so long as no Default or Event of default has occurred and is continuing at such time, Lender shall not unreasonably withhold its consent to a request from Borrower to use such proceeds for purposes of repairing or replacing the Collateral. If Borrower fails to provide or pay for any insurance, Lender may, but is not obligated to, obtain the same at Borrower's expense. Borrower shall promptly deliver to Lender copies of all material reports made to insurance companies.

5.3 Reports. Borrower, at its expense, shall provide Lender with the written reports set forth in the Schedule, and such other written reports with respect to Borrower as Lender shall from time to time specify in its good faith business judgment.

5.4 Access to Collateral, Books and Records. At reasonable times, and on one Business Day's notice, Lender, or its agents, shall have the right to inspect the Collateral, and the right to audit and copy Borrower's books and records. Such inspections or audits shall be conducted no more often than four times during each calendar year, but nothing herein restricts Lender's right to conduct such audits more frequently if (i) Lender believes that it is advisable to do so in Lender's good faith business judgment, or (ii) Lender believes in good faith that a Default or Event of Default has occurred. The foregoing inspections and audits shall be at Borrower's expense and the charge therefor shall be $900 per person per day (or such higher amount as shall represent Lender's then current standard charge for the same), plus reasonable out-of-pocket expenses.

5.5 Negative Covenants. Except as may be permitted in the Schedule, Borrower shall not, without Lender's prior written consent (which shall be a matter of its good faith business judgment), do any of the following:

(i) merge or consolidate with another corporation or entity;

(ii) acquire any assets, except in the ordinary course of business;

(iii) enter into any other transaction outside the ordinary course of business;

(iv) sell or transfer any Collateral, except for the sale of finished Inventory in the ordinary course of Borrower's business;

(v) store any Inventory or other Collateral with any warehouseman or other third party;

(vi) make any loans of any money or other assets or make any other Investments, other than Permitted Investments;

(vii) create, incur, assume or permit to be outstanding any Indebtedness other than (a) the Obligations, (b) trade payables and other contractual obligations to suppliers and customers incurred in the ordinary course of business, (c) other unsecured subordinated Indebtedness in a total principal amount at any time outstanding for all such other Indebtedness not to exceed $500,000;

(viii) guarantee or otherwise become liable with respect to the obligations of another party or entity;

(ix) pay or declare any dividends on, or distributions with respect to Borrower's stock (except for dividends payable solely in stock of Borrower and dividends payable to owners for tax liabilities solely attributable to the earnings of Borrower), or make any other distributions, directly or indirectly, with respect to any equity interest in Borrower;

(x) redeem, retire, purchase or otherwise acquire, directly or indirectly, any of Borrower's stock or other equity securities;

(xi) engage, directly or indirectly, in any business other than the businesses currently engaged in by Borrower or reasonably related thereto; or

(xii) dissolve or elect to dissolve.

Transactions permitted by the foregoing provisions of this Section are only permitted if no Default or Event of Default has occurred and is continuing, or would occur as a result of such transaction.

5.6 Litigation Cooperation. Should any third-party suit or proceeding be instituted by or against Lender with respect to any Collateral or relating to Borrower, Borrower shall, without expense to Lender, make available Borrower and its officers, employees and agents and Borrower's books and records, to the extent that Lender may deem them reasonably necessary in order to prosecute or defend any such suit or proceeding.

5.7 Notification of Changes. Borrower will promptly notify Lender in writing of (i) any change in its officers or directors, and (ii) any Material Adverse Change.

5.8 Further Assurances. Borrower agrees, at its expense, on request by Lender, to execute all documents and take all actions, as Lender, may, in its good faith business judgment, deem necessary or useful in order to perfect and maintain Lender's perfected first-priority security interest in the Collateral (subject only to Permitted Liens), and in order to fully consummate the transactions contemplated by this Agreement.

6. TERM.

6.1 Maturity Date. This Agreement shall continue in effect until the maturity date set forth on the Schedule (the "Maturity Date"), subject to Section 6.3 below.

6.2 Early Termination.

(a) Early Termination. This Agreement may be terminated prior to the Maturity Date as follows: (i) by Borrower on or after the twelve month anniversary of the Effective Date, effective sixty days after written notice of termination is given to Lender; or (ii) by Lender at any time after the occurrence and during the continuance of an Event of Default, without notice, effective immediately.

(b) Revolver. If this Agreement is terminated by Borrower or by Lender under this Section 6.2, Borrower shall pay to Lender a termination fee in an amount equal to the following: (i) 1.0% of the Maximum Revolver Amount, if the effective date of termination occurs during months 1-12 after the Effective Date. The termination fee shall be due and payable on the effective date of termination and thereafter shall bear interest at a rate equal to the highest rate applicable to any of the Obligations. No termination fee shall be payable on the Revolver if it is never approved by Lender and activated by Borrower.

(c) Capex Line. At any time after the Effective Date, Borrower shall have the option to prepay outstanding debt under the Capex Line (together with all accrued but unpaid interest and the Capex Line Prepayment Fee) in whole, but not in part, upon not less than 60 days prior written notice to Lender. As used herein, the term "Capex Line Prepayment Fee" means, as of any date of determination, (i) 1.0% of the aggregate original principal amount of advances under the Capex Line, if the effective date of termination occurs during months 1-12 after the Effective Date. The Capex Line Prepayment Fee shall be due from Borrower to Lender upon any prepayment of outstanding debt under the Capex Line, including without limitation any prepayment as a result of an Event of Default or the exercise of any rights or remedies by Lender following the same.

6.3 Payment of Obligations. On the Maturity Date or on any earlier effective date of termination, Borrower shall pay and perform in full all Obligations, whether evidenced by installment notes or otherwise, and whether or not all or any part of such Obligations are otherwise then due and payable. Notwithstanding any termination of this Agreement, all of Lender's security interests in all of the Collateral and all of the terms and provisions of this Agreement shall continue in full force and effect until all Obligations have been paid and performed in full; provided that Lender may, in its sole discretion, refuse to make any further Loans after termination. No termination shall in any way affect or impair any right or remedy of Lender, nor shall any such termination relieve Borrower of any Obligation to Lender, until all of the Obligations have been paid and performed in full. Upon payment and performance in full of all the Obligations, termination of this Agreement, and execution and delivery by Borrower to Lender of a general release on Lender's standard form, Lender shall promptly terminate its financing statements with respect to the Borrower and deliver to Borrower such other documents as may be required to fully terminate Lender's security interests. Notwithstanding any such termination, the indemnity provisions of this Agreement shall continue in full force and effect.

7. EVENTS OF DEFAULT AND REMEDIES.

7.1 Events of Default. The occurrence of any of the following events shall constitute an "Event of Default" under this Agreement, and Borrower shall give Lender immediate written notice thereof:

(a) Any warranty, representation, statement, report or certificate made or delivered to Lender by Borrower or any of Borrower's officers, employees or agents, now or in the future, shall be untrue or misleading in a material respect when made or deemed to be made; or

(b) Borrower shall fail to pay when due any Loan or any interest thereon or any other monetary Obligation; or

(c) the total Loans and other Obligations outstanding at any time shall exceed the Credit Limit; or

(d) Borrower shall fail to comply with any of the financial covenants set forth in the Schedule, or shall fail to perform any other non-monetary Obligation which by its nature cannot be cured, or shall fail to permit Lender to conduct an inspection or audit as specified in Section 5.4 hereof; or

(e) Borrower shall fail to perform any other non-monetary Obligation, which failure is not cured within five Business Days after the date due; or

(f) any levy, assessment, attachment, seizure, lien or encumbrance (other than a Permitted Lien) is made on all or any part of the Collateral which is not cured within 10 days after the occurrence of the same; or

(g) any default or event of default occurs under any obligation secured by a Permitted Lien, which is not cured within any applicable cure period or waived in writing by the holder of the Permitted Lien; or

(h) Borrower breaches any material contract or obligation, which has resulted or may reasonably be expected to result in a Material Adverse Change; or

(i) Dissolution, termination of existence, temporary or permanent suspension of business, insolvency or business failure of Borrower or any Guarantor; or appointment of a receiver, trustee or custodian, for all or any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding by Borrower or any Guarantor under any reorganization, bankruptcy, insolvency, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction, now or in the future in effect

(j) the commencement of any proceeding against Borrower or any Guarantor under any reorganization, bankruptcy, insolvency, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction, now or in the future in effect, which is not cured by the dismissal thereof within 30 days after the date commenced; or

(k) revocation or termination of, or limitation or denial of liability upon, any guaranty of the Obligations or any attempt to do any of the foregoing, or death of any Guarantor; or

(l) revocation or termination of, or limitation or denial of liability upon, any pledge of any certificate of deposit, securities or other property or asset of any kind pledged by any third party to secure any or all of the Obligations, or any attempt to do any of the foregoing, or commencement of proceedings by or against any such third party under any bankruptcy or insolvency law; or

(m) Borrower makes any payment on account of any indebtedness or obligation which has been subordinated to the Obligations other than as permitted in the applicable subordination agreement, or if any Person who has subordinated such indebtedness or obligations terminates or in any way limits his subordination agreement; or

(n) there shall be a change in the record or beneficial ownership of an aggregate of more than 20% of the outstanding shares of stock of, or equity ownership interest in, Borrower, in one or more transactions, compared to the ownership of—the same in effect on the date hereof, without the prior written consent of Lender; or

(o) there shall be a change in the President, Chief Executive Officer, or Chief Financial Officer, and such person is not replaced with another person acceptable to Lender in its good faith business judgment within 30 days thereafter; or

(p) Borrower shall generally not pay its debts as they become due, or Borrower shall conceal, remove or transfer any part of its property, with intent to hinder, delay or defraud its creditors, or make or suffer any transfer of any of its property which may be fraudulent under any bankruptcy, fraudulent conveyance or similar law; or

(q) a Material Adverse Change shall occur.

Lender may cease making any Loans hereunder during any of the above cure periods, and thereafter if an Event of Default has occurred and is continuing.

7.2 Remedies. Upon the occurrence and during the continuance of any Event of Default, Lender, at its option, and without notice or demand of any kind (all of which are hereby expressly waived by Borrower), may do any one or more of the following: (a) Cease making Loans or otherwise extending credit to Borrower under this Agreement or any other Loan Document; (b) Accelerate and declare all or any part of the Obligations to be immediately due, payable, and performable, notwithstanding any deferred or installment payments allowed by any instrument or agreement evidencing or relating to any Obligation; (c) Take possession of any or all of the Collateral wherever it may be found, and for that purpose Borrower hereby authorizes Lender without judicial process to enter onto any of Borrower's premises without interference to search for, take possession of, keep, store, or remove any of the Collateral, and remain on the premises or cause a custodian to remain on the premises in exclusive control thereof, without charge for so long as Lender deems it necessary, in its good faith business judgment, in order to complete the enforcement of its rights under this Agreement or any other agreement; provided, however, that should Lender seek to take possession of any of the Collateral by court process, Borrower hereby irrevocably waives: (i) any bond and any surety or security relating thereto required by any statute, court rule or otherwise as an incident to such possession; (ii) any demand for possession prior to the commencement of any suit or action to recover possession thereof; and (iii) any requirement that Lender retain possession of, and not dispose of, any such Collateral until after trial or final judgment; (d) Require Borrower to assemble any or all of the Collateral and make it available to Lender at places designated by Lender which are reasonably convenient to Lender and Borrower, and to remove the Collateral to such locations as Lender may deem advisable; (e) Complete the processing, manufacturing or repair of any Collateral prior to a disposition thereof and, for such purpose and for the purpose of removal, Lender shall have the right to use Borrower's premises, vehicles, hoists, lifts, cranes, and other Equipment and all other property without charge; (f) Sell, lease or otherwise dispose of any of the Collateral, in its condition at the time Lender obtains possession of it or after further manufacturing, processing or repair, at one or more public and/or private sales, in lots or in bulk, for cash, exchange or other property, or on credit, and to adjourn any such sale from time to time without notice other than oral announcement at the time scheduled for sale. Lender shall have the right to conduct such disposition on Borrower's premises without charge, for such time or times as Lender deems reasonable, or on Lender's premises, or elsewhere and the Collateral need not be located at the place of disposition. Lender may directly or through any affiliated company purchase or lease any Collateral at any such public disposition, and if permissible under applicable law, at any private disposition. Any sale or other disposition of Collateral shall not relieve Borrower of any liability Borrower may have if any Collateral is defective as to title or physical condition or otherwise at the time of sale; (g) Demand payment of, and collect any Accounts and General Intangibles comprising Collateral and, in connection

therewith, Borrower irrevocably authorizes Lender to endorse or sign Borrower's name on all collections, receipts, instruments and other documents, to take possession of and open mail addressed to Borrower and remove therefrom payments made with respect to any item of the Collateral or proceeds thereof, and, in Lender's good faith business judgment, to grant extensions of time to pay, compromise claims and settle Accounts and the like for less than face value; and (h) Demand and receive possession of any of Borrower's federal and state income tax returns and the books and records utilized in the preparation thereof or referring thereto. All reasonable attorneys' fees, expenses, costs, liabilities and obligations incurred by Lender with respect to the foregoing shall be added to and become part of the Obligations, shall be due on demand, and shall bear interest at a rate equal to the highest interest rate applicable to any of the Obligations. Without limiting any of Lender's rights and remedies, from and after the occurrence and during the continuance of any Event of Default, the interest rate applicable to the Obligations shall be increased by an additional five percent per annum (the "Default Rate").

7.3 Standards for Determining Commercial Reasonableness. Borrower and Lender agree that a sale or other disposition (collectively, "sale") of any Collateral which complies with the following standards will conclusively be deemed to be commercially reasonable: (i) Notice of the sale is given to Borrower at least ten days prior to the sale, and, in the case of a public sale, notice of the sale is published at least five days before the sale in a newspaper of general circulation in the county where the sale is to be conducted; (ii) Notice of the sale describes the collateral in general, non-specific terms; (iii) The sale is conducted at a place designated by Lender, with or without the Collateral being present; (iv) The sale commences at any time between 8:00 a.m. and 6:00 p.m.; (v) Payment of the purchase price in cash or by cashier's check or wire transfer, or by deferred payment obligation acceptable to Lender in its discretion, is required; (vi) With respect to any sale of any of the Collateral, Lender may (but is not obligated to) direct any prospective purchaser to ascertain directly from Borrower any and all information concerning the same. Lender shall be free to employ other methods of noticing and selling the Collateral, in its discretion, if they are commercially reasonable.

7.4 Power of Attorney. Upon the occurrence and during the continuance of any Event of Default, without limiting Lender's other rights and remedies, Borrower grants to Lender an irrevocable power of attorney coupled with an interest, authorizing and permitting Lender (acting through any of its employees, attorneys or agents) at any time, at its option, but without obligation, with or without notice to Borrower, and at Borrower's expense, to do any or all of the following, in Borrower's name or otherwise, but Lender agrees that if it exercises any right hereunder, it will do so in good faith and in a commercially reasonable manner: (a) Execute on behalf of Borrower any documents that Lender may, in its good faith business judgment, deem advisable in order to perfect and maintain Lender's security interest in the Collateral, or in order to exercise a right of Borrower or Lender, or in order to fully consummate all the transactions contemplated under this Agreement, and all other Loan Documents; (b) Execute on behalf of Borrower, any invoices relating to any Account, any draft against any Account Debtor and any notice to any Account Debtor, any proof of claim in bankruptcy, any Notice of Lien, claim of mechanic's, materialman's or other lien, or assignment or satisfaction of mechanic's, materialman's or other lien; (c) Take control in any manner of any cash or non-cash items of payment or proceeds of Collateral; endorse the name of Borrower upon any instruments, or documents, evidence of payment or Collateral that may come into Lender's possession; (d) Endorse all checks and other forms of remittances received by Lender; (e) Pay, contest or settle any lien, charge, encumbrance, security interest and adverse claim in or to any of the Collateral, or any judgment based thereon, or otherwise take any action to terminate or discharge the same; (f) Grant extensions of time to pay, compromise claims and settle Accounts and General Intangibles for less than face value and execute all releases and other documents in connection therewith; (g) Pay any sums required on account of Borrower's taxes or to secure the release of any liens therefor, or both; (h) Settle and adjust, and give releases of, any insurance claim that relates to any of the Collateral and obtain payment therefor; (i) Instruct any third party having custody or control of any books or records belonging to, or relating to, Borrower to give Lender the same rights of access and other rights with respect thereto as Lender has under this Agreement; and (j) Take any action or pay any sum required of Borrower pursuant to this Agreement and any other Loan Documents. Any and all reasonable sums paid and any and all reasonable costs, expenses, liabilities, obligations and attorneys' fees incurred by Lender with respect to the foregoing shall be added to and become part of the Obligations, shall be payable on demand, and shall bear interest at a rate equal to the highest interest rate applicable to any of the Obligations. In no event shall Lender's rights under the foregoing power of attorney or any of Lender's other rights under this Agreement be deemed to indicate that Lender is in control of the business, management or properties of Borrower.

7.5 Application of Proceeds. All proceeds realized as the result of any sale of the Collateral shall be applied by Lender to the Obligations, in such order as Lender shall determine in its sole discretion. Any surplus shall be paid to Borrower or other persons legally entitled thereto; Borrower shall remain liable to Lender for any

deficiency. If, Lender, in its good faith business judgment, directly or indirectly enters into a deferred payment or other credit transaction with any purchaser at any sale of Collateral, Lender shall have the option, exercisable at any time, in its good faith business judgment, of either reducing the Obligations by the principal amount of purchase price or deferring the reduction of the Obligations until the actual receipt by Lender of the cash therefor.

7.6 Remedies Cumulative. In addition to the rights and remedies set forth in this Agreement, Lender shall have all the other rights and remedies accorded a secured party under the California Uniform Commercial Code and under all other applicable laws, and under any other instrument or agreement now or in the future entered into between Lender and Borrower, and all of such rights and remedies are cumulative and none is exclusive. Exercise or partial exercise by Lender of one or more of its rights or remedies shall not be deemed an election, nor bar Lender from subsequent exercise or partial exercise of any other rights or remedies. The failure or delay of Lender to exercise any rights or remedies shall not operate as a waiver thereof, but all rights and remedies shall continue in full force and effect until all of the Obligations have been fully paid and performed.

8. DEFINITIONS. As used in this Agreement, the following terms have the following meanings:

"Account Debtor" means the obligor on an Account.

"Accounts" means all present and future "accounts" as defined in the California Uniform Commercial Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation all accounts receivable and other sums owing to Borrower.

"Affiliate" means, with respect to any Person, a relative, partner, shareholder, director, officer, or employee of such Person, or any parent or subsidiary of such Person, or any Person controlling, controlled by or under common control with such Person.

"Business Day" means a day on which Lender is open for business.

"Capital Expenditures" means all expenditures made and liabilities incurred for the acquisition of any fixed asset or improvement, replacement, substitution or addition thereto which has a useful life of more than one year and including, without limitation, those arising in connection with any lease of property by Borrower that, in accordance with GAAP, should be capitalized for financial reporting purposes and reflected as a liability on the balance sheet of Borrower.

"Code" means the Uniform Commercial Code as adopted and in effect in the State of California from time to time.

"Collateral" has the meaning set forth in Section 2 above.

"continuing" and "during the continuance of" when used with reference to a Default or Event of Default means that the Default or Event of Default has occurred and has not been either waived in writing by Lender or cured within any applicable cure period.

"Debt Service" means, the payment or scheduled payment of principal and interest of Indebtedness of Borrower and its Subsidiaries determined on a consolidated basis.

"Default" means any event which with notice or passage of time or both, would constitute an Event of Default.

"Default Rate" has the meaning set forth in Section 7.2 above.

"Deposit Accounts" means all present and future "deposit accounts" as defined in the California Uniform Commercial Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation all general and special bank accounts, demand accounts, checking accounts, savings accounts and certificates of deposit.

"Eligible Accounts" means Accounts arising in the ordinary course of Borrower's business from the sale of goods or the rendition of services, or the non-exclusive licensing of Intellectual Property, which Lender, in its good faith business judgment, shall deem eligible for borrowing. Without limiting the fact that the determination of which Accounts are eligible for borrowing is a matter of Lender's good faith business judgment, the following (the "Minimum Eligibility Requirements") are the minimum requirements for a Account to be an Eligible Account:

(i) the Account must not be outstanding for more than 90 days from its invoice date (the "Eligibility Period"),

(ii) the Account must not represent progress billings, or be due under a fulfillment or requirements contract with the Account Debtor,

(iii) the Account must not be subject to any contingencies (including Accounts arising from sales on consignment, guaranteed sale or other terms pursuant to which payment by the Account Debtor may be conditional),

(iv) the Account must not be owing from an Account Debtor with whom Borrower has any dispute (whether or not relating to the particular Account),

(v) the Account must not be owing from an Affiliate of Borrower,

(vi) the Account must not be owing from an Account Debtor which is subject to any insolvency or

bankruptcy proceeding, or whose financial condition is not acceptable to Lender, or which, fails or goes out of a material portion of its business,

(vii) the Account must not be owing from the United States or any department, agency or instrumentality thereof (unless there has been compliance, to Lender's satisfaction, with the United States Assignment of Claims Act),

(viii) the Account must not be owing from an Account Debtor located outside the United States or Canada (unless pre-approved by Lender in its discretion in writing, or backed by a letter of credit satisfactory to Lender),

(ix) the Account must not be owing from an Account Debtor to whom Borrower is or may be liable for goods purchased from such Account Debtor or otherwise (but, in such case, the Account will be deemed not eligible only to the extent of any amounts owed by Borrower to such Account Debtor),

(x) the Account must not constitute a retention billing/invoice;

(xi) the Account must not be assigned for collection or designated for such assignment, or an Account for which Lender in its good faith business judgment determines collection to be doubtful; and

(xii) the Account must not be for C.O.D., cash in advance, or similar terms.

Accounts owing from one Account Debtor will not be deemed Eligible Accounts to the extent they exceed 30% of the total Accounts outstanding (without the prior written consent of Lender). In addition, if more than 25% of the Accounts owing from an Account Debtor are outstanding for a period longer than their Eligibility Period (without regard to unapplied credits) or are otherwise not Eligible Accounts, then all Accounts owing from that Account Debtor will be deemed ineligible for borrowing. Lender may, from time to time, in its good faith business judgment, revise the Minimum Eligibility Requirements, upon written notice to Borrower.

"Eligible Equipment" is the following to the extent it complies with all of Borrower's representations and warranties to Lender, is acceptable to Lender in all respects, is located at a location which Lender has approved in writing, and is subject to Lender's duly perfected, first priority security interest: (a) general purpose equipment, computer equipment, office equipment, test and laboratory equipment, furnishings, subject to the limitations set forth herein, and (b) Other Equipment.

"Eligible Inventory" means Inventory which Lender, in its good faith business judgment, deems eligible for borrowing. Without limiting the fact that the determination of which Inventory is eligible for borrowing is a matter of Lender's good faith business judgment, the following are the minimum requirements for Inventory to be Eligible Inventory: (i) the Inventory must consist of raw materials and finished goods, in good, new and salable condition, not consist of "Perishable Agricultural Commodities" (as such term is defined in 7 U.S.C. 499a(b)(4)), not be obsolete or unmerchantable, and not be comprised of work in process, packaging and shipping materials or supplies; (ii) the Inventory must meet all applicable governmental standards; (iii) the Inventory must have been manufactured in compliance with the Fair Labor Standards Act; (iv) the Inventory must conform in all respects to the warranties and representations set forth in this Agreement; (v) the Inventory must be at all times subject to Lender's duly perfected, first priority security interest; (vi) the Inventory must be situated at Borrower's Address or at one of the domestic locations set forth in the Representations provided that there must be at least $20,000 (calculated at the lower of cost or market value and on a first in, first out basis) at any such domestic location in order to satisfy this eligibility criteria; (vii) the Inventory must not be located on real property leased by Borrower or in a contract warehouse, in each case, (A) unless either (1) it is subject to a landlord agreement or bailee agreement in favor of Lender executed by the lessor, warehouseman, or other third party, as the case may be, or (2) a Reserve, in an amount satisfactory to (and in the good faith business judgment of) Lender, in respect of the Inventory at such location has been established by Lender, and (B) unless it is segregated or otherwise separately identifiable from goods of others, if any, stored on the premises; (viii) the Inventory must not be "slow-moving" (including without limitation, for purposes of this clause (viii), any Inventory held in excess six (6) months); (ix) Borrower must have had good, valid, and marketable title to such Inventory; (x) the Inventory must not consist of restrictive or custom items (however, private label finished goods shall be deemed eligible if Borrower obtains a "take-or-pay" agreement or permission to sell such inventory to third parties from the owner of such private label, in the event that such owner selects not to purchase such inventory), or goods that constitute spare parts, supplies used or consumed in Borrower's business, bill and hold goods, defective goods, "seconds," or Inventory acquired on consignment; and (xi) the Inventory must not consist of Inventory in-transit from one location of Borrower to another location of Borrower.

"Equipment" means all present and future "equipment" as defined in the California Uniform Commercial Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation all machinery, fixtures, goods, vehicles (including motor vehicles and trailers), and any interest in any of the foregoing.

"Event of Default" means any of the events set forth in Section 7.1 of this Agreement.

"GAAP" means generally accepted accounting principles consistently applied.

"General Intangibles" means all present and future "general intangibles" as defined in the California Uniform Commercial Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation all Intellectual Property, payment intangibles, royalties, contract rights, goodwill, franchise agreements, purchase orders, customer lists, route lists, telephone numbers, domain names, claims, income tax refunds, security and other deposits, options to purchase or sell real or personal property, rights in all litigation presently or hereafter pending (whether in contract, tort or otherwise), insurance policies (including without limitation key man, property damage, and business interruption insurance), payments of insurance and rights to payment of any kind.

"good faith business judgment" means honesty in fact and good faith (as defined in Section 1201 of the Code) in the exercise of Lender's business judgment.

"Guarantor" means any Person who has guaranteed, or in the future guarantees, any of the Obligations.

"including" means including (but not limited to).

"Indebtedness" means all of Borrower's present and future obligations, liabilities, debts, claims and indebtedness, contingent, fixed or otherwise, however evidenced, created, incurred, acquired, owing or arising, whether under written or oral agreement, operation of law or otherwise to any Person, and includes, without limiting the foregoing (i) the Obligations, (ii) obligations and liabilities of any Person secured by a lien, claim, encumbrance or security interest upon property owned by Borrower, even though Borrower has not assumed or become liable therefor, (iii) obligations and liabilities created or arising under any lease (including capital leases) or conditional sales contract or other title retention agreement with respect to property used or acquired by Borrower, even though the rights and remedies of the lessor, seller or lender are limited to repossession (including, without limitation, the Sale-Leaseback Transaction), (iv) all unfunded pension fund obligations and liabilities and (v) deferred taxes.

"Intellectual Property" means all present and future (a) copyrights, copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work thereof, whether published or unpublished, (b) trade secret rights, including all rights to unpatented inventions and know-how, and confidential information; (c) mask work or similar rights available for the protection of semiconductor chips; (d) patents, patent applications and like protections including without limitation improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same; (e) trademarks, servicemarks, trade styles, and trade names, whether or not any of the foregoing are registered, and all applications to register and registrations of the same and like protections, and the entire goodwill of the business of Borrower connected with and symbolized by any such trademarks; (f) computer software and computer software products; (g) designs and design rights; (h) technology; (i) all claims for damages by way of past, present and future infringement of any of the rights included above; and (j) all licenses or other rights to use any property or rights of a type described above.

"Inventory" means all present and future "inventory" as defined in the California Uniform Commercial Code in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation all merchandise, raw materials, parts, supplies, packing and shipping materials, work in process and finished products, including without limitation such inventory as is temporarily out of Borrower's custody or possession or in transit and including any returned goods and any documents of title representing any of the above.

"Investment" means any beneficial ownership interest in any Person (including stock, securities, partnership interest, limited liability company interest, or other interests), and any loan, advance or capital contribution to any Person, including the creation or capital contribution to an wholly-owned or partially-owned subsidiary)

"Investment Property" means all present and future investment property, securities, stocks, bonds, debentures, debt securities, partnership interests, limited liability company interests, options, security entitlements, securities accounts, commodity contracts, commodity accounts, and all financial assets held in any securities account or otherwise, and all options and warrants to purchase any of the foregoing, wherever located, and all other securities of every kind, whether certificated or uncertificated.

"Loan Documents" means, collectively, this Agreement, any Guaranty, any Subordination Agreement, the Representations, and all other present and future documents, instruments and agreements between Lender and Borrower (or Guarantor, if applicable), including, but not limited to those relating to this Agreement, and all amendments and modifications thereto and replacements therefor.

"Material Adverse Change" means any of the following: (i) a material adverse change in the business, operations, or financial or other condition of the Borrower, or (ii) a material impairment of the prospect of repayment of any portion of the Obligations; or (iii) a material impairment of the value or priority of Lender's security interests in the Collateral.

"Net Income" means, as calculated on a consolidated basis for Borrower and its Subsidiaries for any period as at any date of determination, the net profit (or loss), after provision for taxes, of Borrower and its Subsidiaries for such period taken as a single accounting period.

"Obligations" means all present and future Loans, advances, debts, liabilities, obligations, guaranties, covenants, duties and indebtedness at any time owing by Borrower to Lender, whether evidenced by this Agreement or any note or other instrument or document, or otherwise, whether arising from an extension of credit, opening of a letter of credit, banker's acceptance, loan, guaranty, indemnification or otherwise, whether direct or indirect (including, without limitation, those acquired by assignment and any participation by Lender in Borrower's debts owing to others), absolute or contingent, due or to become due, including, without limitation, all interest, charges, expenses, fees, attorney's fees, expert witness fees, audit fees, letter of credit fees, collateral monitoring fees, closing fees, facility fees, auction fees, liquidation fees, appraisal fees, termination fees, minimum interest charges and any other sums chargeable to Borrower under this Agreement or under any other Loan Documents.

"Other Equipment" is leasehold improvements, intangible property such as computer software and software licenses, equipment specifically designed or manufactured for Borrower, other intangible property, limited use property and other similar property and soft costs approved by Bank, including taxes, shipping, warranty charges, freight discounts and installation expenses.

"Other Property" means the following as defined in the California Uniform Commercial Code in effect on the date hereof with such additions to such term as may hereafter be made, and all rights relating thereto: all present and future "commercial tort claims" (including without limitation any commercial tort claims identified in the Representations), "documents", "instruments", "promissory notes", "chattel paper", "letters of credit", "letter-of-credit rights", "fixtures", "farm products" and "money"; and all other goods and personal property of every kind, tangible and intangible, whether or not governed by the Code.

"Payment" means all checks, wire transfers and other items of payment received by Lender (including proceeds of Accounts and payment of the Obligations in full) for credit to Borrower's outstanding Loans.

"Permitted Investments" means:

(i) Investments in Subsidiaries shown on the Representations and existing on the date hereof;

(ii) cash and cash equivalents;

(iii) Investments consisting of Deposit Accounts in which Lender has a first-priority perfected security interest; and

(iv) Investments (including debt obligations) received in connection with the bankruptcy or reorganization of customers or suppliers and in settlement of delinquent obligations of, and other disputes with, customers or suppliers arising in the ordinary course of business;

"Permitted Liens" means the following:

(i) any purchase money security interests in specific items of Equipment listed in the Representations;

(ii) any leases of specific items of Equipment listed in the Representations;

(iii) liens for taxes not yet payable;

(iv) additional security interests and liens which are subordinate to the security interest of Lender and are consented to in writing by Lender, which consent may be withheld in its good faith business judgment; and

(v) security interests being terminated substantially concurrently with this Agreement.

Lender will have the right to require, as a condition to its consent under subparagraph (iv) above, that the holder of the additional security interest or lien sign an intercreditor agreement on Lender's then standard form, acknowledge that the security interest is subordinate to the security interest in favor of Lender, and agree not to take any action to enforce its subordinate security interest so long as any Obligations remain outstanding, and that Borrower agree that any uncured default in any obligation secured by the subordinate security interest shall also constitute an Event of Default under this Agreement.

"Person" means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, government, or any agency or political division thereof, or any other entity.

"Representations" means the written Representations and Warranties provided by Borrower to Lender referred to in the Schedule.

"Reserves" means, as of any date of determination, such amounts as Lender may from time to time establish and revise in its good faith business judgment, reducing the amount of Loans, and other financial accommodations which would otherwise be available to Borrower under the lending formula(s) provided in the Schedule: (a) to reflect events, conditions, contingencies or risks which, as determined by Lender in its good faith business judgment, do or may adversely affect (i) the Collateral or any other property which is security for the Obligations or its value (including without limitation any increase in delinquencies of Accounts), (ii) the

assets, business or prospects of Borrower or any Guarantor, or (iii) the security interests and other rights of Lender in the Collateral (including the enforceability, perfection and priority thereof); or (b) to reflect Lender's good faith belief that any collateral report or financial information furnished by or on behalf of Borrower or any Guarantor to Lender is or may have been incomplete, inaccurate or misleading in any material respect; or (c) in respect of any state of facts which Lender determines in good faith constitutes an Event of Default or may, with notice or passage of time or both, constitute an Event of Default.

"Subsidiary" means, with respect to any Person, a Person of which more than 50% of the voting stock or other equity interests is owned or controlled, directly or indirectly, by such Person or one or more Affiliates of such Person.

Other Terms. All accounting terms used in this Agreement, unless otherwise indicated, shall have the meanings given to such terms in accordance with GAAP, consistently applied. All other terms contained in this Agreement, unless otherwise indicated, shall have the meanings provided by the Code, to the extent such terms are defined therein.

9. GENERAL PROVISIONS.

9.1 Computations. In computing interest on the Obligations, all Payments received after 12:00 Noon Pacific Time on any day shall be deemed received on the next Business Day, and Payments received by Lender (including proceeds of Receivables and payment of the Obligations in full) shall be deemed applied by Lender on account of the Obligations two (2) Business Days after receipt by Lender of immediately available funds. Lender shall not be required to credit Borrower's account for the amount of any item of payment which is unsatisfactory to Lender in its good faith business judgment, and Lender may charge Borrower's loan account for the amount of any item of payment which is returned to Lender unpaid.

9.2 Application of Payments. All payments with respect to the Obligations may be applied, and in Lender's good faith business judgment reversed and re-applied, to the Obligations, in such order and manner as Lender shall determine in its good faith business judgment.

9.3 Increased Costs and Reduced Return. If Lender shall have determined that the adoption or implementation of, or any change in, any law, rule, treaty or regulation, or any policy, guideline or directive of, or any change in, the interpretation or administration thereof by, any court, central bank or other administrative or governmental authority, or compliance by Lender with any directive of, or guideline from, any central bank or other Governmental Authority or the introduction of, or change in, any accounting principles applicable to Lender (whether or not having the force of law) shall (i) subject the Lender to any tax, duty or other charge with respect to this Agreement or any Loan made hereunder, or change the basis of taxation of payments to Lender of any amounts payable hereunder (except for taxes on the overall net income of Lender), (ii) impose, modify or deem applicable any reserve, special deposit or similar requirement against any Loan, or against assets of or held by, or deposits with or for the account of, or credit extended by, Lender, or (iii) impose on Lender any other condition regarding this Agreement or any Loan, and the result of any event referred to in clauses (i), (ii) or (iii) above shall be to increase the cost to Lender of making any Loan, or agreeing to make any Loan or to reduce any amount received or receivable by Lender, then, upon demand by Lender, the Borrower shall pay to Lender such additional amounts as will compensate the Agent or such Lender for such increased costs or reductions in amount. All amounts payable under this Section shall bear interest from the date of demand by the Lender until payment in full to the Lender at the highest interest rate applicable to the Obligations. A certificate of the Lender claiming compensation under this Section, specifying the event herein above described and the nature of such event shall be submitted by the Lender to the Borrower, setting forth the additional amount due and an explanation of the calculation thereof, and the Lender's reasons for invoking the provisions of this Section, and the same shall be final and conclusive absent manifest error.

9.4 Charges to Accounts. Lender may, in its discretion, require that Borrower pay monetary Obligations in cash to Lender, or charge them to Borrower's Loan account, in which event they will bear interest at the same rate applicable to the Loans.

9.5 Monthly Accountings. Lender may provide Borrower monthly with an account of advances, charges, expenses and payments made pursuant to this Agreement. Such account shall be deemed correct, accurate and binding on Borrower and an account stated (except for reverses and reapplications of payments made and corrections of errors discovered by Lender), unless Borrower notifies Lender in writing to the contrary within 60 days after such account is rendered, describing the nature of any alleged errors or omissions.

9.6 Notices. All notices to be given under this Agreement shall be in writing and shall be given either personally or by reputable private delivery service or by regular first-class mail, or certified mail return receipt requested, addressed (i) to Borrower at the address shown in the heading to this Agreement, or (ii) to Lender at the address shown in the heading to this Agreement with a copy to Lender at 12243 Branford Street, Sun Valley, CA 91352, Attention: T.C. Cheong, or (iii) for either party at any other address designated in writing by one party to the other party. All notices shall be deemed to have been given upon delivery in the case

of notices personally delivered, or at the expiration of one Business Day following delivery to the private delivery service, or two Business Days following the deposit thereof in the United States mail, with postage prepaid.

9.7 Severability. Should any provision of this Agreement be held by any court of competent jurisdiction to be void or unenforceable, such defect shall not affect the remainder of this Agreement, which shall continue in full force and effect.

9.8 Integration. This Agreement and such other written agreements, documents and instruments as may be executed in connection herewith are the final, entire and complete agreement between Borrower and Lender and supersede all prior and contemporaneous negotiations and oral representations and agreements, all of which are merged and integrated in this Agreement. There are no oral understandings, representations or agreements between the parties which are not set forth in this Agreement or in other written agreements signed by the parties in connection herewith.

9.9 Waivers; Indemnity. The failure of Lender at any time or times to require Borrower to strictly comply with any of the provisions of this Agreement or any other Loan Document shall not waive or diminish any right of Lender later to demand and receive strict compliance therewith. Any waiver of any default shall not waive or affect any other default, whether prior or subsequent, and whether or not similar. None of the provisions of this Agreement or any other Loan Document shall be deemed to have been waived by any act or knowledge of Lender or its agents or employees, but only by a specific written waiver signed by an authorized officer of Lender and delivered to Borrower. Borrower waives the benefit of all statutes of limitations relating to any of the Obligations or this Agreement or any other Loan Document, and Borrower waives demand, protest, notice of protest and notice of default or dishonor, notice of payment and nonpayment, release, compromise, settlement, extension or renewal of any commercial paper, instrument, account, General Intangible, document or guaranty at any time held by Lender on which Borrower is or may in any way be liable, and notice of any action taken by Lender, unless expressly required by this Agreement. Borrower hereby agrees to indemnify Lender and its affiliates, subsidiaries, parent, directors, officers, employees, agents, and attorneys, and to hold them harmless from and against any and all claims, debts, liabilities, demands, obligations, actions, causes of action, penalties, costs and expenses (including reasonable attorneys' fees), of every kind, which they may sustain or incur based upon or arising out of any of the Obligations, or any relationship or agreement between Lender and Borrower, or any other matter, relating to Borrower or the Obligations; provided that this indemnity shall not extend to damages proximately caused by the indemnitee's own gross negligence or willful misconduct. Notwithstanding any provision in this Agreement to the contrary, the indemnity agreement set forth in this Section shall survive any termination of this Agreement and shall for all purposes continue in full force and effect.

9.10 Liability. NEITHER LENDER NOR ITS PARENT, NOR ANY OF ITS AFFILIATES, SUBSIDIARIES, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR ATTORNEYS SHALL BE LIABLE FOR ANY CLAIMS, DEMANDS, LOSSES OR DAMAGES, OF ANY KIND WHATSOEVER, MADE, CLAIMED, INCURRED OR SUFFERED BY BORROWER OR ANY OTHER PARTY THROUGH THE ORDINARY NEGLIGENCE OF LENDER, OR ITS PARENT OR ANY OF ITS AFFILIATES, SUBSIDIARIES, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR ATTORNEYS, BUT NOTHING HEREIN SHALL RELIEVE LENDER FROM LIABILITY FOR ITS OWN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. NEITHER LENDER NOR ITS PARENT, NOR ANY OF ITS AFFILIATES, SUBSIDIARIES, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR ATTORNEYS SHALL BE RESPONSIBLE OR LIABLE TO BORROWER OR TO ANY OTHER PARTY FOR ANY INDIRECT, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES WHICH MAY BE ALLEGED AS A RESULT OF ANY FINANCIAL ACCOMMODATION HAVING BEEN EXTENDED, SUSPENDED OR TERMINATED UNDER THIS AGREEMENT OR AS A RESULT OF ANY OTHER ACT, OMISSION OR TRANSACTION.

9.11 Amendment. The terms and provisions of this Agreement may not be waived or amended, except in a writing executed by Borrower and a duly authorized officer of Lender.

9.12 Time of Essence. Time is of the essence in the performance by Borrower of each and every obligation under this Agreement.

9.13 Attorneys Fees and Costs. Borrower shall reimburse Lender for all reasonable attorneys' fees and all filing, recording, search, title insurance, appraisal, audit, and other reasonable costs incurred by Lender, pursuant to, or in connection with, or relating to this Agreement (whether or not a lawsuit is filed), including, but not limited to, any reasonable attorneys' fees and costs Lender incurs in order to do the following: prepare and negotiate this Agreement and all present and future documents relating to this Agreement; obtain legal advice in connection with this Agreement or Borrower; enforce, or seek to enforce, any of its rights; prosecute actions against, or defend actions by, Account Debtors; commence, intervene in, or defend any action or proceeding; initiate any complaint to be relieved of the automatic stay in bankruptcy; file or prosecute any

probate claim, bankruptcy claim, third-party claim, or other claim; examine, audit, copy, and inspect any of the Collateral or any of Borrower's books and records; protect, obtain possession of, lease, dispose of, or otherwise enforce Lender's security interest in, the Collateral; and otherwise represent Lender in any litigation relating to Borrower. If either Lender or Borrower files any lawsuit against the other predicated on a breach of this Agreement, the prevailing party in such action shall be entitled to recover its reasonable costs and attorneys' fees, including (but not limited to) reasonable attorneys' fees and costs incurred in the enforcement of, execution upon or defense of any order, decree, award or judgment. All attorneys' fees and costs to which Lender may be entitled pursuant to this Paragraph shall immediately become part of Borrower's Obligations, shall be due on demand, and shall bear interest at a rate equal to the highest interest rate applicable to any of the Obligations.

9.14 Benefit of Agreement. The provisions of this Agreement shall be binding upon and inure to the benefit of the respective successors, assigns, heirs, beneficiaries and representatives of Borrower and Lender; provided, however, that Borrower may not assign or transfer any of its rights under this Agreement without the prior written consent of Lender, and any prohibited assignment shall be void. No consent by Lender to any assignment shall release Borrower from its liability for the Obligations.

9.15 Joint and Several Liability. If Borrower consists of more than one Person, their liability shall be joint and several, and the compromise of any claim with, or the release of, any Borrower shall not constitute a compromise with, or a release of, any other Borrower.

9.16 Limitation of Actions. Any claim or cause of action by Borrower against Lender, its directors, officers, employees, agents, accountants or attorneys, based upon, arising from, or relating to this Loan Agreement, or any other Loan Document, or any other transaction contemplated hereby or thereby or relating hereto or thereto, or any other matter, cause or thing whatsoever, occurred, done, omitted or suffered to be done by Lender, its directors, officers, employees, agents, accountants or attorneys, shall be barred unless asserted by Borrower by the commencement of an action or proceeding in a court of competent jurisdiction by the filing of a complaint within one year after the first act, occurrence or omission upon which such claim or cause of action, or any part thereof, is based, and the service of a summons and complaint on an officer of Lender, or on any other person authorized to accept service on behalf of Lender, within thirty (30) days thereafter. Borrower agrees that such one-year period is a reasonable and sufficient time for Borrower to investigate and act upon any such claim or cause of action. The one-year period provided herein shall not be waived, tolled, or extended except by the written consent of Lender in its sole discretion. This provision shall survive any termination of this Loan Agreement or any other Loan Document.

9.17 Paragraph Headings; Construction. Paragraph headings are only used in this Agreement for convenience. Borrower and Lender acknowledge that the headings may not describe completely the subject matter of the applicable paragraph, and the headings shall not be used in any manner to construe, limit, define or interpret any term or provision of this Agreement. This Agreement has been fully reviewed and negotiated between the parties and no uncertainty or ambiguity in any term or provision of this Agreement shall be construed strictly against Lender or Borrower under any rule of construction or otherwise.

9.18 Public Announcement. Borrower hereby agrees that Lender may make a public announcement of the transactions contemplated by this Agreement, and may publicize the same in marketing materials, newspapers and other publications, and otherwise, and in connection therewith may use the Borrower's name, tradenames and logos.

9.19 Governing Law; Jurisdiction; Venue. This Agreement and all acts, transactions disputes and controversies arising hereunder or relating hereto, and all rights and obligations of the parties shall be governed by, and construed in accordance with, the internal laws (and not the conflict of laws rules) of the State of California. Each party consents to the jurisdiction of courts located within Los Angeles County California and the referee referred to in Section 9.20 below, and agrees that the exclusive venue for all actions and proceedings relating directly or indirectly to this Agreement shall be Los Angeles County, California, provided that nothing herein shall limit the right of Lender to bring proceedings against Borrower in the courts of any other jurisdiction. Any judicial proceeding by Borrower against Lender or any affiliate thereof involving, directly or indirectly, any matter in any way arising out of, related to, or connected with any Loan Document shall be brought only in a court in Los Angeles County, California, and shall be subject to the provisions of Section 9.20 below. Each party waives any and all rights the party may have to object to the jurisdiction of any such court or said referee, or to transfer or change the venue of any such action or proceeding from such court or said referee, including, without limitation, any objection to venue or request for change in venue based on the doctrine of *forum non conveniens*. Borrower consents to service of process in any action or proceeding brought against it by Lender, by personal delivery, or by mail addressed as set forth in this Agreement or by any other method permitted by law.

9.20 Dispute Resolution. Any controversy, dispute or claim between the parties based upon, arising out of, or in any way relating to: (i) this Agreement or any

supplement or amendment thereto; or (ii) any other present or future instrument or agreement between the parties hereto; or (iii) any breach, conduct, acts or omissions of any of the parties hereto or any of their respective directors, officers, employees, agents, attorneys or any other person affiliated with or representing any of the parties hereto; in each of the foregoing cases, whether sounding in contract or tort or otherwise (a "Dispute") shall be resolved exclusively by judicial reference in accordance with Sections 638 et seq. of the California Code of Civil Procedure ("CCP") and Rules 3.900 et seq. of the California Rules of Court ("CRC"), subject to the following terms and conditions. (All references in this section to provisions of the CCP and/or CRC shall be deemed to include any and all successor provisions.)

(a) The reference shall be a consensual general reference pursuant to CCP Sections 638 and 644(a). Unless the parties otherwise agree in writing, the reference shall be to a single referee. The referee shall be a retired Judge of the Los Angeles County Superior Court ("Superior Court") or a retired Justice of the California Court of Appeal or California Supreme Court. Nothing in this section shall be construed to limit the right of Lender, pending or after the appointment of the referee, to seek and obtain provisional relief from the Superior Court or such referee, or any other court in a jurisdiction in which any Collateral is located or having jurisdiction over any Collateral, including without limitation, writ of attachment, writ of possession, appointment of a receiver, temporary restraining order and/or preliminary injunction, or other "provisional remedy" (as such term is defined in CCP Section 1281.8).

(b) Within fifteen (15) days after a party gives written notice in accordance with this Agreement to all other parties to a Dispute that the Dispute exists, all parties to the Dispute shall attempt to agree on the individual to be appointed as referee. If the parties are unable to agree on the individual to be appointed as referee, the referee shall be appointed, upon noticed motion or ex parte application by any party, by the Superior Court in accordance with CCP Section 640, subject to all rights of the parties to challenge or object to the appointment, including without limitation the right to peremptory challenge under CCP Section 170.6. If the referee (or any successor referee) appointed by the Superior Court is unable, or at any time becomes unable, to serve as referee in the Dispute, the Superior Court shall appoint a new referee as agreed to by the parties or, if the parties cannot agree, in accordance with CCP Section 640, which new referee shall then have the same powers, and be subject to the same terms and conditions, as the predecessor referee.

(c) Venue for all proceedings before the referee, and for any Superior Court proceeding for the appointment of the referee, shall be exclusively within the County of Los Angeles, State of California. The referee shall have the exclusive power to determine whether a Dispute is subject to judicial reference pursuant to this section. Trial, and all proceedings and hearings on dispositive motions, conducted before the referee shall be conducted in the presence of, and shall be transcribed by, a court reporter, unless otherwise agreed in writing by all parties to the proceeding. The referee shall issue a written statement of decision, which shall be subject to objections of the parties pursuant to CRC Rule 3.1590 as if the statement of decision were issued by the Superior Court. The referee's powers include, in addition to those set forth in CCP Sections 638, et seq., and CRC Rules 3.900 et seq., (i) the power to grant provisional relief, including without limitation, writ of attachment, writ of possession, appointment of a receiver, temporary restraining order and/or preliminary injunction, or other "provisional remedy" (as such term is defined in CCP Section 1281.8), and (ii) the power to hear and resolve all post-trial matters in connection with the Dispute that would otherwise be determined by the Superior Court, including without limitation motions for new trial, reconsideration, to vacate judgment, to stay execution or enforcement, to tax costs, and/or for attorneys' fees. The parties shall, subject to the referee's power to award costs to the prevailing party, bear equally the costs of the reference proceeding, including without limitation the fees and costs of the referee and the court reporter.

(d) The parties acknowledge and agree that (i) the referee alone shall determine all issues of fact and/or law in the Dispute, without a jury (subject, however, to the right of a party, pending or after the appointment of the referee, to seek and obtain provisional relief from the Superior Court or such referee, including without limitation, writ of attachment, writ of possession, appointment of a receiver, temporary restraining order and/or preliminary injunction, or other "provisional remedy" (as such term is defined in CCP Section 1281.8)), (ii) the referee does not have the power to empanel a jury, (iii) the Superior Court shall enter judgment on the decision of the referee pursuant to CCP Section 644(a) as if the decision were issued by the Superior Court, (iv) the decision of the referee shall not be subject to review by the Superior Court, and (v) the decision of the referee, once entered as a judgment by the Superior Court, shall be binding, final and conclusive, shall have the full force and effect of a judgment of the Superior Court, and shall be subject to appeal to the same extent as a judgment of the Superior Court.

9.21 Mutual Waiver of Jury Trial. **BORROWER AND LENDER EACH HEREBY WAIVE THE RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO, THIS AGREEMENT OR ANY OTHER PRESENT OR FUTURE INSTRUMENT OR AGREEMENT**

BETWEEN LENDER AND BORROWER, OR ANY CONDUCT, ACTS OR OMISSIONS OF LENDER OR BORROWER OR ANY OF THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, ATTORNEYS OR ANY OTHER PERSONS AFFILIATED WITH LENDER OR BORROWER, IN ALL OF THE FOREGOING CASES, WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE.

Borrower:

REAL GOOD FOOD COMPANY, LLC

By */s/ Josh Schreider*
Josh Schreider
Managing Member

Lender:

PMC FINANCIAL SERVICES GROUP, LLC

By */s/ Walter E. Buttkus, III*
Walter E. Buttkus, III
President

PMC Financial Services Group, LLC

Schedule to

Loan and Security Agreement

Borrower: **The Real Good Food Company LLC**

Address: **3750 University Avenue, Suite 610**
Riverside, CA 92501

Date: **June 30, 2016 (the "Effective Date")**

This Schedule forms an integral part of the Loan and Security Agreement between PMC Financial Services Group, LLC and the above-borrower of even date (as amended, restated, supplemented, or otherwise modified from time to time, this "Agreement" or the "Loan Agreement").

1. CREDIT LIMIT

(Section 1.1): The Credit Limit shall be the sum of (A) and (B) below:

As used herein, the term "Loans" means, individually and collectively, Revolving Loans under Part A below and Capex Line Loans under Part B below.

The Revolving Loans shall not be available until the line is requested to be activated by Borrower up to the Maximum Revolver Amount (in increments of $100,000) and approved in writing by Lender in its sole discretion (the "Activation Date").

A. Revolving Loans. Subject to the terms and conditions of this Agreement, Lender agrees to make revolving advances ("Revolving Loans") in an aggregate outstanding amount not to exceed at any time the lesser of (1) **$100,000** (the "Maximum Revolver Amount") or (2) the Borrowing Base (as defined below).

As used herein, the term "Borrowing Base" means, as of any date of determination, the sum of clause (a) below plus clause (b) below:

(a) **85%** (the "A/R Advance Rate", and also an "Advance Rate") of the amount of Borrower's Eligible Accounts (as defined in Section 8 above). Such advance rate shall be reduced to 80% if Borrower's rolling 3 month dilution exceeds 6.5%, but remains less than 10%, or such lower advance rate determined by Lender if dilution exceeds 10%, plus

(b) **50%** (the "Inventory Advance Rate", and also an "Advance Rate") of the value of Borrower's Eligible Inventory (as defined in Section 8 above), calculated at the lower of cost or market value and determined on a first-in, first-out basis.

Lender may, from time to time, modify the Advance Rates and/or the Maximum Revolver Amount, in its good faith business judgment, upon notice to the Borrower, based on changes in collection experience with respect to Accounts, its evaluation of the Inventory, or other issues or factors relating to the Accounts, Inventory or other Collateral or Borrower.

B. Capital Expenditures Line ("Capex Line"): **$300,000**

Borrower may request Loans under the Capex Line for up to 4 quarters after the date of this Agreement upon satisfaction of the conditions set forth in this Agreement. Advances under the Capex Line may be made for up to 100% of the purchase price of new and used Eligible Equipment. At Lender's sole discretion, Eligible Equipment may include soft costs directly related to such Eligible Equipment of up to 15% of the aggregate Loans advanced under the Capex Line (soft costs shall consist of installation, service contracts, warranties, delivery fees and other such expenses outside of the cost of the actual equipment). At the end of each quarter or at such other time agreed to by both Borrower and Lender, the sum of the disbursements shall be aggregated into a schedule and begin amortizing.

The Aggregate advances under the Capex Line shall be repaid as follows:

Borrower shall pay interest monthly on all disbursements prior to the aggregating of such disbursement into a schedule. Subsequent to the creation of a schedule, payments of principal and interest shall be made based on a 48-month amortization and the interest rate stated below. Payments on the aggregate amount of disbursements evidenced by the schedules shall be due on the 1st day of each month and shall continue on the fifteenth day of each month thereafter until the earliest of the following dates ("Capex Line Maturity Date"): (i) the date outstandings under the Capex Line have been paid in full; (ii) May , 2020; or (iii) the date this Agreement terminates by its terms or is terminated, as provided in this Agreement. On the Capex Line Maturity Date (or, if earlier, upon acceleration of the Obligations in accordance with the terms of this Agreement), the entire unpaid principal balance of outstandings under the Capex Line, plus all other Obligations relating to the Capex Line (including accrued and unpaid interest thereon, and, if applicable, the Capex Line Prepayment Fee) shall be due and payable. Any portion of the Capex Line that is repaid may not be reborrowed.

All payments by Borrower to Lender in respect of the Capex Line shall be made via ACH banking transfer to Lender's bank account per written instructions that Lender shall provide to Borrower.

If any payment of principal or accrued interest is not made within ten days after the date due, Borrower shall pay Lender a late payment fee equal to 5% of the amount of such late payment. The provisions of this paragraph shall not be construed as Lender's consent to Borrower's failure to pay any amounts when due, and Lender's acceptance of any such late payments shall not restrict Lender's exercise of any remedies arising out of any such failure.

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2. INTEREST.

Interest Rate (Section 1.2):

The Revolving Loans outstanding from time to time and Capex Loans shall bear interest at an annual rate equal to the "Prime Rate" in effect from time to time, plus 8.50% per annum.

Interest shall be calculated on the basis of a 360-day year for the actual number of days elapsed.

As used in this Agreement, "Prime Rate" means the greater of: (i) the "prime rate" announced from time to time by Wells Fargo Bank, National Association or (ii) 3.50% per annum. (Borrower understands that said announced prime rate may not be the best rate available from said bank.)

The interest rate applicable to the Obligations shall change on each date there is an applicable change in the Prime Rate. Interest is also subject to the operation, as applicable, of Section 7.2 of the Loan Agreement as to the Default Rate.

2A. USURY SAVINGS CLAUSE

Provisions Relating to Interest

Notwithstanding the provisions of this Agreement regarding the rates of interest applicable to the Loans, if at any time the amount of such interest computed on the basis of the interest rate set forth herein (the "Applicable Interest Rate") would exceed the amount of such interest computed upon the basis of the maximum rate of interest permitted by applicable state or federal law in effect from time to time hereafter, after taking into account, to the extent required by applicable law, any and all fees, payments, charges and calculations provided for in this Agreement or in any other agreement between Borrower and Lender (the "Maximum Legal Rate"), the interest payable under this Agreement shall be computed upon the basis of the Maximum Legal Rate, but any subsequent reduction in the Applicable Interest Rate shall not reduce such interest thereafter payable hereunder below the amount computed on the basis of the Maximum Legal Rate until the aggregate amount of such interest accrued and payable under this Agreement equals the total amount of interest which would have accrued if such interest had been at all times computed solely on the basis of the Applicable Interest Rate.

No agreements, conditions, provisions or stipulations contained in this Agreement or any other instrument, document or agreement between the Borrower and Lender or default of the Borrower, or the exercise by Lender of the right to accelerate the payment of the maturity of principal and interest, or to exercise any option whatsoever contained in this Agreement or any other agreement between the Borrower and Lender, or the arising of any contingency whatsoever, shall entitle Lender to collect, in any event, interest exceeding the Maximum Legal Rate and in no event shall the Borrower be obligated to pay interest exceeding such Maximum Legal Rate and all agreements, conditions or stipulations, if any, which may in any event or contingency whatsoever operate to bind, obligate or compel the Borrower to pay a rate of interest exceeding the Maximum Legal Rate, shall be without binding force or effect, at law or in equity, to the extent only of the excess of interest over such Maximum Legal Rate. In the event any interest is charged in excess of the Maximum Legal Rate ("Excess"), the Borrower acknowledges and stipulates that any such charge shall be the result of an accidental and bona fide error, and such Excess shall be, first, applied to reduce the principal then unpaid hereunder; second, applied to reduce the remaining Obligations; and third, returned to the Borrower, it being the intention of the parties hereto not to enter at any time into a usurious or otherwise illegal relationship. The Borrower recognizes that, with fluctuations in the Applicable Interest Rate and the Maximum Legal Rate, such an unintentional result could inadvertently occur. By the execution of this Agreement, the Borrower covenants that (i) the credit or return of any Excess shall constitute the acceptance by the Borrower of such Excess, and (ii) the Borrower shall not seek or pursue any other remedy, legal or equitable, against Lender, based in whole or in part upon the charging or receiving of any interest in excess of the maximum authorized by applicable law. For the purpose of determining whether or not any Excess has been contracted for, charged or received by Lender, all interest at any time contracted for, charged or received by Lender in connection with this Agreement shall be amortized, prorated, allocated and spread in equal parts during the entire term of this Agreement.

The provisions of this Section 2A of this Schedule shall be deemed to be incorporated into every document or communication relating to the Obligations which sets forth or prescribes any account, right or claim or alleged account, right or claim of Lender with respect to the Borrower (or any other obligor in respect of Obligations), whether or not any provision of this Section 2A of this Schedule is referred to therein. All such documents and communications and all figures set forth therein shall, for the sole purpose of computing the extent of the liabilities and obligations of the Borrower (or other obligor) asserted by Lender thereunder, be automatically recomputed by any Borrower or obligor, and by any court considering the same, to give effect to the adjustments or credits required by this Section 2A of this Schedule.

If the applicable state or federal law is amended in the future to allow a greater rate of interest to be charged under this Agreement or any other Loan Documents than is presently allowed by applicable state or federal law, then the limitation of interest under this Section 2A of this Schedule shall be increased to the maximum rate of interest allowed by applicable state or federal law as amended, which increase shall be effective hereunder on the effective date of such amendment, and all interest charges owing to Lender by reason thereof shall be payable upon demand.

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3. FEES (Section 1.4):

Loan Fees:	With respect to the Revolving Loans: 1.0% of the amount of the Maximum Revolver Commitment activated by Borrower and Lender per Section 1.0 of this Schedule fully earned and payable as of the Activation Date. With respect to the Capex Line: 1.0% of the amount on any draws under the Capex Line fully earned and payable as of the date of such draw, or such later date at the discretion of Lender.
Anniversary Fees:	With respect to the Revolving Loans: 1.0% of the amount of the Maximum Revolver Commitment activated by Borrower and Lender per Section 1.0 of this Schedule payable on each anniversary of the Activation Date prior to the Revolver Maturity Date.

4. MATURITY DATE

(Section 6.1): As used herein, the term "Revolver Maturity Date" means the future date to be determined by Lender following the Activation Date and thereafter, the Revolver Maturity Date shall automatically be extended for successive periods of one year each, unless (i) Borrower shall give Lender written notice of termination not less than sixty days prior to the end of such one-year period, or (ii) Lender shall give Borrower written notice of termination not less than thirty days prior to the end of such one-year period.

The term "Capex Loan Maturity Date" shall have the meaning ascribed to such term in Section 1 of this Schedule.

5. FINANCIAL COVENANTS

(Section 5.1): No Financial Covenants

6. REPORTING.

(Section 5.3):

Borrower shall provide Lender with the following:

(a) If requested by Lender, monthly accounts receivable agings, aged by invoice date, within 30 days after the end of each month.

(b) If requested by Lender, monthly inventory perpetual reports, within 30 days after the end of each month.

(c) If requested by Lender, monthly accounts payable agings, aged by invoice date, within 30 days after the end of each month.

(d) Monthly unaudited financial statements, as soon as available, and in any event within 30 days after the end of each month.

(e) Annual operating budgets (including income statements, balance sheets and cash flow statements, by month) for the upcoming fiscal year of Borrower no later than 60 days prior to the end of each fiscal year of Borrower.

(f) Annual financial statements, as soon as available, and in any event within 120 days following the end of Borrower's fiscal year, reviewed or audited by independent certified public accountants acceptable to Lender.

(g) If requested by Lender, Borrower's annual tax return within ten days after the date filed, but in no event later than nine months after Borrower's fiscal year-end.

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7. BORROWER INFORMATION:

Borrower represents and warrants that the information set forth in the Representations and Warranties of the Borrower dated June 20, 2016, submitted to Lender (the "Representations") is true and correct as of the date hereof.

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8. ADDITIONAL PROVISIONS

(a) **Subordination of Inside Debt**. All present and future indebtedness of Borrower to its officers, directors, shareholders and Affiliates (collectively, "Inside Debt") shall, at all times, be subordinated to the Obligations pursuant to a subordination agreement on Lender's standard form. Borrower represents and warrants that as of the Effective Date there is no Inside Debt presently outstanding.

Prior to incurring any Inside Debt in the future, Borrower shall cause the person to whom such Inside Debt will be owed to execute and deliver to Lender a subordination agreement on Lender's standard form.

(b) **Copyrights, Patents, and Trademarks**.

(i) Borrower hereby represents and warrants that, as of the date of this Agreement, Borrower does not have any maskworks, computer software, or other copyrights, that are registered (or are the subject of any application for registration) with the United States Copyright Office. Borrower hereby covenants and agrees that Borrower will *NOT* register with the United States Copyright Office (or apply for such registration of) any of Borrower's maskworks, computer software, or other copyrights, unless Borrower has provided Lender not less than 30 days prior written notice of the commencement of such registration/application and Borrower has executed and delivered to Lender such security agreement(s) and other documentation (in form and substance reasonably satisfactory to Lender) which Lender in its good faith business judgment may require for filing with the United States Copyright Office with respect to such registration or application.

(ii) Borrower will identify to Lender in writing any and all patents and trademarks of Borrower that are registered (or the subject of any application for registration) with the United States Patent and Trademark Office and, upon Lender's request therefor, promptly execute and deliver to Lender such security agreement(s) and other documentation (in form and substance reasonably satisfactory to Lender) which Lender in its good faith business judgment may require for filing with the United States Patent and Trademark Office with respect to such registration or application.

(iii) Borrower will: (x) protect, defend and maintain the validity and enforceability of Borrower's copyrights, patents, and trademarks; (y) promptly advise Lender in writing of material infringements of Borrower's copyrights, patents, or trademarks of which Borrower is or becomes aware; and (z) not allow any material item of Borrower's copyrights, patents, or trademarks to be abandoned, forfeited or dedicated to the public without Lender's written consent.

(c) **Bailee Agreement**. Borrower hereby represents and warrants that, as of the date of execution and deliver of this Agreement, no goods of Borrower are in the possession of any warehouseman or other bailee (except as set forth in Section 3(d) of the Representations), and hereby covenants that Borrower promptly shall deliver written notice to Lender of any goods of Borrower being in the possession of any other warehouseman or other bailee. With respect to any goods or other Collateral of Borrower in the possession of any warehouseman or other bailee (including any set forth in Section 3(d) of the Representations), Borrower shall, promptly upon Lender's request therefor, use commercially reasonable efforts to deliver to Lender a bailee agreement (in form and substance satisfactory to Lender) duly executed by such warehouseman or other bailee.

(d) **Landlord Agreement**. With respect to any leased premises of Borrower, Borrower shall, promptly upon Lender's request therefor, deliver to Lender a landlord agreement (in form and substance satisfactory to Lender) duly executed by the lessor of such leased premises. Without limiting the generality of the foregoing, Lender has requested that Borrower deliver, on or before the date of this Agreement, such a landlord agreement duly executed by the applicable landlord with respect to Borrower's Address.

(e) **Control Agreements**. As to any Deposit Accounts (including any lockbox or blocked account) and Investment Property (including securities accounts) maintained with any institution as of the date of this Agreement, Borrower shall at Lender's request cause such institution, concurrently herewith, to enter into a control agreement in form acceptable to Lender in its good faith business judgment in order to perfect Lender's first-priority security interest in such Deposit Accounts (including any lockbox or blocked account) and grant Lender "control" (within the meaning of Articles 8 and 9 of the Code) over such Investment Property (including securities accounts). From and after the date of this Agreement, Borrower shall not maintain any Deposit Accounts (including any lockbox or blocked account) or Investment Property (including securities accounts) with any bank, securities intermediary, or other institution unless Lender has received such a control agreement duly executed by such party in favor of Lender covering such Deposit Account (including any lockbox or blocked account) or Investment Property (including securities accounts), as the case may be.

9. CONDITIONS PRECEDENT

In addition to the other conditions precedent set forth in this Agreement, the making of the initial Loan hereunder is subject to the following additional conditions:

(a) **Searches; Payoff Letter; UCC Terminations**. Lender shall have received lien searches listing all effective financing statements which name Borrower (or any predecessor entity, prior name, or tradename thereof or any seller of assets acquired by Borrower outside of the ordinary course of business) as debtor that are filed in the applicable filing offices with respect to Borrower, none of which financing statements shall cover any of the Collateral of Borrower, except (1) Lender's own financing statements and fixture filings (as the case may be) filed of record against Borrower, respectively, (2) financing statements perfecting Permitted Liens, (3) financing statements as to which Lender has received duly executed authorization by the applicable secured party to file executed termination statements or partial release statements in form and substance satisfactory to Lender, or (4) as otherwise agreed in writing by Lender.

(b) **General Conditions**. The following: (i) all documents relating to this Agreement have been executed and delivered, (ii) no Material Adverse Change and no Default or Event of Default has occurred and is continuing, and (iii) all other matters relating to the Loans have been completed to Lender's satisfaction.

[remainder of page intentionally left blank; signature page immediately follows]

Borrower:

REAL GOOD FOOD COMPANY, LLC

By */s/ Josh Schreider*
Josh Schreider
Managing Member

Lender:

PMC FINANCIAL SERVICES GROUP, LLC

By */s/ Walter E. Buttkus, III*
Walter E. Buttkus, III
President

PMC Financial Services Group, LLC

Schedule #2 to

Loan and Security Agreement

Borrower: **THE REAL GOOD FOOD COMPANY, LLC**

Address: **3960 W. Hemlock St.**
Oxnard, CA 93035

Date: **December 01, 2019 (the "Effective Date")**

This Schedule forms an integral part of the Loan and Security Agreement between PMC Financial Services Group, LLC and the above-borrower of even date, and is supplementary to the existing Schedules.

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1. LOAN AMOUNT (Section 1.1): **$ 1,714,462.81 (the "Cap Ex Loan")**

Subject to the terms and conditions of this Agreement, Lender hereby terms out the existing Capital Expenditures Loans in the amount of $1,714,462.81, plus any accrued and unpaid interim interest thereon.

The Cap Ex Loan shall be repaid by the Borrower to Lender as follows: three months of interest only payments commencing on January 31, 2019 and continuing on the last day of each month thereafter, followed by equal payments of principal, plus accrued but unpaid interest, in the amount of $38,289.80, on the last day of each calendar month commencing on April 30, 2019, and continuing on the last day of each month thereafter with the remaining principal balance plus all other Obligations relating to the CapEx Loan (including accrued and unpaid interest thereon) due in a balloon payment on the Maturity Date. Any portion of the Cap Ex Loan that is repaid may not be reborrowed.

Payments shall be made by ACH transfer on the date due. If any payment of principal or accrued interest is not made within ten days after the date due, Borrower shall pay Lender a late payment fee equal to 5% of the amount of such late payment. The provisions of this paragraph shall not be construed as Lender's consent to Borrower's failure to pay any amounts when due, and Lender's acceptance of any such late payments shall not restrict Lender's exercise of any remedies arising out of any such failure.

MATURITY DATE

The earliest of the following dates ("Maturity Date"): (i) the date all Obligations have been paid in full and all commitments of Lender hereunder to extend credit hereunder have terminated; or (ii) June 30, 2021;

or (iii) the date this Agreement terminates by its terms or is terminated, as provided in this Agreement. On the Maturity Date (or, if earlier, upon acceleration of the Obligations in accordance with the terms of this Agreement), the entire unpaid principal balance of the Cap Ex Loan , plus all other Obligations relating to the Cap Ex Loan (including accrued and unpaid interest thereon) shall be due and payable.

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2. INTEREST.

Interest Rate (Section 1.2

The Capex Loan shall continue to bear interest at an annual rate equal to the "Prime Rate" as of the Effective date of the Schedule (June 30, 2016), plus 8.50%, which was then 12.0% (but will have this as a fixed/set monthly payment for the entire term for cash flow and accounting purposes). If the Prime Index Rate, should increase from June 30, 2016 any additional interest on the Loans shall be charged on a quarterly basis. Conversely, if the prime rate should go down, the Borrower will benefit on this as well, but never lower than the initial interest rate at funding of 12.0% per annum.

Interest shall be computed on the basis of a 360-day year for the actual number of days elapsed. Without limited any of Lender's rights and remedies, from and after the occurrence and during the continuance of any Event of Default, the interest rate applicable to the Obligations shall be increased by an additional five percent (5.0%) per annum (the "Default Rate").

Usury Savings Clause:

Notwithstanding the provisions of this Agreement regarding the rates of interest applicable to the Cap Ex Loan and other loans hereunder, if at any time the amount of such interest computed on the basis of the interest rate set forth herein (the "Applicable Interest Rate") would exceed the amount of such interest computed upon the basis of the maximum rate of interest permitted by applicable state or federal law in effect from time to time hereafter, after taking into account, to the extent required by applicable law, any and all fees, payments, charges and calculations provided for in this Agreement or in any other agreement between Borrower and Lender (the "Maximum Legal Rate"), the interest payable under this Agreement shall be computed upon the basis of the Maximum Legal Rate, but any subsequent reduction in the Applicable Interest Rate shall not reduce such interest thereafter payable hereunder below the amount computed on the basis of the Maximum Legal Rate until the aggregate amount of such interest accrued and payable under this Agreement equals the total amount of interest which would have accrued if such interest had been at all times computed solely on the basis of the Applicable Interest Rate.

No agreements, conditions, provisions or stipulations contained in this Agreement or any other instrument, document or agreement between the Borrower and Lender or default of the Borrower, or the exercise by Lender

of the right to accelerate the payment of the maturity of principal and interest, or to exercise any option whatsoever contained in this Agreement or any other agreement between the Borrower and Lender, or the arising of any contingency whatsoever, shall entitle Lender to collect, in any event, interest exceeding the Maximum Legal Rate and in no event shall the Borrower be obligated to pay interest exceeding such Maximum Legal Rate and all agreements, conditions or stipulations, if any, which may in any event or contingency whatsoever operate to bind, obligate or compel the Borrower to pay a rate of interest exceeding the Maximum Legal Rate, shall be without binding force or effect, at law or in equity, to the extent only of the excess of interest over such Maximum Legal Rate. In the event any interest is charged in excess of the Maximum Legal Rate ("Excess"), the Borrower acknowledges and stipulates that any such charge shall be the result of an accidental and bona fide error, and such Excess shall be, first, applied to reduce the principal then unpaid hereunder; second, applied to reduce the remaining Obligations; and third, returned to the Borrower, it being the intention of the parties hereto not to enter at any time into a usurious or otherwise illegal relationship. The Borrower recognizes that, with fluctuations in the Applicable Interest Rate and the Maximum Legal Rate, such an unintentional result could inadvertently occur. By the execution of this Agreement, the Borrower covenants that (i) the credit or return of any Excess shall constitute the acceptance by the Borrower of such Excess, and (ii) the Borrower shall not seek or pursue any other remedy, legal or equitable, against Lender, based in whole or in part upon the charging or receiving of any interest in excess of the maximum authorized by applicable law. For the purpose of determining whether or not any Excess has been contracted for, charged or received by Lender, all interest at any time contracted for, charged or received by Lender in connection with this Agreement shall be amortized, prorated, allocated and spread in equal parts during the entire term of this Agreement.

The provisions of this usury savings clause shall be deemed to be incorporated into every document or communication relating to the Obligations which sets forth or prescribes any account, right or claim or alleged account, right or claim of Lender with respect to the Borrower (or any other obligor in respect of Obligations), whether or not any provision of this usury savings clause is referred to therein. All such documents and communications and all figures set forth therein shall, for the sole purpose of computing the extent of the liabilities and obligations of the Borrower (or other obligor) asserted by Lender thereunder, be automatically recomputed by any Borrower or obligor, and by any court considering the same, to give effect to the adjustments or credits required by this usury savings clause.

If the applicable state or federal law is amended in the future to allow a greater rate of interest to be charged under this Agreement or any other Loan Documents than is presently allowed by applicable state or federal law, then the limitation of interest under this usury savings clause shall be increased to the maximum rate of interest allowed by applicable state or federal law as amended, which increase shall be effective hereunder on the effective date of such amendment, and all interest charges owing to Lender by reason thereof shall be payable upon demand.

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3. FEES (Section 1.4):

Facility Fee:	The (1.0%) Facility Fee will be waived by Lender.

4. FINANCIAL COVENANTS
(Section 5.1):

No Financial Covenants

5. REPORTING.
(Section 5.3):

Same reporting requirements set forth in previous Schedule

6. BORROWER INFORMATION:

Borrower represents and warrants that the information set forth in the Representations and Warranties of the Borrower delivered on or about April 28, 2016 and previously submitted to Lender (the "Representations") is true and correct as of the date hereof.

7. COLLATERAL:

This Capex Loan is secured, in part, by a 1st priority lien on Borrower's specific equipment listed in Exhibit A

[**remainder of page intentionally left blank**]

Borrower:

THE REAL GOOD FOOD COMPANY, LLC

By: */s/ Bryan Freeman*
Name: Bryan Freeman
Title: Chief Executive Officer

Lender:

PMC Financial Services Group, LLC,
a Delaware limited liability company

By: */s/ Walter E. Buttkus, III*
Name: Walter E. Buttkus, III
Title: President

Exhibit A

[***]

AMENDMENT NUMBER FIFTEEN TO LOAN AND SECURITY AGREEMENT

THIS AMENDMENT NUMBER FIFTEEN TO LOAN AND SECURITY AGREEMENT (this "Amendment"), dated as of December 7, 2020 (the "Amendment Fifteen Effective Date") is entered into between **PMC FINANCIAL SERVICES GROUP, LLC**, a Delaware limited liability company ("Lender"), and **THE REAL GOOD FOOD COMPANY LLC** ("Borrower"), in light of the following:

RECITALS

WHEREAS, Borrower and Lender have previously entered into that certain Loan and Security Agreement, dated as of June 30, 2016, as amended (the "Agreement").

WHEREAS, Lender previously made Revolving Loans pursuant to the terms of the Agreement.

WHEREAS, Borrower has requested that Lender increase maximum amount of the Approved Overadvance Loans .

WHEREAS, Borrower and Lender wish to amend the Agreement by modifying the terms of Revolving Loans.

NOW, THEREFORE, the parties agree as follows:

1. DEFINITIONS. All terms which are defined in the Agreement shall have the same definition when used herein unless a different definition is assigned to such term under this Amendment.

2. WAIVER OF DEFAULT. Lender hereby waives the Existing Event of Default through the Amendment Date.

3. AMENDMENTS. Effective as of the Amendment Fourteen Effective Date (as that term is defined in Section 4 of this Amendment), the Agreement is amended as follows:

3.1 **Additional Definitions.** Section 8 of the Agreement is amended by adding the definitions of "Amendment Fourteen" and "Amendment Fourteen Effective Date" as follows:

> "Amendment Fifteen" means that certain Amendment Number Fifteen to Loan and Security Agreement, dated as of December 3, 2020, between Lender and Borrower.
>
> "Amendment Fifteen Effective Date" shall have the meaning set forth in the preamble to Amendment Fifteen.

3.2 **Change in the Definition of "Revolving Loans"**. The definition of "Revolving Loans" in Section lA of the Schedule to Loan and Security Agreement is deleted in its entirety and is replaced with the following:

> A. Revolving Loans. Subject to the terms and conditions of this Agreement, Lender agrees to make revolving advances ("Revolving Loans") in an aggregate outstanding amount not to exceed at any time the lesser of the following: (1) $36,500,000 (the "Maximum Revolver Amount") or (2) the Borrowing Base (as defined below).

3.3 **Change in the Definition of "Borrowing Base"**. Clause (c) in the definition of Borrowing Base in Section lA of the Schedule to Loan and Security Agreement is deleted in its entirety and is replaced with the following:

> (c) Lender may, in its sole discretion, make Loans to Borrower from time to time which exceed the limitations of the borrowing against Eligible Receivables as set forth in subparagraph (a) above or which exceed the limitations on borrowing against Eligible Inventory as set forth in subparagraph (b) above, (the "Approved Overadvance Loans"). The aggregate outstanding Approved Overadvance Loans shall not at any time exceed (a) $25,000,000 from the Amendment Fifteen Effective Date through December 18, 2020, (b) $24,500,000 from December 21, 2020 through June 30, 2021, and (c) zero ($0.00) at all times thereafter; provided, however, the aggregate amount of outstanding Revolving Loans, including any Approved Overadvance Loans, shall not at any time exceed the Maximum Revolver Amount. Subsequent to June 30, 2021, Lender shall no longer advance any Approved Overadvance Loans. Notwithstanding the terms of the previous sentence to the contrary, at such time that Borrower raises additional equity adequate to repay all outstanding Approved Overadvance Loans, no Approved Overadvance Loans shall be permitted thereafter and the Borrowing Base shall be thereafter defined as the sum of clauses (a) and (b) below:
>
> (a) **85%** (the "A/R Advance Rate", and also an "Advance Rate") of the amount of Borrower's Eligible Accounts (as defined in Section 8 above). Such advance rate shall be reduced (i) to 80% if Borrower's rolling 3 month Dilution exceeds 7.5%, but remains less than 10%, (ii) to 75% if Borrower's rolling 3 month Dilution exceeds 10% but remains less than 15%, and (iii) to such lower advance rate determined by Lender if Dilution exceeds 15%, plus. Lender reserves the right to make accommodation in the dilution calculation (for example, one-time slotting fees).

(b) **75%** of Eligible Inventory consisting of finished goods and **60%** of Eligible Inventory consisting of raw materials (the "Inventory Advance Rate", and also an "Advance Rate") of the value of Borrower's Eligible Inventory (as defined in Section 8 above), calculated at the lower of cost or market value and determined on a first-in, first-out basis.

3.4 **Addition of New Success Fee.** A new "Success Fee" is added to Section 3 of the Schedule as follows:

Success Fee: Borrower agrees to pay Lender a success fee (the "Success Fee") in the amount of $1,250,000. The Success Fee shall be deemed fully earned on the Amendment Fifteen Effective Date. The Success Fee is in addition to any other success fees that they previously been charged to Borrower. The Success Fee shall be payable upon the earlier of (a) June 30, 2021, (b) the date that Borrower raises additional equity equal to or greater than the outstanding Approved Overadvance Loans at such time plus the Success Fee, (c) repayment of total indebtedness due to Lender or (d) sale of the Borrower.

3.5 **Change in the Definition of "Revolving Maturity Date"**. The definition of "Revolving Maturity Date" in Section 4 of the Schedule to Loan and Security Agreement is deleted in its entirety and is replaced with the following:

As used herein, the term "Revolver Maturity Date" means June 30, 2021.

4. CONDITION PRECEDENT.

4.1 The following is a condition precedent to the effectiveness of this Amendment:

A. Lender shall have received a fully executed copy of this Amendment.

5. REPRESENTATIONS AND WARRANTIES. Borrower hereby affirms to Lender that all of Borrower's representations and warranties set forth in the Agreement are true, complete and accurate in all respects as of the date hereof.

6. LIMITED EFFECT. Except for the specific amendment contained in this Amendment, the Agreement shall remain unchanged and in full force and effect.

7. RELEASE BY BORROWER. Borrower, for itself, and for its agents, servants, officers, directors, shareholders, employees, heirs, executors, administrators, successors and assigns, forever release and discharge Lender and its servants, employees, accountants, attorneys, shareholders, subsidiaries, officers, directors, heirs, executors, administrators, successors and assigns from any and all claims, demands, liabilities, accounts, obligations, costs, expenses,

liens, actions, causes of action, rights to indemnity (legal or equitable), rights to subrogation, rights to contribution and remedies of any nature whatsoever, known or unknown, which Borrower had, now has, or has acquired, individually or jointly, at any time prior to the Agreement Date, including specifically, but not exclusively, and without limiting the generality of the foregoing, any and all of the claims, damages, demands and causes of action, known or unknown, suspected or unsuspected by Borrower which:

7.1 Arise out of the Loan Documents;

7.2 Arise by reason of any matter or thing alleged or referred to in, directly or indirectly, or in any way connected with, the Loan Documents; or

7.3 Arise out of or in any way are connected with any loss, damage, or injury, whatsoever, known or unknown, suspected or unsuspected, resulting from any act or omission by or on the part of the Lender or any party acting on behalf of Lender.

8. WAIVER OF CALIFORNIA CIVIL CODE SECTION 1542. Borrower acknowledges that there is a risk that subsequent to the execution of this Agreement it may incur or suffer losses, damages or injuries which are in some way caused by the transactions referred to in the Loan Documents or this Agreement, but which are unknown and unanticipated at the time this Agreement is executed. Borrower does hereby assume the above mentioned risks and agree that this Agreement shall apply to all unknown or unanticipated results of the transactions and occurrences described herein, as well as those known and anticipated, and upon advice of counsel, Borrower does hereby knowingly waive any and all rights and protections under California Civil Code Section 1542 which section has been duly explained and reads as follows:

> "A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

9. LEGAL ADVICE OBTAINED. The advice of legal counsel has been obtained by each party prior to signing this Agreement and each party executes this Agreement voluntarily, with full knowledge of its significance, and with the express intention of effecting the legal consequences provided by Section 1541 of the California Civil Code, namely, the extinguishment of obligations except for the executory provisions of this Agreement.

10. COUNTERPARTS; EFFECTIVENESS. This Amendment may be executed in any number of counterparts and by different parties on separate counterparts, each of which when so executed and delivered shall be deemed to be an original. All such counterparts, taken together, shall constitute but one and the same Amendment. This Amendment shall become effective upon the execution of this Amendment by each of the parties hereto.

IN WITNESS WHEREOF, Lender and Borrower have executed this Amendment.

THE REAL GOOD FOOD COMPANY LLC

By */s/ Bryan Freeman*
Name: Bryan Freeman
Title: Chairman

PMC FINANCIAL SERVICES GROUP, LLC

By */s/ Walter E. Buttkus, III*

Name: Walter E. Buttkus, III
Title: President

AMENDMENT NUMBER SIXTEEN TO LOAN AND SECURITY AGREEMENT

THIS AMENDMENT NUMBER SIXTEEN TO LOAN AND SECURITY AGREEMENT (this "Amendment"), dated as of February 16, 2021 (the "Amendment Sixteen Effective Date") is entered into between **PMC FINANCIAL SERVICES GROUP, LLC**, a Delaware limited liability company ("Lender"), and **THE REAL GOOD FOOD COMPANY LLC** ("Borrower"), in light of the following:

RECITALS

WHEREAS, Borrower and Lender have previously entered into that certain Loan and Security Agreement, dated as of June 30, 2016, as amended (the "Agreement").

WHEREAS, Lender and Borrower have entered into a Purchase Agreement (the "Purchase Agreement"), of even date herewith, pursuant to which Lender is selling to Borrower certain assets of SSRE Holdings, LLC, for a total purchase price of $6,525,000, of which $4,500,000 is payable on the date hereof (the "Cash at Close").

WHEREAS, Borrower has requested that Lender make a new term loan to Borrower to fund the payment of the Cash at Close.

WHEREAS, Lender has agreed to Borrower's request pursuant to the terms of this Amendment.

NOW, THEREFORE, the parties agree as follows:

1. DEFINITIONS. All terms which are defined in the Agreement shall have the same definition when used herein unless a different definition is assigned to such term under this Amendment.

2. AMENDMENTS. Effective as of the Amendment Sixteen Effective Date (as that term is defined in Section 4 of this Amendment), the Agreement is amended as follows:

2.1 **Additional Definitions.** Section 8 of the Agreement is amended by adding the definitions of "Amendment Fourteen" and "Amendment Fourteen Effective Date" as follows:

> "Amendment Sixteen" means that certain Amendment Number Sixteen to Loan and Security Agreement, dated as of February 16, 2020, between Lender and Borrower.
>
> "Amendment Sixteen Effective Date" shall have the meaning set forth in the preamble this Amendment Sixteen.

2.2 **Change in Credit Limit**. The first two paragraphs of Section 1 of the Schedule to Loan and Security Agreement are deleted and replaced with the following:

The Credit Limit shall be the sum of (A), (B) and (C) below:

As used herein, the term "Loans" means, individually and collectively, Revolving Loans under Part A below, the Capex Line Loans under Part B below, and the Term Loan under Part C below.

2.3 **New Term Loan**. A new Section 1C is added to the Schedule to Loan and Security Agreement as follows:

C. Term Loan. Subject to the terms and conditions of this Agreement, Lender agrees to make a term loan (the "Term Loan") to Borrower in the principal amount of Four Million Five Hundred Thousand Dollars ($4,500,000).

Commencing on February 28, 2021, interest on the Term Loan shall be paid monthly as provided in Section 1.2 of this Agreement and Section 2 of the Schedule. In the event the Prime Rate increases, Borrower will be charged the difference (so long as it is positive) between (i) the Prime Rate plus 8.60% and (ii) 11.85%. The amount of such difference will be charged to (and payable by) Borrower as of the last day of each fiscal quarter.

The Term Loan shall be repaid by the Borrower to Lender in 54 equal monthly installments of principal, plus accrued but unpaid interest, commencing on September 30, 2021, and continuing on the last day of the month thereafter until the earliest of the following dates ("Term Loan Maturity Date"): (i) the date the Term Loan has been paid in full, (ii) the Revolver Maturity Date or (iii) the date this Agreement terminates by its terms or is terminated, as provided in this Agreement. On the Term Loan Maturity Date (or, if earlier, upon acceleration of the Obligations in accordance with the terms of this Agreement), the entire unpaid principal balance of the Term Loan, plus all other Obligations relating to the Term Loan shall be due and payable. Any portion of the Term Loan that is repaid may not be reborrowed.

All payments by Borrower to Lender in respect of the Term Loan shall be made via ACH banking transfer to Lender's bank account per written instructions that Lender shall provide to Borrower.

2.4 **Interest Rate on Term Loan**. The first paragraph of Section 2 of the Schedule to the Loan and Security Agreement is deleted and is replaced by the following:

The Revolving Loans outstanding from time to time and Capex Loans shall bear interest at an annual rate equal to the "Prime Rate" in effect from time to time, plus 8.50% per annum. The Term Loan shall bear interest at an annual rate equal to the "Prime Rate" in effect from time to time, plus 8.60% per annum. Interest payments shall be due on the last day of each month following the Effective Date.

3. CONDITION PRECEDENT.

3.1 The following is a condition precedent to the effectiveness of this Amendment:

A. Lender shall have received a fully executed copy of this Amendment

B. Lender shall have received a fully executed copy of the Purchase Agreement.

4. REPRESENTATIONS AND WARRANTIES. Borrower hereby affirms to Lender that all of Borrower's representations and warranties set forth in the Agreement are true, complete and accurate in all respects as of the date hereof.

5. LIMITED EFFECT. Except for the specific amendment contained in this Amendment, the Agreement shall remain unchanged and in full force and effect.

6. RELEASE BY BORROWER. Borrower, for itself, and for its agents, servants, officers, directors, shareholders, employees, heirs, executors, administrators, successors and assigns, forever release and discharge Lender and its servants, employees, accountants, attorneys, shareholders, subsidiaries, officers, directors, heirs, executors, administrators, successors and assigns from any and all claims, demands, liabilities, accounts, obligations, costs, expenses, liens, actions, causes of action, rights to indemnity (legal or equitable), rights to subrogation, rights to contribution and remedies of any nature whatsoever, known or unknown, which Borrower had, now has, or has acquired, individually or jointly, at any time prior to the Agreement Date, including specifically, but not exclusively, and without limiting the generality of the foregoing, any and all of the claims, damages, demands and causes of action, known or unknown, suspected or unsuspected by Borrower which:

6.1 Arise out of the Loan Documents;

6.2 Arise by reason of any matter or thing alleged or referred to in, directly or indirectly, or in any way connected with, the Loan Documents; or

6.3 Arise out of or in any way are connected with any loss, damage, or injury, whatsoever, known or unknown, suspected or unsuspected, resulting from any act or omission by or on the part of the Lender or any party acting on behalf of Lender.

7. WAIVER OF CALIFORNIA CIVIL CODE SECTION 1542. Borrower acknowledges that there is a risk that subsequent to the execution of this Agreement it may incur or suffer losses, damages or injuries which are in some way caused by the transactions referred to in the Loan Documents or this Agreement, but which are unknown and unanticipated at the time this Agreement is executed. Borrower does hereby assume the above mentioned risks and agree that this Agreement shall apply to all unknown or unanticipated results of the transactions and occurrences described herein, as well as those known and anticipated, and upon advice of counsel, Borrower does hereby knowingly waive any and all rights and protections under California Civil Code Section 1542 which section has been duly explained and reads as follows:

> "A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

8. LEGAL ADVICE OBTAINED. The advice of legal counsel has been obtained by each party prior to signing this Agreement and each party executes this Agreement voluntarily, with full knowledge of its significance, and with the express intention of effecting the legal consequences provided by Section 1541 of the California Civil Code, namely, the extinguishment of obligations except for the executory provisions of this Agreement.

9. COUNTERPARTS; EFFECTIVENESS. This Amendment may be executed in any number of counterparts and by different parties on separate counterparts, each of which when so executed and delivered shall be deemed to be an original. All such counterparts, taken together, shall constitute but one and the same Amendment. This Amendment shall become effective upon the execution of this Amendment by each of the parties hereto.

IN WITNESS WHEREOF, Lender and Borrower have executed this Amendment.

THE REAL GOOD FOOD COMPANY LLC

By */s/ Bryan Freeman*
Name: Bryan Freeman
Title: Chief Executive Officer

PMC FINANCIAL SERVICES GROUP, LLC

By */s/ Walter E. Buttkus, III*
Name: Walter E. Buttkus, III
Title: President

AMENDMENT NUMBER SEVENTEEN TO LOAN AND SECURITY AGREEMENT

THIS AMENDMENT NUMBER SEVENTEEN TO LOAN AND SECURITY AGREEMENT (this "Amendment"), dated as of March 29, 2021 (the "Amendment Sixteen Effective Date") is entered into between **PMC FINANCIAL SERVICES GROUP, LLC**, a Delaware limited liability company ("Lender"), and **THE REAL GOOD FOOD COMPANY LLC** ("Borrower"), in light of the following:

RECITALS

WHEREAS, Borrower and Lender have previously entered into that certain Loan and Security Agreement, dated as of June 30, 2016, as amended (the "Agreement").

WHEREAS, Borrower has requested that Lender extend the Revolver Maturity Date to January 31, 2023, and increase the amount of permitted Indebtedness.

WHEREAS, Lender has agreed to Borrower's request pursuant to the terms of this Amendment.

NOW, THEREFORE, the parties agree as follows:

1. DEFINITIONS. All terms which are defined in the Agreement shall have the same definition when used herein unless a different definition is assigned to such term under this Amendment.

2. AMENDMENTS. Effective as of the Amendment Seventeen Effective Date (as that term is defined in Section 4 of this Amendment), the Agreement is amended as follows:

2.1 **Additional Definitions.** Section 8 of the Agreement is amended by adding the definitions of "Amendment Seventeen" and "Amendment Seventeen Effective Date" as follows:

> "Amendment Seventeen" means that certain Amendment Number Seventeen to Loan and Security Agreement, dated as of March 29, 2021, between Lender and Borrower.
>
> "Amendment Seventeen Effective Date" shall have the meaning set forth in the preamble to Amendment Seventeen.

2.2 **Addition of Permitted Indebtedness**. Section 5.5(vii) is deleted and replaced by the following:

> (vii) create, incur, assume or permit to be outstanding any Indebtedness other than (a) the Obligations, (b) trade payables and other contractual obligations to suppliers and customers incurred in the ordinary course of business, (c) other secured or unsecured Indebtedness in a total principal amount at any time outstanding for all such other Indebtedness not to exceed $1,500,000 and provided that such Indebtedness is subject to terms and conditions acceptable to Lender, in its reasonable discretion.

2.3 **Change in the Revolver Maturity Date**. The definition of Revolver Maturity Date in Section 4 of the Schedule to Loan and Security Agreement is deleted and replaced by the following:

> As used herein, the term "Revolver Maturity Date" means January 31, 2023, and thereafter, the Revolver Maturity Date shall automatically be extended for successive periods of one year each, unless (i) Borrower shall give Lender written notice of termination not less than sixty days prior to the end of such one-year period, or (ii) Lender shall give Borrower written notice of termination not less than thirty days prior to the end of such one-year period.

3. CONDITION PRECEDENT.

3.1 The following is a condition precedent to the effectiveness of this Amendment:

A. Lender shall have received a fully executed copy of this Amendment

4. REPRESENTATIONS AND WARRANTIES. Borrower hereby affirms to Lender that all of Borrower's representations and warranties set forth in the Agreement are true, complete and accurate in all respects as of the date hereof.

5. LIMITED EFFECT. Except for the specific amendment contained in this Amendment, the Agreement shall remain unchanged and in full force and effect.

6. RELEASE BY BORROWER. Borrower, for itself, and for its agents, servants, officers, directors, shareholders, employees, heirs, executors, administrators, successors and assigns, forever release and discharge Lender and its servants, employees, accountants, attorneys, shareholders, subsidiaries, officers, directors, heirs, executors, administrators, successors and assigns from any and all claims, demands, liabilities, accounts, obligations, costs, expenses, liens, actions, causes of action, rights to indemnity (legal or equitable), rights to subrogation, rights to contribution and remedies of any nature whatsoever, known or unknown, which Borrower had, now has, or has acquired, individually or jointly, at any time prior to the Agreement Date, including specifically, but not exclusively, and without limiting the generality of the foregoing, any and all of the claims, damages, demands and causes of action, known or unknown, suspected or unsuspected by Borrower which:

6.1 Arise out of the Loan Documents;

6.2 Arise by reason of any matter or thing alleged or referred to in, directly or indirectly, or in any way connected with, the Loan Documents; or

6.3 Arise out of or in any way are connected with any loss, damage, or injury, whatsoever, known or unknown, suspected or unsuspected, resulting from any act or omission by or on the part of the Lender or any party acting on behalf of Lender.

7. WAIVER OF CALIFORNIA CIVIL CODE SECTION 1542. Borrower acknowledges that there is a risk that subsequent to the execution of this Agreement it may incur or suffer losses, damages or injuries which are in some way caused by the transactions referred to in the Loan Documents or this Agreement, but which are unknown and unanticipated at the time this Agreement is executed. Borrower does hereby assume the above mentioned risks and agree that this Agreement shall apply to all unknown or unanticipated results of the transactions and occurrences described herein, as well as those known and anticipated, and upon advice of counsel, Borrower does hereby knowingly waive any and all rights and protections under California Civil Code Section 1542 which section has been duly explained and reads as follows:

> "A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

8. LEGAL ADVICE OBTAINED. The advice of legal counsel has been obtained by each party prior to signing this Agreement and each party executes this Agreement voluntarily, with full knowledge of its significance, and with the express intention of effecting the legal consequences provided by Section 1541 of the California Civil Code, namely, the extinguishment of obligations except for the executory provisions of this Agreement.

9. COUNTERPARTS; EFFECTIVENESS. This Amendment may be executed in any number of counterparts and by different parties on separate counterparts, each of which when so executed and delivered shall be deemed to be an original. All such counterparts, taken together, shall constitute but one and the same Amendment. This Amendment shall become effective upon the execution of this Amendment by each of the parties hereto.

IN WITNESS WHEREOF, Lender and Borrower have executed this Amendment.

THE REAL GOOD FOOD COMPANY LLC

By */s/ Bryan Freeman*
Name: Bryan Freeman
Title: Chairman & Managing Member

PMC FINANCIAL SERVICES GROUP, LLC

By */s/ Walter E. Buttkus, III*
Name: Walter E. Buttkus, III
Title: President

AMENDMENT NUMBER EIGHTEEN TO
LOAN AND SECURITY AGREEMENT

THIS AMENDMENT NUMBER EIGHTEEN TO LOAN AND SECURITY AGREEMENT (this "Amendment"), dated as of June 30, 2021 (the "Amendment Eighteen Effective Date") is entered into between **PMC FINANCIAL SERVICES GROUP, LLC**, a Delaware limited liability company ("Lender"), and **THE REAL GOOD FOOD COMPANY LLC** ("Borrower"), in light of the following:

RECITALS

WHEREAS, Borrower and Lender have previously entered into that certain Loan and Security Agreement, dated as of June 30, 2016, as amended (the "Agreement").

WHEREAS, Borrower has requested that Lender reduce the Maximum Revolver Amount and modify the amount and payment terms of the Anniversary Fee.

WHEREAS, Lender has agreed to Borrower's request pursuant to the terms of this Amendment.

NOW, THEREFORE, the parties agree as follows:

l. DEFINITIONS. All terms which are defined in the Agreement shall have the same definition when used herein unless a different definition is assigned to such term under this Amendment.

2. AMENDMENTS. Effective as of the Amendment Eighteen Effective Date (as that term is defined in Section 2.1 of this Amendment), the Agreement is amended as follows:

2.1 **Additional Definitions**. Section 8 of the Agreement is amended by adding the definitions of "Amendment Eighteen" and "Amendment Eighteen Effective Date" as follows:

> "Amendment Eighteen" means that certain Amendment Number Eighteen to Loan and Security Agreement, dated as of June 30, 2021, between Lender and Borrower.
>
> "Amendment Eighteen Effective Date" shall have the meaning set forth in the preamble to Amendment Eighteen.

2.2 **Reduction in Maximum Revolver Amount**. Section 1.A. of the Schedule to Loan and Security Agreement is hereby amended such that the Maximum Revolver Amount is reduced from $36,500,000 to $15,000,000.

2.3 **Modification of Anniversary Fee**. The definition of Anniversary Fee in Section 3 of the Schedule to Loan and Security Agreement is deleted and replaced by the following:

Anniversary Fee. With respect to the Revolving Loans: $12,500 per month fully earned and payable on the last day of the preceding month commencing June 30, 2021, and continuing for each month thereafter until the earlier of repayment in full and termination of the Revolving Loans or the Revolver Maturity Date.

3. CONDITION PRECEDENT.

3.1 The following is a condition precedent to the effectiveness of this Amendment:

A. Lender shall have received a fully executed copy of this Amendment

4. REPRESENTATIONS AND WARRANTIES. Borrower hereby affirms to Lender that all of Borrower's representations and warranties set forth in the Agreement are true, complete and accurate in all respects as of the date hereof.

5. LIMITED EFFECT. Except for the specific amendment contained in this Amendment, the Agreement shall remain unchanged and in full force and effect.

6. RELEASE BY BORROWER. Borrower, for itself, and for its agents, servants, officers, directors, shareholders, employees, heirs, executors, administrators, successors and assigns, forever release and discharge Lender and its servants, employees, accountants, attorneys, shareholders, subsidiaries, officers, directors, heirs, executors, administrators, successors and assigns from any and all claims, demands, liabilities, accounts, obligations, costs, expenses, liens, actions, causes of action, rights to indemnity (legal or equitable), rights to subrogation, rights to contribution and remedies of any nature whatsoever, known or unknown, which Borrower had, now has, or has acquired, individually or jointly, at any time prior to the Agreement Date, including specifically, but not exclusively, and without limiting the generality of the foregoing, any and all of the claims, damages, demands and causes of action, known or unknown, suspected or unsuspected by Borrower which:

6.1 Arise out of the Loan Documents;

6.2 Arise by reason of any matter or thing alleged or referred to in, directly or indirectly, or in any way connected with, the Loan Documents; or

6.3 Arise out of or in any way are connected with any loss, damage, or injury, whatsoever, known or unknown, suspected or unsuspected, resulting from any act or omission by or on the part of the Lender or any party acting on behalf of Lender.

7. WAIVER OF CALIFORNIA CIVIL CODE SECTION 1542. Borrower acknowledges that there is a risk that subsequent to the execution of this Agreement it may incur or suffer losses, damages or injuries which are in some way caused by the transactions referred to in the Loan Documents or this Agreement, but which are unknown and unanticipated at the time this Agreement is executed. Borrower does hereby assume the above mentioned risks and agree that this Agreement shall apply to all unknown or unanticipated results of the transactions and occurrences described herein, as well as those known and anticipated, and upon advice of counsel,

Borrower does hereby knowingly waive any and all rights and protections under California Civil Code Section 1542 which section has been duly explained and reads as follows:

> "A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

8. LEGAL ADVICE OBTAINED. The advice of legal counsel has been obtained by each party prior to signing this Agreement and each party executes this Agreement voluntarily, with full knowledge of its significance, and with the express intention of effecting the legal consequences provided by Section 1541 of the California Civil Code, namely, the extinguishment of obligations except for the executory provisions of this Agreement.

9. COUNTERPARTS; EFFECTIVENESS. This Amendment may be executed in any number of counterparts and by different parties on separate counterparts, each of which when so executed and delivered shall be deemed to be an original. All such counterparts, taken together, shall constitute but one and the same Amendment. This Amendment shall become effective upon the execution of this Amendment by each of the parties hereto.

IN WITNESS WHEREOF, Lender and Borrower have executed this Amendment.

THE REAL GOOD FOOD COMPANY LLC

By: */s/ Bryan Freeman*
Name: Bryan Freeman
Title: Chairman

PMC FINANCIAL SERVICES GROUP, LLC

By: */s/ Walter E. Buttkus, III*
Name: Walter E. Buttkus, III
Title: President

Exhibit 10.25

PROMISSORY NOTE (*"NOTE"*)

$40,000.00 Riverside, California February 21, 2017

1. Obligation. FOR VALUE RECEIVED, the undersigned, THE REAL GOOD FOOD COMPANY LLC, a California limited liability company ("***Company***"), promises to pay to the order of PPZ, LLC, a Wyoming limited liability company, or its permitted assigns (collectively referred to herein as, the "***Holder***") at maturity, a principal sum of Forty Thousand Dollars and Zero Cents ($40,000.00) ("***Principal***"), together with all accrued and unpaid interest, at its offices or such other place as the Holder may designate in writing.

2. Interest Rate. From the date of this Note and until this Note is paid in full, interest shall accrue on the outstanding principal balance of this Note at the simple rate of interest of eight percent (8%) per annum ("***Interest Rate***"). Interest shall be calculated on the basis of a 360-day year assuming twelve equal 30-day months.

3. Payment Provisions

3.1 Payment at Maturity. The outstanding principal balance plus all accrued and unpaid interest under this Note shall be due and payable to the Holder on February 20, 2019 ("***Maturity Date***").

3.3 Other Payment Provisions. All payments of principal and/or interest shall be payable to the Holder in lawful money of the United States. All payments shall first be applied to accrued and unpaid interest and then to reduce the principal balance of this Note. Except as otherwise provided herein, this Note may not be prepaid at any time without the prior written consent of the Holder.

4. Assignment. The Company may not assign this Note or any of its rights hereunder without the prior written consent of the Holder; provided, however, that in the event of a merger or consolidation of the Company into or with another entity, this Note may be, without the prior written consent of the Holder, and shall be deemed to be, assigned to and assumed by the surviving entity in any such merger or consolidation, which shall thereupon become the Company for purposes of this Note. The Holder may assign this Note without the prior written consent of the Company, to another entity for the purpose converting this Note. The Company or the Holder, as applicable, shall promptly deliver notice of any assignment of this Note or any rights, title or interests in or to this Note by such party, which notice shall include the date of the assignment and the name and address of the assignee.

5. Subordination. This Note shall be subordinated to any and all security interests held by PMC Financial in the assets of the Company, existing before or after the date hereof.

6. Successors and Assigns. Except as otherwise provided herein, any reference to the Holder hereof shall be deemed to include the permitted successors and assigns of such Holder, and all covenants, promises and agreements by or on behalf of the Company that are contained in this Note shall bind and inure to the benefit of the permitted successors and assigns of such Holder and to any future holders of this Note.

7. Notices. Any communication, notice or demand of any kind whatsoever which either party may be required or may desire to give to or serve upon the other shall be in writing and delivered by (a) overnight courier (such as Federal Express) that provides evidence of receipt, (b) by registered or certified mail, postage prepaid, return receipt requested or (c) by electronic communication (whether by email or facsimile) so long as a copy of such notice follows using the methods provided in (a) or (b) within two (2) days, addressed as follows:

To Holder:	PPZ, LLC Attention: Rhea Lamia [***] Email: [***]
To Company:	The Real Good Food Company LLC [***] Email: [***]
With a Copy to:	Varner & Brandt LLP Attention: Sean S. Varner 3750 University Avenue Riverside, California 92501 Email: [***]

Any party may change its address for notice by written notice given to the other in the manner provided in this Section 7. Any such communication, notice or demand shall be deemed to have been received on the date of confirmed delivery; provided, however, that any communication, notice or demand received after 5:00 p.m. (local time for the addressee) shall be deemed to have been received on the next business day.

8. Waiver. No waiver of any obligation of the Company under this Note shall be effective unless it is in a writing signed by the Holder. A waiver by the Holder of any right or remedy under this Note on any occasion shall not be a bar to exercise of the same right or remedy on any subsequent occasion or of any other right or remedy at any time. The Company hereby expressly waives presentment, demand and protest, notice of demand, dishonor and nonpayment of this Note, and all other notices or demands of any kind in connection with the delivery, acceptance, performance, default or enforcement hereof.

9. Controlling Law and Venue. This Note and the provisions hereof shall be governed, construed and interpreted strictly in accordance with the laws of the State of California, without regard to its principles of conflicts of law. The Company and Holder each submit to the exclusive jurisdiction of the State courts in the State of California. The venue for any legal action arising out of this Agreement shall lie in Riverside County, California.

10. Severability. In the event any one or more of the provisions of this Note shall for any reason be held to be invalid, illegal or unenforceable, in whole or in part or in any respect, or in the event that any one or more of the provisions of this Note operate or would prospectively operate to invalidate this Note, then and in any such event, such provision(s) only shall be deemed null and void and shall not affect any other provision of this Note and the remaining provisions of this Note shall remain operative and in full force and effect and in no way shall be affected, prejudiced, or disturbed thereby.

11. Loss, Theft, Destruction or Mutilation of Note. In the event of the loss, theft, mutilation or destruction of this Note, upon Company's receipt of an indemnification agreement reasonably satisfactory to the Company and executed in favor of the Company by the Holder, or in the event of a mutilation of this Note, upon Holder's surrender to Company of the mutilated Note, Company shall execute and deliver to Holder, a new convertible promissory note in the form and content identical to this Note in lieu of the lost, stolen, destroyed or mutilated Note.

12. Relationship of Parties. The relationship between Company and Holder is, and at all times shall remain, solely that of debtor and creditor, for purposes of this Note only, and shall not be, or be construed to be, a joint venture, partnership or other relationship of any nature.

13. Costs. The Company, with the exception of Holder's attorney fees, shall be responsible for all costs and expenses related to this Agreement included but limited to, title policies, escrow costs, recording fees, postage, etc.

14. Amendments. No amendment, modification or termination of this Note shall be effective unless the same shall be in writing and signed and delivered by the Company and Holder. No waiver of any provision of this Note or consent by the Holder shall be effective unless the same shall be in writing and signed by the Holder. No waiver of any provision of this Note or consent by the Company shall be effective unless the same shall be in writing and signed by the Company.

[***signature page follows***]

IN WITNESS WHEREOF, the undersigned has caused this Note to be executed and its seal affixed effective as of the day and year first above written.

COMPANY: THE REAL GOOD FOOD COMPANY LLC,
a California limited liability company

By: */s/ Josh Schreider*
Name: Josh Schreider
Title: Manager

LOAN AGREEMENT

THIS LOAN AGREEMENT ("***Agreement***") is made this 1st day of June, 2017 by and between THE REAL GOOD FOOD COMPANY LLC, a California limited liability company ("***Borrower***") and PPZ, LLC, a Wyoming limited liability company, or its designee ("***Lender***"). Borrower and Lender are sometimes hereinafter individually referred to as a "***Party***" and collectively as the "***Parties***".

RECITALS

A. Borrower manufacturing various food products ("***Business***") including without limitation specialty pizza items.

B. Borrower requires additional capital for various business and operational needs.

C. Lender desires to make a loan to Borrower and Borrower desires to receive a loan from Lender on the terms and conditions set forth in this Agreement.

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Incorporation of Recitals. The Recitals are incorporated herein and by this reference made a part hereof.

2. Loan. Lender hereby agrees to loan to Borrower up to Four Hundred Thousand Dollars and Zero Cents ($400,000.00) (the "***Loan***") on the terms and conditions set forth herein. On May 23, 2017 Lender remitted to Borrower Two Hundred Thousand Dollars and Zero Cents ($200,000.00) of the Loan. Lender shall remit to Borrower an additional One Hundred Thousand Dollars and Zero Cents ($100,000.00) on the date of this Agreement. The remaining One Hundred Thousand Dollars and Zero Cents ($100,000.00) of the Loan within three (3) business days of after written request for all or portion of the remaining Loan from Borrower. The Loan shall be evidenced by a promissory note (the "***Note***") executed by Borrower in favor of Lender in the form attached hereto as Exhibit A and by this reference made a part hereof. The Note shall bear interest at the rate of nine percent (9%) per annum, calculated on the basis of a 360-day year assuming twelve equal 30-day months. The Loan shall be secured pursuant to a security agreement in the form attached hereto as Exhibit B and by this reference made a part hereof ("***Security Agreement***") and UCC-1 Financing Statement in the form attached hereto as Exhibit C and by this reference made a part hereof ("***UCC***") on all the assets of Borrower and subordinated only to all existing and future debt of Borrower from PMC Financial. This Agreement, the Note and the UCC are sometimes together referred to as the "***Loan Documents***".

3. Fee and Costs. Upon receipt of the Loan, Borrower shall pay Lender an origination fee and a loan maintenance fee collectively of Six Thousand Dollars ($6,000.00) for the amounts loaned to date. Upon funding of the remaining One Hundred Thousand Dollars and Zero Cents ($100,000.00), the Borrower shall pay Lender Two Thousand Dollars ($2,000.00) as an additional origination and loan maintenance fee.

4. Use of Loan Proceeds. The Loan shall be used exclusively for operational needs of the Business, including any tax obligations or other fees, costs or expenses incurred as a result of such needs.

5. Representations and Warranties. Borrower hereby makes the following representations and warranties to Lender, which representations and warranties shall survive the execution of this Agreement:

4.1 Enforceability. Borrower has the full right, power and authority to execute and deliver the Loan Documents to be delivered to Lender hereunder and to perform the undertakings of Borrower contained in the Loan Documents. The Loan Documents constitute valid and binding obligations of Borrower that are legally enforceable in accordance with their terms.

4.2 No Breach. None of the undertakings of Borrower contained in the Loan Documents violates any applicable statute, law, regulation or ordinances or any order or ruling of any court or governmental entity, or conflicts with, or constitutes a breach or default under, any agreement by which Borrower or the Property is bound, encumbered or regulated.

4.3 Proceedings. Borrower is not in violation of any statute, law, regulation or ordinance, or of any order of any court or governmental entity. Borrower has no knowledge of any claims, actions or proceedings pending or threatened against Borrower other than those disclosed to Lender in writing.

4.4 Accuracy. All reports, documents, instruments, papers, data, information and forms of evidence delivered to Lender with respect to the Loan are accurate and correct, are complete insofar as needed to give Lender true and accurate knowledge of the subject matter thereof, and do not contain any misrepresentation or material omission.

4.5 Taxes. Borrower has filed all federal, state, county and municipal tax returns that it is required to file and has paid all taxes which have become due pursuant to such returns or to any notice of assessment received by Borrower, and Borrower has no knowledge of any basis for additional assessment with respect to such taxes.

6. Events of Default. The occurrence of any of the following events ("***Events of Default***") shall constitute a default under this Agreement and, at the option of Lender, shall make all obligations of Borrower to Lender under or in respect of advances and all other sums outstanding under or in respect of this Agreement and any instrument or agreement required under this Agreement immediately due and payable, without notice of default, presentment or demand for payment, protest or notice of nonpayment or dishonor, or other notices or demand of any kind or character:

5.1 Borrower fails to pay any installments as required by the Note, which failure to pay is not cured within ten (10) calendar days after written notice of such failure is given to Borrower as provided in the Note;

5.2 Any representation or warranty in this Agreement, or in any agreement or instrument executed in connection with this Agreement, proves false or misleading in any material respect when made;

5.3 A judgment or judgments is entered against Borrower in the aggregate amount of Fifty Thousand Dollars and Zero Cents ($50,000.00) or more on a claim or claims not covered by insurance;

5.4 Borrower files any petition, proceeding, case or action for relief under any bankruptcy, reorganization, insolvency, or moratorium law, or any other law or laws for the relief of, or relating to, debtors;

5.5 An involuntary petition is filed under any bankruptcy or similar statute against Borrower or a receiver, trustee, liquidator, assignee, custodian, sequestrator, or other similar official is appointed to take possession of the properties of Borrower and such action is not dismissed or such official is not removed within ninety (90) days;

5.6 Borrower defaults under any provision of the Loan Documents not specifically referred to in this Section 5;

5.7 The breach of any covenant, warranty, promise or representation contained herein or in any exhibit hereto; and

5.8 Borrower utilizes funds loaned under this Agreement for any purpose other than as set forth in this Agreement.

All remedies of Lender provided for herein are cumulative and shall be in addition to all other rights and remedies under any of the Loan Documents or otherwise provided by law. The exercise of any right or remedy by Lender hereunder shall not in any way constitute a cure or waiver of default hereunder or under any other agreement or invalidate any act pursuant to any notice of default, or prejudice Lender in the exercise of any of its right hereunder or any other document described herein.

7. Notices. Except as otherwise provided herein, any notice or other items to be delivered to a Party pursuant to this Agreement shall be in writing and either personally delivered, sent by first class mail, postage prepaid, or sent via electronic transmission, addressed to the Party to be notified at the address specified in accordance with this Section, or delivered by Federal Express or other comparable overnight delivery service, delivery costs prepaid and addressed to the Party to be notified at the address specified in accordance with this Section. Any such notice or other items to be delivered shall be deemed duly given, delivered and received on the date of personal delivery to the Party (or such Party's authorized representative) or in the case of mailing, three (3) business days after deposit in the U.S. Mail, or in the case of electronic transmission receipt by the other Party is not effective unless a duplicate copy of the electronic transmission Notice is promptly given by one of the other methods permitted under this Section, or in the case of Federal Express or other comparable overnight delivery service, one (1) day following the delivery of such notice or item to such delivery service, as the case may be. Unless a Party changes its address for notice by giving a notice in accordance with this Section changing such address, the address for notice and delivery of each Party shall be as follows:

To Lender	PPZ, LLC Attention: Rhea Lamia [***] Email: [***]
To Borrower:	The Real Good Food Company LLC [***] Email: [***]
With a Copy to:	Varner & Brandt LLP Attention: Sean S. Varner 3750 University Avenue Riverside, California 92501 Email: [***]

8. Miscellaneous.

7.1 Assignment. This Agreement shall bind and inure to the benefit of the Parties and their respective successors and assigns; provided, however, that Borrower shall not assign this Agreement or any of the rights, duties or obligations of Borrower hereunder without the prior written consent of Lender. Lender shall have the right to assign this Agreement without the consent of Borrower.

7.2 Consent and Waiver. No consent or waiver under this Agreement shall be effective unless in writing. No waiver of any breach or default shall be deemed a waiver of any breach or default thereafter occurring.

7.3 Merger. This Agreement and any instrument or agreement attached hereto or referred to herein integrate all the terms and conditions mentioned herein or incidental hereto, and supersede all oral negotiations and prior writings in respect to the subject matter hereof.

7.4 Purpose. This Agreement is made for the purpose of defining and setting forth certain obligations, rights and duties of Borrower and Lender in connection with the Loan. After the execution of this Agreement, it shall be deemed a supplement to the Loan Documents, and shall not be construed as a modification of any of the Loan Documents, except as provided herein. It is made for the sole protection of Borrower and Lender, and Borrower's and Lender's successors and assigns. No other person shall have any rights of any nature hereunder or by reason hereof.

7.5 Indemnity. Borrower shall indemnify Lender against, and hold Lender harmless from any and all losses, damages (whether general, punitive or otherwise), liabilities, claims, cause of action (whether legal, equitable or administrative), judgments, court costs and legal or other expenses (including attorneys' fees) which Lender may suffer or incur as a direct or indirect consequence of:

i. any claim or cause of action of any kind by any person to the effect that Lender is in any way responsible or liable for any act or omission by Borrower, whether on account of any theory or derivative liability or otherwise, including but not limited to any claim or cause of action for fraud, misrepresentation, tort or willful misconduct;

ii. any claim or cause of action by any person against Lender, as a result of this Agreement; and

iii. any claim or cause of action of any kind by any person which would have the effect of denying Lender the full benefit or portion of any provision of this Agreement or any other Loan Document.

The Lender's rights of indemnity shall not be directly or indirectly limited, prejudiced, impaired or eliminated in any way by any finding or allegation that Lender's conduct is active, passive or subject to any other classification or that Lender is directly or indirectly responsible under any theory of any kind, character or nature for any act or omission by Borrower or any other person, except Lender. Notwithstanding the foregoing, Borrower shall not be obligated to indemnify Lender with respect to any intentional tort or act of gross negligence which Lender is determined by the judgment of a court of competent jurisdiction (sustained on appeal, if any) to have committed. Borrower shall pay any indebtedness arising under said indemnity to Lender immediately upon demand by Lender together with interest thereon from the date such indebtedness arises until paid at the default rate.

7.6 Attorneys' Fees. If any legal action is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, reasonable expert witness fees, costs and necessary disbursements in addition to any other relief to which that party may be entitled.

7.7 Interpretation; Venue. Prior to the execution of this Agreement, each of the Parties has had an opportunity to review the provisions of this Agreement, and contribute to the content hereof, and have consulted with legal counsel of that Party's own choosing or have chosen not to do so of that Party's own volition. The provisions of this Agreement shall be interpreted to give effect to their fair meaning and shall be construed as though prepared by Borrower and Lender, respectively. The invalidity of any provision shall not affect the validity of any other provision. Section headings are for convenience only and may not be used in interpretations. All interpretations are to be made in accordance with California law. The venue for any legal action arising out of this Agreement shall lie in Los Angeles County, California.

7.8 Agreement in Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. The Parties may also deliver executed copies of this Agreement to each other by electronic transmission, which electronically transmitted signatures shall be binding. Any electronically delivered signatures shall be followed by the delivery of executed originals.

[***signatures on the following page***]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

LENDER

PPZ, LLC,
a Wyoming limited liability company

By: */s/ Rhea Lamia*
Rhea Lamia
Its: Manager

BORROWER

THE REAL GOOD FOOD COMPANY LLC,
a California limited liability company

By: */s/ Josh Schreider*
Josh Schreider
Its: Manager

Signature Page to Loan Agreement

EXHIBIT A

PROMISSORY NOTE

(***attached behind***)

SECURED PROMISSORY NOTE (“*NOTE*”)

UP TO $400,000.00 June 1, 2017

1. Obligation. FOR VALUE RECEIVED, the undersigned, THE REAL GOOD FOOD COMPANY LLC, a California limited liability company (“***Company***”), promises to pay to the order of PPZ, LLC, a Wyoming limited liability company with a principal office located at 13673 Pacific Breeze Dr, Santa Rosa Valley, CA 93012, or its permitted assigns (collectively referred to herein as, the “***Holder***”) at maturity, a principal sum of up to Four Hundred Thousand Dollars and Zero Cents ($400,000.00) (“***Principal***”), together with all accrued and unpaid interest, at its offices or such other place as the Holder may designate in writing. On May 23, 2017, Holder remitted to the Company Two Hundred Thousand Dollars and Zero Cents ($200,000.00) of the Principal. Holder remitted to Company an additional One Hundred Thousand Dollars and Zero Cents ($100,000.00) on the date of this Note and up to an additional One Hundred Thousand Dollars and Zero Cents ($100,000.00) of the Principal within three (3) business days of written notice from the Company for all or a portion of the remaining Principal in one or more requests prior to the Maturity Date, as defined below.

2. Interest Rate. From May 23, 2017 on the first remittance, from the date of this Note for the second remittance and until this Note is paid in full, interest shall accrue on the outstanding principal balance of this Note at the simple rate of interest of nine percent (9%) per annum (“***Interest Rate***”). Interest shall be calculated on the basis of a 360-day year assuming twelve equal 30-day months. Interest will accrue on the remaining Principal from the date such Principal is received by the Company.

3. Payment Provisions

3.1. Monthly Payments. The Company shall make monthly payments of accrued interest commencing on July 1, 2017 until the Maturity Date. The Company shall calculate the amount of interest owed in accordance with Section 2 based on the outstanding Principal and the date any subsequent Principal amount is provided by Holder to the Company.

3.2. Payment at Maturity. The outstanding principal balance plus all accrued and unpaid interest under this Note shall be due and payable to the Holder on November 30, 2017 (“***Maturity Date***”).

3.3. Other Payment Provisions. All payments of principal and/or interest shall be payable to the Holder in lawful money of the United States. All payments shall first be applied to accrued and unpaid interest and then to reduce the principal balance of this Note. Except as otherwise provided herein, this Note may not be prepaid at any time without the prior written consent of the Holder.

4. Origination and Maintenance Fee. The Company shall pay Holder Six Thousand Dollars ($6,000.00) as an origination and loan maintenance fee on even date herewith for the Principal loaned to date. Upon funding of the remaining One Hundred Thousand Dollars and Zero Cents ($100,000.00), the Company shall pay Holder Two Thousand Dollars ($2,000.00) as an additional origination and loan maintenance fee.

5. Security Interest. The indebtedness evidenced by this Note shall be secured, to the fullest extent permitted by law, by a security interest in and to all of the Company’s assets and evidenced by the filing of a financing statement made pursuant to, and in accordance with the terms and conditions of that certain Security Agreement of even date herewith (“***Security Agreement***”), executed by and between the Company, as Debtor, and Holder, as Secured Party, and subordinated only to all indebtedness now and or in the future owed by the Company to PMC Financial Services Group, LLC.

6. Assignment. The Company may not assign this Note or any of its rights hereunder without the prior written consent of the Holder; provided, however, that in the event of a merger or consolidation of the Company into or with another entity, this Note may be, without the prior written consent of the Holder, and shall be deemed to be, assigned to and assumed by the surviving entity in any such merger or consolidation, which shall thereupon become the Company for purposes of this Note. The Holder may assign this Note without the prior written consent of the Company. The Company or the Holder, as applicable, shall promptly deliver notice of any assignment of this Note or any rights, title or interests in or to this Note by such party, which notice shall include the date of the assignment and the name and address of the assignee.

7. Successors and Assigns. Except as otherwise provided herein, any reference to the Holder hereof shall be deemed to include the permitted successors and assigns of such Holder, and all covenants, promises and agreements by or on behalf of the Company that are contained in this Note shall bind and inure to the benefit of the permitted successors and assigns of such Holder and to any future holders of this Note.

8. Notices. Any communication, notice or demand of any kind whatsoever which either party may be required or may desire to give to or serve upon the other shall be in writing and delivered by (a) overnight courier (such as Federal Express) that provides evidence of receipt, (b) by registered or certified mail, postage prepaid, return receipt requested or (c) by electronic communication (whether by email or facsimile) so long as a copy of such notice follows using the methods provided in (a) or (b) within two (2) days, addressed as follows:

To Holder:	PPZ, LLC Attention: Rhea Lamia [***] Email: [***]
To Company:	The Real Good Food Company LLC [***] Email: [***]
With a Copy to:	Varner & Brandt LLP Attention: Sean S. Varner 3750 University Avenue Riverside, California 92501 Email: [***]

Any party may change its address for notice by written notice given to the other in the manner provided in this Section 8. Any such communication, notice or demand shall be deemed to have been received on the date of confirmed delivery; provided, however, that any communication, notice or demand received after 5:00 p.m. (local time for the addressee) shall be deemed to have been received on the next business day.

9. Waiver. No waiver of any obligation of the Company under this Note shall be effective unless it is in a writing signed by the Holder. A waiver by the Holder of any right or remedy under this Note on any occasion shall not be a bar to exercise of the same right or remedy on any subsequent occasion or of any other right or remedy at any time. The Company hereby expressly waives presentment, demand and protest, notice of demand, dishonor and nonpayment of this Note, and all other notices or demands of any kind in connection with the delivery, acceptance, performance, default or enforcement hereof.

10. Controlling Law and Venue. This Note and the provisions hereof shall be governed, construed and interpreted strictly in accordance with the laws of the State of California, without regard to its principles of conflicts of law. The Company and Holder each submit to the exclusive jurisdiction of the State courts in the State of California. The venue for any legal action arising out of this Agreement shall lie in Riverside County, California.

11. Severability. In the event any one or more of the provisions of this Note shall for any reason be held to be invalid, illegal or unenforceable, in whole or in part or in any respect, or in the event that any one or more of the provisions of this Note operate or would prospectively operate to invalidate this Note, then and in any such event, such provision(s) only shall be deemed null and void and shall not affect any other provision of this Note and the remaining provisions of this Note shall remain operative and in full force and effect and in no way shall be affected, prejudiced, or disturbed thereby.

12. Loss, Theft, Destruction or Mutilation of Note. In the event of the loss, theft, mutilation or destruction of this Note, upon Company's receipt of an indemnification agreement reasonably satisfactory to the Company and executed in favor of the Company by the Holder, or in the event of a mutilation of this Note, upon Holder's surrender to Company of the mutilated Note, Company shall execute and deliver to Holder, a new convertible promissory note in the form and content identical to this Note in lieu of the lost, stolen, destroyed or mutilated Note.

13. Relationship of Parties. The relationship between Company and Holder is, and at all times shall remain, solely that of debtor and creditor, for purposes of this Note only, and shall not be, or be construed to be, a joint venture, partnership or other relationship of any nature.

14. Costs. The Company, with the exception of Holder's attorney fees, shall be responsible for all costs and expenses related to this Agreement included but limited to, title policies, escrow costs, recording fees, postage, etc.

15. Amendments. No amendment, modification or termination of this Note shall be effective unless the same shall be in writing and signed and delivered by the Company and Holder. No waiver of any provision of this Note or consent by the Holder shall be effective unless the same shall be in writing and signed by the Holder. No waiver of any provision of this Note or consent by the Company shall be effective unless the same shall be in writing and signed by the Company.

[***signature page follows***]

IN WITNESS WHEREOF, the undersigned has caused this Note to be executed and its seal affixed effective as of the day and year first above written.

COMPANY: THE REAL GOOD FOOD COMPANY LLC,
a California limited liability company

By: _____
Name: Josh Schreider
Title: Manager

Signature Page to Promissory Note

EXHIBIT B

SECURITY AGREEMENT

(***attached behind***)

SECURITY AGREEMENT

This Security Agreement ("***Agreement***") is made and entered into by and between PPZ, LLC, a Wyoming limited liability company ("***Secured Party***"), and THE REAL GOOD FOOD COMPANY LLC, a California limited liability company ("***Debtor***") on this 1st day of June, 2017 (the "***Effective Date***"). The Secured Party and Debtor are at times hereinafter referred to individually as a "Party" and collectively as the "***Parties***."

RECITALS

A. Debtor executed in favor of Secured Party a Secured Convertible Promissory Note of even date herewith attached hereto as **Exhibit A** ("***Promissory Note***"), and incorporated herein by this reference, whereby Debtor promises to pay, to the order of Secured Party, a principal amount of up to Four Hundred Thousand Dollars and Zero Cents ($400,000.00), all on terms and conditions more particularly stated in the Promissory Note (the "***Loan***").

B. Pursuant to Section 4 of the Promissory Note, Debtor agreed to grant Secured Party a security interest in and to all of Debtor's assets, all on the terms and conditions which the Parties agreed to evidence by this Agreement.

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the above recitals and the covenants, promises, agreements and representations set forth in this Agreement, all of which are operative provisions of this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Incorporation of Recitals; Defined Terms. The Recitals set forth above are material and incorporated herein by this reference. Defined words or phrases shall have the meanings proscribed to such term in this Agreement, unless the context indicates otherwise. Defined terms not otherwise defined herein shall have the meaning proscribed thereto in the Promissory Note, unless the context indicates otherwise. The singular shall include the plural and the masculine gender shall include the feminine and neuter, and vice versa, as the context indicates.

1.1 "***Bankruptcy***" means any proceeding under the United States Bankruptcy Code or any equivalent proceeding under another federal or state law, including appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator, or similar officer for the affected Person or any part of its property, or any other type of bankruptcy, insolvency, reorganization, rearrangement, readjustment of debt, dissolution, custodianship, conservatorship, liquidation or rehabilitation proceeding, whether commenced voluntarily by the affected Person or involuntary against an affected Person by others, which in the case of an involuntary Bankruptcy, such proceeding is not dismissed within ninety (90) days.

1.2 "***Code***" means and refers to the California Uniform Commercial Code as adopted in California, as amended from time to time.

1.3 "***Collateral***" means all of the following property that is now or hereafter at any time used in connection with (without regard to the duration of the period of such use), or now or at any time relates to or arises as a result of the operation of the business known as The Real Good Food Company LLC and any subsidiaries or affiliates now existing or hereafter organized:

(a) All of the Debtor's inventory, including all goods, merchandise, raw materials, supplies and other tangible personal property, now owned or hereafter acquired, and all documents now and at any times covering or representing any of said property;

(b) All of Debtor's accounts, accounts receivable, contract receivables, contract rights, notes, drafts, acceptances, instruments, chattel paper, choses in action, and general intangibles, and all guarantees and suretyship agreements relating thereto and all security for payment thereof, now and hereafter existing or arising; and

(c) All of Debtor's equipment, including all furniture, furnishings, machinery, fixtures, storage shelves and other goods used in the conduct of Debtor's business, including, but not limited to, all motor vehicles and rolling stock, now owned or hereafter acquired.

Together with: (a) all increases, parts, fittings, accessories, equipment, special tools and accessions now or hereafter attached thereto or used in connection therewith, and any and all replacements of all or any part thereof; (b) any profits now or hereafter acquired from or through any of the foregoing; (c) any products now or hereafter manufactured, processed, assembled or commingled from any of the foregoing; and (d) any and all proceeds received should any of the foregoing be sold, exchanged, collected or otherwise disposed of.

1.4 "***Debtor***" means The Real Good Food Company LLC, a California limited liability company, and their respective successors, assigns and transferees.

1.5 "***Event of Default***" shall have the meaning provided in Section 7 below.

1.6 "***Promissory Note***" means the Secured Convertible Promissory Note of even date herewith.

1.7 "***Obligations***" means all of the debts, obligations and/or liabilities of Debtor described in Section 3 below, the timely and faithful performance of which are secured by the security interest in the Collateral granted to Secured Party under this Agreement.

1.8 "***Other Liable Party***" means any Person, other than Debtor, who may now or may at any time hereafter be primarily or secondarily liable for any of the Obligations or who may now or may at any time in the future have granted to Debtor a security interest or lien upon any property as security for any of the Obligations.

1.9 "***Person***" means an individual, corporation, partnership, association, joint stock company, trust, estate, unincorporated organization or joint venture, or a court or governmental unit or any agency or subdivision, or any other legally recognizable entity.

1.10 "***Proceeds***" means any proceeds, items, rights or things that Debtor may receive by virtue of Debtor being or having been an owner of any the Collateral and any other items constituting "proceeds" within the meaning of the Code.

1.11 "***Secured Party***" means and refers to PPZ, LLC, and its respective successors, assigns and transferees. PPZ, LLC, may enforce the rights of Secured Party hereunder.

2. Grant of Security Interest. Debtor granted to Secured Party a security interest in and to all of the Collateral, subordinated to all existing and future indebtedness owed by Debtor to PMC Financial Services Group, LLC ("***PMC Financial***") including all of Debtor's right, title and interest

relating to or arising under or on account of the Collateral as security for all of the Obligations to be performed by Debtor. Secured Party understands and acknowledges that the security interest granted hereunder is subordinated to matters of record filed prior to the date hereof.

3. Obligations Secured. The security interest described in Section 2 is granted to Secured Party as collateral security to secure Debtor's full and timely performance, satisfaction and compliance with all of Debtor's Obligations. "***Obligations***" means all of Debtor's debts, liabilities and/or obligations described in Subsections 3.1 and 3.2 below to be performed or satisfied in accordance with the terms of any agreement or other documentation creating, governing or evidencing any such debt, liability or obligation.

3.1 Note. The secured Obligations include all of Debtor's indebtedness and other liabilities and obligations evidenced by the Note, including the timely payment of all amounts becoming due under the Note.

3.2 Performance under This Agreement. The secured Obligations include all of the Obligations of Debtor under this Agreement.

4. Financing Statement Filings. Debtor authorizes Secured Party to file, without the signature of Debtor where permitted by law, one or more financing statements, continuation statements, and financing statement amendments ("***UCC-1***") relating to the Collateral. Debtor shall pay all filing costs and all costs and expenses of any record searches for financing statements that Secured Party may reasonably require. Debtor further agrees that a carbon, photographic or other reproduction of this Agreement or any UCC-1 describing the Collateral is sufficient as a financing statement and may be filed in any jurisdiction Secured Party may deem appropriate.

5. Representations and Warranties. Debtor is making the representations and warranties set forth in Subsections 5.1 through 5.3 below for the benefit of Secured Party to be effective both as of the Effective Date of this Agreement and at all times thereafter while this Agreement remains outstanding. Debtor acknowledges and agrees Debtor's willingness to make such representations and warranties is a material inducement to Secured Party in undertaking to provide direct and indirect benefits to Debtor, and Debtor shall be deemed to have committed an Event of Default (with no cure or grace period) in the event that any such representation and warranty is or becomes false or misleading in any material respect.

5.1 Title to Collateral. Debtor has title to all Collateral and: (a) except for the secured obligations owed by Debtor to PMC Financial, the Collateral is free and clear of all liens, security interests, encumbrances or adverse claims, except for the security interests perfected prior to the date hereof and the encumbrance created by this Agreement; (b) no dispute, right of setoff, counterclaim or defense exists with respect to all or any part of the Collateral; and (c) no financing statement or other instrument similar in effect covering all or any part of the Collateral is on file in any recording office except as previously disclosed herein.

5.2 No Consents or Conflicts. Except for existing liens, including PMC Financial liens, neither the ownership nor the intended use of the Collateral by Debtor, nor the grant of the security interest by Debtor to Secured Party, nor the exercise by Secured Party of its rights or remedies, will: (a) conflict with any provision of (i) any domestic or foreign law, statute, rule or regulation, or (ii) any agreement, judgment, license, order or permit applicable to or binding upon Debtor; or (b) except as to this security agreement, result in or require the creation of any lien, charge or encumbrance upon any assets or properties of Debtor. No consent, approval, authorization or order of, and no notice to or filing with any court, governmental authority, or third Person is required in connection with the grant by Debtor of their respective security interest to Secured Party or the exercise by Secured Party of its rights and remedies arising under or on account of this Agreement.

5.3 Security Interest. During the term of this Agreement, Debtor has and will have at all times full right, power and authority to grant a security interest in and to its respective interests in the Collateral to Secured Party in the manner provided in this Agreement, including subordination to PMC Financial. This Agreement creates a valid and binding security interest in favor of Secured Party in the Collateral securing the Obligations subordinated to security interests of record filed prior to the date hereof.

6. Covenants of Debtor. Unless Secured Party shall otherwise consent in writing, in its sole discretion, Debtor will at all times comply with the covenants and agreements set forth in Subsections 6.1 through 6.7 below from the Effective Date and so long as any part of the Obligations are outstanding and/or not fully performed.

6.1 Ownership of Collateral and Liens. Debtor will maintain good and marketable title to the Collateral free and clear of all liens, security interest, encumbrances or adverse claims, except for the security interests of record filed prior to the date hereof, including PMC Financial, and the encumbrance created by this Agreement. Debtor will not permit any dispute, right of setoff, counterclaim or defense to exist with respect to all or any part of the Collateral. Debtor will not permit and will cause to be terminated any financing statement or other security instrument with respect to the Collateral, except such as may exist or as may have been filed in favor of Secured Party. Debtor will defend Secured Party's right, title and special property and security interest in and to the Collateral against the claims of any other Person.

6.2 Further Assurances. Debtor will, at its expense and at any time and from time to time, promptly execute and deliver all further instruments, documents, stock powers and endorsements and take all further action that may be necessary or desirable or that Secured Party may reasonably request in order: (a) to perfect and protect the security interest created or purported to be created hereby and the first priority of such security interest; (b) to enable Secured Party to exercise and enforce its rights and remedies in respect of their respective interests in the Collateral; or (c) to otherwise effect the purposes of this Agreement, including, without limitation (i) executing and filing such financing statements, continuation statements, or financing statement amendments thereto, as may be necessary or desirable or that Secured Party may request in order to perfect and preserve the security interest created under this Agreement, and (ii) furnishing to Secured Party from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as Secured Party may reasonably request, all in reasonable detail. Secured Party shall executed any reasonable documents required by PMC Financial to acknowledge the subordination of Loan to the debt and secured interests of PMC Financial.

6.3 Information. Debtor will furnish to Secured Party any information which Secured Party may from time to time reasonably request concerning any covenant, provision or representation set forth in this Agreement or any other matter in connection with the Collateral.

6.4 Payment of Taxes and Claims. Debtor: (a) will timely pay all property and other taxes, assessments and governmental charges or levies imposed upon their respective interests in the Collateral or any part thereof; and (b) will timely pay all lawful claims which, if unpaid, might become a lien or charge upon their respective interests in the Collateral or any part thereof.

6.5 No Transfer or Encumbrance. Debtor will not: (a) sell, assign, transfer (by operation of law or otherwise), exchange, lease or otherwise dispose of any of its respective interests in

the Collateral, except in the ordinary course of business and except pursuant to existing contracts; (b) other than in relation to security interests previously created, grant a lien or security interest in or execute, file or record any financing statement or other security instrument with respect to the Collateral without the prior written consent of Secured Party; or (c) deliver actual or constructive possession of the Collateral to any Person other than to Secured Party, except as otherwise required by senior lien holders.

6.6 Power of Attorney. Subject to the rights of senior lien holders, Debtor irrevocably appoints Secured Party as Debtor's attorney-in-fact and proxy while this Agreement remains in effect, with full authority in the place and stead of Debtor and in the name of Debtor or otherwise, from time to time in Secured Party's discretion, to take any action and to execute any instrument which Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement (subject, prior to the occurrence of an Event of Default, to the rights of Debtor under Sections 9 and 10 below), including, without limitation: (a) to obtain and adjust insurance required to be paid to Secured Party; (b) to ask, demand, collect, sue for, recover, compound, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of their respective interests in the Collateral; (c) to receive, endorse and collect any drafts or other instruments, documents and chattel paper in connection with preceding clauses (a) or (b); and (d) to file any claims or take any action or institute any proceedings which Secured Party may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of Secured Party with respect to any of the Collateral.

6.7 Consent to Performance by Secured Party. If Debtor fails to perform any material agreement or obligation under this Agreement, Secured Party may itself perform, or cause performance of, such agreement or obligation, and the reasonable expenses of Secured Party incurred in connection therewith shall be payable by Debtor upon demand; provided, however, in no event or circumstances shall Secured Party be considered to have any duty or obligation to undertake to perform any such obligations or duties of Debtor.

7. Events of Default. Each of the acts, omissions, occurrences, transaction or circumstances described in Subsections 7.1 through 7.7 below shall constitute an "***Event of Default***" under this Agreement. An Event of Default shall be deemed to occur immediately upon the happening of the specified acts, omissions, occurrences, transactions or circumstances and without any grace period or opportunity to cure or remedy in favor of Debtor unless otherwise expressly stated in Subsections 7.1 through 7.7 below.

7.1 Breach of Warranty or Representation. If any warranty or representation or statement made by Debtor in this Agreement proves to have been false or fraudulent in any material respect, or any material omission.

7.2 Noncompliance with Covenants. The failure by Debtor to perform and comply with all of the terms, covenants and agreement of Debtor under this Agreement, including any obligation of indemnification in favor of Secured Party; provided, however, in the case of any obligation of Debtor to pay an amount to Secured Party under this Agreement, an Event of Default will not be deemed to have occurred until the expiration of any longer payment or grace period expressly stated in Secured Party's written notice requiring such payment.

7.3 Noncompliance with Other Obligations. The failure by Debtor to perform and comply with all of the terms, covenants and agreements of Debtor set forth in or relating to the Note or the Promissory Note, including, without limitation, the failure of Debtor to timely pay any amounts due to Secured Party under the Note; provided, however, an Event of Default will not be deemed to have occurred until the expiration of any cure or grace period expressly provided in the Note and/or the Promissory Note.

7.4 Adverse Claims on Collateral. The levy of any attachment, execution or other process against Debtor or against the Collateral, or any part thereof, and the failure of Debtor to cause removal of such process within ten (10) days from the date Debtor receives notice of such attachment, execution or other process.

7.5 Adverse Events Affecting Debtor. In the event Debtor becomes the debtor in any Bankruptcy, or if Debtor, or Debtor's permitted successors or assigns, shall make a general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts as they become due.

7.6 Transfer of Interests. Any voluntary or involuntary transfer, or attempted transfer, or other disposition by Debtor of any beneficial or legal ownership of the Collateral, including, without limitation, any pledge, encumbrance and/or hypothecation of such Collateral or any interest in the Collateral, except with the prior written consent of Secured Party and subject to Secured Party's interests in the Collateral.

7.7 Dissolution of Debtor. The merger, dissolution, liquidation, consolidation or transfer of a controlling interest in Debtor, or any legal entity holding, directly or indirectly, a controlling interest in the Debtor. The term "controlling interest" shall mean any partnership, membership, shareholder, joint venture interest, or other form of ownership interest representing at least fifty-one (51%) of the voting power in the Debtor.

8. Rights and Remedies of Secured Party. In addition to any other rights or remedies of Secured Party provided in another Section of this Agreement, upon the occurrence of an Event of Default, Secured Party shall have all of the rights and remedies provided in Subsections 8.1 and 8.2 below on a pro rata basis based upon the amounts of dollars lent by respective parties in comparison to the total; provided, however, nothing in this Agreement is intended to effect, limit, change or prejudice the rights and remedies of Secured Party arising from or on account of any agreements, contracts or documentation establishing, creating or evidencing any of the Obligations secured by the Collateral.

8.1 Rights Under the Code and Cumulative Remedies. Secured Party may, at Secured Party's option, exercise any and all rights and remedies of a creditor or secured party under the Code or other California law, including, but not limited to, the right to take possession of the Collateral, and arrange the sale or other disposition of the Collateral, or any part thereof, in such increments as determined by Secured Party, in its sole discretion. All rights and remedies of Secured Party are cumulative and nothing in this Agreement shall affect the rights and remedies of Secured Party. Secured Party may proceed against the Debtor and/or Debtor's successors or assigns, with or without proceeding against the Collateral. If Secured Party elects to proceed against the Collateral, Secured Party may proceed against Debtor for any deficiency, subject only to any limitations provided in the Code.

8.2 Indemnity and Expenses. Debtor hereby indemnifies and agrees to hold harmless Secured Party, its affiliates, agents and counsel, each of which is referred to as an "***Indemnified Person***", from and against any and all liabilities, obligations, claims, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against any Indemnified Person (whether or not caused by any Indemnified Person's sole, concurrent or contributory negligence) growing out of or resulting from Debtor's failure to perform the Obligations and the transactions and events at any time associated therewith, including without limitation the enforcement of the Obligations and the defense of any Indemnified Person's actions and inactions in connection with the Obligations, except to the limited extent such liabilities, obligations, claims, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of an Indemnified Person are proximately caused by such Indemnified

Person's gross negligence or willful misconduct. If any Person (including without limitation Debtor or any of Debtor's affiliates) ever alleges such gross negligence or willful misconduct by any Indemnified Person, the indemnification provided for in this Section shall nonetheless be paid upon demand, subject to later adjustment or reimbursement, until such time as a court of competent jurisdiction enters a final judgment as to the extent and effect of the alleged gross negligence or willful misconduct. The indemnification provided for in this Section shall survive the termination of this Agreement and shall extend to and continue to benefit each Person who is or has at any time been any Indemnified Person, including without limitation any Person who has ceased to be an Indemnified Person, whether by assignment of the Obligations, termination of this Agreement, or otherwise.

8.3 Deficiency. In the event that the proceeds of any sale, collection or realization of or upon Collateral by Secured Party are insufficient to pay all amounts to which Secured Party is legally entitled, to the extent Debtor remains liable to Secured Party on account of any of the Obligations, Debtor shall be liable for the deficiency, together with interest thereon as provided in the agreements or other documentation creating, governing or evidencing any of the Obligations (if no interest is so provided) at such other rate as shall be fixed by applicable law, together with the costs of collection and the reasonable fees of any attorneys employed by Secured Party to collect such deficiency.

9. Debtor's Waiver of Other Recourse Claim. Debtor waives any right to require Secured Party to proceed against any other Person, exhaust any Collateral or other security for the Obligations, or to have any Other Liable Party joined with Debtor in any suit arising out of the Obligations or this Agreement, or pursue any other remedy in Secured Party's power. Debtor further waives any and all notice of the creation, modification, rearrangement, renewal or extension for any period of any of the Obligations of any Other Liable Party from time to time. Debtor further waives any defense arising by reason of any disability or other defense of any Other Liable Party or by reason of the cessation from any cause whatsoever of the liability of any Other Liable Party. Until all of the Debtor's Obligations shall have been paid in full, Debtor shall have no right to subrogation and Debtor waives the right to enforce any remedy which Secured Party has or may hereafter have against any Other Liable Party, and waives any benefit of and any right to participate in any other security whatsoever now or hereafter held by Secured Party. Debtor authorizes Secured Party, without notice or demand and without any reservation of rights against Debtor without affecting Debtor's liability hereunder or on the Obligations, from time to time to: (a) take or hold any other property of any type from any other Person as security for the Obligations, and exchange, enforce, waive and release any or all of such other property; (b) apply the Collateral or such other property and direct the order or manner of sale thereof as Secured Party may in its discretion determine; (c) renew, extend for any period, accelerate, modify, compromise, settle or release any of the obligations of any Other Liable Party in respect to any or all of the Obligations or other security for the Obligations; (d) waive, enforce, modify, amend or supplement any of the provisions of agreements or other documentation creating, governing or evidencing any of the Obligations with any Person other than Debtor; and (e) release or substitute any Other Liable Party.

10. Debtor's Acknowledgments and Admissions. Debtor represents, warrants, acknowledges and admits that:

10.1 It has made an independent decision to enter into this Agreement and the agreements or other documentation creating, governing or evidencing any of the Obligations to which it is a Party, without reliance on any representation, warranty, covenant or undertaking by Secured Party, whether written, oral or implicit, other than any which may be expressly set out in this Agreement or such other Obligation documents;

10.2 Secured Party has not made any such representation, covenant or undertaking to Debtor in connection with the duties and obligations of Debtor pursuant to any agreements or other documentation creating, governing or evidencing any of the Obligations;

10.3 Secured Party has no fiduciary obligation toward Debtor with respect to any agreements or other documentation creating, governing or evidencing any of the Obligations or the transactions contemplated thereby;

10.4 The relationship pursuant to the agreements or other documentation creating, governing or evidencing any of the Obligations between Debtor, on one hand, and Secured Party, on the other hand, is and shall be solely that of a debtor and creditor, respectively;

10.5 Except for Secured Party's membership interest in Debtor separate and apart from this Agreement, no joint venture or partnership exists between Debtor and Secured Party;

10.6 Should an Event of Default occur or exist, Secured Party will determine in Secured Party's sole discretion and for its own reasons what remedies and actions it will or will not exercise or take at that time;

10.7 Without limiting any of the foregoing, Debtor is not relying upon any representation by Secured Party, or any representative thereof, and no such representation has been made, that Secured Party will, at the time of an Event of Default, or at any other time, waive, negotiate, discuss, or take or refrain from taking any action with respect to any such Event of Default or any default under any other agreements or other documentation creating, governing or evidencing any of the Obligations; and

10.8 Secured Party has relied upon the truthfulness of these acknowledgements in deciding to enter into this Agreement.

11. Non-Waiver. Without affecting the validity of this Agreement or Secured Party's security interest in the Collateral, Secured Party may from time to time take such action: (a) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or performance of any of the obligations secured by this Agreement, including, without limitation, increasing or decreasing of the rate of interest (if any) on any such obligation, extending the maturity date of any such obligations; (b) to take and hold security for the payment of the obligations and exchange, enforce, waive, and release any such security, with or without the substitution of new collateral, including, without limitation, modification, release or waiver of any of the provisions of any of the deeds of trust; (c) to release, substitute, agree not to sue, or deal with Debtor, or Debtor's sureties, endorsers, or other guarantors on any terms or in any manner Secured Party may choose; (d) to determine how, when and what application of payments and credits shall be made on the obligations; (e) to apply such security and direct the order or manner of sale of any security, including the Collateral, as Secured Party in its discretion may determine; and/or (f) to assign or transfer this Agreement in whole or in part.

12. Notices. Except as otherwise provided herein, any notice or other items to be delivered to a Party pursuant to this Agreement shall be in writing and either personally delivered, sent by first class mail, postage prepaid, or sent via electronic transmission, addressed to the Party to be notified at the address specified in accordance with this Section, or delivered by Federal Express or other comparable overnight delivery service, delivery costs prepaid and addressed to the Party to be notified at the address specified in accordance with this Section. Any such notice or other items to be delivered shall be deemed duly given, delivered and received on the date of personal delivery to the Party (or such Party's authorized representative) or in the case of mailing, three (3) business days after deposit in the U.S. Mail,

or in the case of electronic transmission receipt by the other Party is not effective unless a duplicate copy of the electronic transmission Notice is promptly given by one of the other methods permitted under this Section, or in the case of Federal Express or other comparable overnight delivery service, one (1) day following the delivery of such notice or item to such delivery service, as the case may be. Unless a Party changes its address for notice by giving a notice in accordance with this Section changing such address, the address for notice and delivery of each Party shall be as follows:

To Secured Party: PPZ, LLC
Attention: Rhea Lamia
[***]
Email: [***]

To Debtor: The Real Good Food Company LLC
[***]
Email: [***]

With a Copy to: Varner & Brandt LLP
Attention: Sean S. Varner
3750 University Avenue
Riverside, California 92501
Email: [***]

13. Governing Law; Venue. The laws of the State of California shall govern the validity, enforcement and interpretation of this Agreement. The obligations of the Parties are performable and venue for any legal action arising out of this Agreement shall lie in Riverside County, California.

14. Integration; Modification; Waiver. This Agreement and the ancillary documents described herein constitute the complete and final expression of the agreement of the Parties relating to the subject of this Agreement and supersede all previous agreements and understandings of the Parties, either oral or written. This Agreement cannot be modified, or any of the terms hereof waived, except by an instrument in writing (referring specifically to this Agreement) executed by the Party against whom enforcement of the modification or waiver is sought.

15. Agreement in Counterparts. This Agreement, or any amendment thereto, may be executed in multiple counterparts, each of which shall be deemed an original Agreement, and all of which together shall constitute one and the same instrument. The Parties may also deliver executed copies of this Agreement to each other by electronic transmission, which electronically transmitted signatures shall be binding. Any electronically delivered signatures shall be followed by the delivery of executed originals.

16. Headings; Construction. The headings which have been used throughout this Agreement have been inserted for convenience of reference only and do not constitute matters to be construed in interpreting this Agreement. Words of any gender used in this Agreement shall be held and construed to include any other gender and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise. All provisions of this Agreement were the subject of negotiation and no principle of law providing for the interpretation of a contract against the draftsperson shall be applied in interpreting any provision in this Agreement.

17. Invalid Provisions. If any one or more of the provisions of this Agreement, or the applicability of any such provision to a specific situation, shall be held invalid or unenforceable, such provision shall be modified to the minimum extent necessary to make it or its application valid and enforceable, and the validity and enforceability of all other provisions of this Agreement and all other applications for any such provision shall remain in full force and effect.

18. Binding Effect. Except as otherwise provided in this Agreement, this Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Except as expressly provided herein, nothing in this Agreement is intended to confer on any Person, other than the Parties hereto and their respective successors and permitted assigns, any rights or remedies under or by reason of this Agreement.

19. Attorneys' Fees. In the event of any legal proceedings, between the Parties or any of them, the prevailing Party shall be entitled to recover reasonable attorneys' fees and costs in addition to all other relief granted, including the right to recover reasonable attorneys' fees and costs incurred in the enforcement of any award or judgment or in connection with any appellate proceedings.

[*signature page follows*]

IN WITNESS WHEREOF, this Agreement has been executed by the Secured Party and Debtor to be effective as of the Effective Date set forth above.

SECURED PARTY

PPZ, LLC,
a Wyoming limited liability company

By: _____
Rhea Lamia
Its: Manager

DEBTOR

THE REAL GOOD FOOD COMPANY LLC,
a California limited liability company

By: _____
Josh Schreider
Its: Manager

EXHIBIT C

UCC-1 FINANCING STATEMENT

[***]

SECOND AMENDMENT TO PROMISSORY NOTE
PPZ, LLC

THIS SECOND AMENDMENT TO PROMISSORY NOTE ("***Second Amendment***") is made effective as of February 1, 2021, by and between **THE REAL GOOD FOOD COMPANY LLC**, a California limited liability company ("***Company***"), and **PPZ, LLC**, a Wyoming limited liability company, or its permitted assigns ("***Holder***"). Company and Holder are sometimes hereinafter referred to individually as a "***Party***" and together as the "***Parties***".

RECITALS

A. Company and Holder are parties to that certain Promissory Note dated June 1, 2017, as amended by the First Amendment to Promissory Note dated November 1, 2017 ("***Note***"), wherein Company promises to pay to the order of Holder a principal sum of **Four Hundred Thousand Dollars and Zero Cents ($400,000.00)**, plus interest, all as more particularly set forth in the Note.

B. Defined terms not otherwise defined in this Second Amendment shall have the meaning ascribed thereto in the Note.

C. The Parties desire to amend the Maturity Date of the Note to provide Company with an extension, all on the terms and conditions contained in this Second Amendment.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

OPERATIVE TERMS

1. Incorporation of Recitals. The Recitals set forth above are true and correct and, by this reference, incorporated herein.

2. Reaffirmation of Obligations. This Second Amendment is, in part, a reaffirmation of the obligations, indebtedness, and liability of Company to Holder as evidenced by the Note. Company and Holder each represent, warrant, acknowledge and agree that all of the terms and conditions of the Note are and shall remain in full force and effect, without waiver or modification of any kind whatsoever, and are ratified and confirmed in all respects, except as otherwise modified by the terms of this Second Amendment.

3. Maturity Date. Section 3.1 of the Note is hereby deleted in its entirety and replaced with the following:

"3.1 Payment at Maturity. The outstanding principal balance plus all accrued and unpaid interest under this Note shall be due and payable to Holder on December 31, 2021."

4. General Terms.

4.1 Continuing Validity. Except as expressly changed or modified by this Second Amendment, the terms of the original obligation or obligations of the Note, including all agreements evidenced or securing the obligations, remain unchanged and in full force and effect.

4.2 Interpretation. In the event there is a conflict in any term, condition of provision in this Second Amendment, on the one hand, and the Note, on the other hand, the terms, conditions and provisions of this Second Amendment shall control. This Second Amendment and the other documents and instruments executed in connection therewith constitute the product of the negotiation of the Parties and the enforcement hereof shall be interpreted in a neutral manner, and not more strongly for or against any Party based upon the source of the draftsmanship.

4.3 Binding Effect: Counterparts. This Second Amendment shall be binding on and inure to the benefit of the Parties and their respective successors and assigns, except that Company may not assign his rights, obligations or interests under this Second Amendment without the prior written consent of Holder. This Second Amendment may be executed in any number of counterparts, each of which shall be deemed an original and all of which taken as a whole shall be deemed a single instrument.

(***signature page follows***)

IN WITNESS WHEREOF, the Parties execute this Second Amendment as of the day and year first set forth above.

COMPANY:
THE REAL GOOD FOOD COMPANY LLC, a California limited liability company

By: */s/ Gerard Law*
Name: Gerard Law
Its: Chief Executive Officer

HOLDER:
PPZ, LLC,
a Wyoming limited liability company

By: */s/ Rhea Lamia*
Name: Rhea Lamia
Its: Manager

LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT ("***Agreement***") is made as of the 25th day of October, 2018 by and between THE REAL GOOD FOOD COMPANY LLC, a California limited liability company ("***Borrower***") and PPZ, LLC, a Wyoming limited liability company, or its designee ("***Lender***"). Borrower and Lender are sometimes hereinafter individually referred to as a "***Party***" and collectively as the "***Parties***".

RECITALS

A. Borrower manufactures various food products ("***Business***") including, without limitation, low carbohydrates specialty pizza, enchilada and chicken popper items.

B. Lender is a current member of Borrower and is familiar with the Business and its operations.

C. Borrower requires additional capital for various business growth and operational needs.

D. Lender desires to make a loan to Borrower and Borrower desires to receive a loan from Lender on the terms and conditions set forth in this Agreement.

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Incorporation of Recitals. The Recitals are incorporated herein and by this reference made a part hereof.

2. Loan. Lender hereby agrees to loan to Borrower up to Five Hundred Thousand Dollars and Zero Cents ($500,000.00) (the "***Loan***") on the terms and conditions set forth herein. Lender shall remit the Loan to Borrower on the date of this Agreement. The Loan shall be evidenced by a promissory note (the "***Note***") executed by Borrower in favor of Lender in the form attached hereto as **Exhibit A** and by this reference made a part hereof. The Note shall bear interest at the rate of nine percent (9%) per annum, calculated on the basis of a 360-day year assuming twelve equal 30-day months. The Loan shall be secured in accordance with this Agreement and a UCC-1 Financing Statement in the form attached hereto as **Exhibit B** and by this reference made a part hereof ("***UCC-1***") on all the assets of Borrower and subordinated only to all existing and future debt of Borrower from PMC Financial. This Agreement, the Note and the UCC-1 are sometimes together referred to as the "***Loan Documents***".

3. Fees and Costs. Upon receipt of the Loan, Borrower shall pay Lender an origination fee and a loan maintenance fee of Ten Thousand Dollars ($10,000.00).

4. Use of Loan Proceeds. The Loan shall be used exclusively for the growth and operational needs of the Business, including any tax obligations or other fees, costs or expenses incurred as a result of such needs.

5. Grant of Security Interest. Borrower hereby grants Lender a security interest in and to all of the Collateral, including all of Borrower's right, title and interest relating to or arising under or on account of the Collateral as security for Borrower's obligations under the Note and this Agreement. Lender understands and acknowledges that the security interest granted hereunder is subordinated to matters of record filed prior to the date hereof. "Collateral" means all assets of Borrower including,

without limitation, (a) all raw materials, inventory, finished goods, accounts (including receivables), general intangibles (including all payment intangibles, software, intellectual property, licenses, permits, copyrights, copyright registrations, patents, patent applications, trademarks, and trademark applications), instruments (including promissory notes), equipment (including all accessions), fixtures, investment property, letter of credit rights, money, and all books and records with respect to any of the foregoing, and the computers and equipment containing said books and records; and (b) any and all cash proceeds and/or non-cash proceeds thereof, including, without limitation, insurance proceeds, and all supporting obligations and the security therefor.

6. Financing Statement Filings. Borrower authorizes Lender to file, without the signature of Borrower where permitted by law, one or more UCC-1s relating to the Collateral. Borrower shall pay all filing costs and all costs and expenses of any record searches for financing statements that Lender may reasonably require. Borrower further agrees that a carbon, photographic or other reproduction of this Agreement or any UCC-1 describing the Collateral is sufficient as a financing statement and may be filed in any jurisdiction Lender may deem appropriate.

7. Representations and Warranties. Borrower hereby makes the following representations and warranties to Lender, which representations and warranties shall survive the execution of this Agreement:

7.1 Enforceability. Borrower has the full right, power and authority to execute and deliver the Loan Documents to be delivered to Lender hereunder and to perform the undertakings of Borrower contained in the Loan Documents. The Loan Documents constitute valid and binding obligations of Borrower that are legally enforceable in accordance with their terms.

7.2 No Breach. None of the undertakings of Borrower contained in the Loan Documents violates any applicable statute, law, regulation or ordinances or any order or ruling of any court or governmental entity, or conflicts with, or constitutes a breach or default under, any agreement by which Borrower or the Property is bound, encumbered or regulated.

7.3 Proceedings. Borrower is not in violation of any statute, law, regulation or ordinance, or of any order of any court or governmental entity. Borrower has no knowledge of any claims, actions or proceedings pending or threatened against Borrower other than those disclosed to Lender in writing.

7.4 Accuracy. All reports, documents, instruments, papers, data, information and forms of evidence delivered to Lender with respect to the Loan are accurate and correct, are complete insofar as needed to give Lender true and accurate knowledge of the subject matter thereof, and do not contain any misrepresentation or material omission.

7.5 Security Interest. During the term of this Agreement, Borrower, subject to the subordination set forth above, has and will have at all times full right, power and authority to grant a security interest in and to its respective interests in the Collateral to Lender in the manner provided in this Agreement. This Agreement creates a valid and binding security interest in favor of Lender in the Collateral securing the obligations subordinated to security interests of record filed prior to the date hereof.

7.6 Ownership of Collateral and Liens. Borrower will maintain good and marketable title to the Collateral free and clear of all liens, security interests, encumbrances or adverse claims, except for the security interests of record filed prior to the date hereof and the encumbrance created by this Agreement. Borrower will not permit any dispute, right of setoff, counterclaim or defense to exist with respect to all or any part of the Collateral. Borrower will not permit and will cause to be terminated any financing statement or other security instrument with respect to the Collateral, except

such as may exist or as may have been filed in favor of Lender. Borrower will defend Lender's right, title and special property and security interest in and to the Collateral against the claims of any other person, except for the security interests of record filed prior to the date hereof.

7.7 Taxes. Borrower has filed all federal, state, county and municipal tax returns that it is required to file and has paid all taxes which have become due pursuant to such returns or to any notice of assessment received by Borrower, and Borrower has no knowledge of any basis for additional assessment with respect to such taxes.

8. Events of Default. The occurrence of any of the following events ("***Events of Default***") shall constitute a default under this Agreement and, at the option of Lender, shall make all obligations of Borrower to Lender under or in respect of advances and all other sums outstanding under or in respect of this Agreement and any instrument or agreement required under this Agreement immediately due and payable, without notice of default, presentment or demand for payment, protest or notice of nonpayment or dishonor, or other notices or demand of any kind or character:

8.1 Borrower fails to pay any installments as required by the Note, which failure to pay is not cured within ten (10) calendar days after written notice of such failure is given to Borrower as provided in the Note;

8.2 Any representation or warranty in this Agreement, or in any agreement or instrument executed in connection with this Agreement, proves false or misleading in any material respect when made;

8.3 A judgment or judgments is entered against Borrower in the aggregate amount of Fifty Thousand Dollars and Zero Cents ($50,000.00) or more on a claim or claims not covered by insurance;

8.4 Borrower files any petition, proceeding, case or action for relief under any bankruptcy, reorganization, insolvency, or moratorium law, or any other law or laws for the relief of, or relating to, debtors;

8.5 An involuntary petition is filed under any bankruptcy or similar statute against Borrower or a receiver, trustee, liquidator, assignee, custodian, sequestrator, or other similar official is appointed to take possession of the properties of Borrower and such action is not dismissed or such official is not removed within ninety (90) days;

8.6 Borrower defaults under any provision of the Loan Documents not specifically referred to in this Section 8;

8.7 The breach of any covenant, warranty, promise or representation contained herein or in any exhibit hereto; and

8.8 Borrower utilizes funds loaned under this Agreement for any purpose other than as set forth in this Agreement.

Lender may, at Lender's option, exercise any and all rights and remedies of a creditor or secured party under the California Commercial Code or other California law, including, but not limited to, the right to take possession of the Collateral, and arrange the sale or other disposition of the Collateral, or any part thereof, in such increments as determined by Lender, in its sole discretion, subject to the rights of priority secured interests. Lender may proceed against Borrower and/or Borrower's successors or assigns, with or without proceeding against the Collateral. If Lender elects to proceed against the Collateral, Lender may proceed against Borrower for any deficiency, subject only to any limitations

provided in the California Commercial Code. All remedies of Lender provided for herein are cumulative and shall be in addition to all other rights and remedies under any of the Loan Documents or otherwise provided by law. The exercise of any right or remedy by Lender hereunder shall not in any way constitute a cure or waiver of default hereunder or under any other agreement or invalidate any act pursuant to any notice of default, or prejudice Lender in the exercise of any of its right hereunder or any other document described herein.

9. Notices. Except as otherwise provided herein, any notice or other items to be delivered to a Party pursuant to this Agreement shall be in writing and either personally delivered, sent by first class mail, postage prepaid, or sent via electronic transmission, addressed to the Party to be notified at the address specified in accordance with this Section, or delivered by Federal Express or other comparable overnight delivery service, delivery costs prepaid and addressed to the Party to be notified at the address specified in accordance with this Section. Any such notice or other items to be delivered shall be deemed duly given, delivered and received on the date of personal delivery to the Party (or such Party's authorized representative) or in the case of mailing, three (3) business days after deposit in the U.S. Mail, or in the case of electronic transmission, receipt by the other Party is not effective unless a duplicate copy of the electronic transmission Notice is promptly given by one of the other methods permitted under this Section, or in the case of Federal Express or other comparable overnight delivery service, one (1) day following the delivery of such notice or item to such delivery service, as the case may be. Unless a Party changes its address for notice by giving a notice in accordance with this Section changing such address, the address for notice and delivery of each Party shall be as follows:

To Lender
PPZ, LLC
Attention: Rhea Lamia
[***]
Email: [***]

To Borrower:
The Real Good Food Company LLC
[***]
Email: [***]

10. Miscellaneous.

10.1 Assignment. This Agreement shall bind and inure to the benefit of the Parties and their respective successors and assigns; provided, however, that Borrower shall not assign this Agreement or any of the rights, duties or obligations of Borrower hereunder without the prior written consent of Lender. Lender shall have the right to assign this Agreement without the consent of Borrower.

10.2 Consent and Waiver. No consent or waiver under this Agreement shall be effective unless in writing. No waiver of any breach or default shall be deemed a waiver of any breach or default thereafter occurring.

7.1 Merger. This Agreement and any instrument or agreement attached hereto or referred to herein integrate all the terms and conditions mentioned herein or incidental hereto and supersede all oral negotiations and prior writings in respect to the subject matter hereof.

10.3 Purpose. This Agreement is made for the purpose of defining and setting forth certain obligations, rights and duties of Borrower and Lender in connection with the Loan. After the execution of this Agreement, it shall be deemed a supplement to the Loan Documents and shall not be

construed as a modification of any of the Loan Documents, except as provided herein. It is made for the sole protection of Borrower and Lender, and Borrower's and Lender's successors and assigns. No other person shall have any rights of any nature hereunder or by reason hereof.

10.4 Indemnity. Borrower shall indemnify Lender against, and hold Lender harmless from any and all losses, damages (whether general, punitive or otherwise), liabilities, claims, cause of action (whether legal, equitable or administrative), judgments, court costs and legal or other expenses (including attorneys' fees) which Lender may suffer or incur as a direct or indirect consequence of:

i. any claim or cause of action of any kind by any person to the effect that Lender is in any way responsible or liable for any act or omission by Borrower, whether on account of any theory or derivative liability or otherwise, including, but not limited to, any claim or cause of action for fraud, misrepresentation, tort or willful misconduct;

ii. any claim or cause of action by any person against Lender, as a result of this Agreement; and

iii. any claim or cause of action of any kind by any person which would have the effect of denying Lender the full benefit or portion of any provision of this Agreement or any other Loan Document.

The Lender's rights of indemnity shall not be directly or indirectly limited, prejudiced, impaired or eliminated in any way by any finding or allegation that Lender's conduct is active, passive or subject to any other classification or that Lender is directly or indirectly responsible under any theory of any kind, character or nature for any act or omission by Borrower or any other person, except Lender. Notwithstanding the foregoing, Borrower shall not be obligated to indemnify Lender with respect to any intentional tort or act of gross negligence which Lender is determined by the judgment of a court of competent jurisdiction (sustained on appeal, if any) to have committed. Borrower shall pay any indebtedness arising under said indemnity to Lender immediately upon demand by Lender together with interest thereon from the date such indebtedness arises until paid at the default rate.

10.5 Attorneys' Fees. If any legal action is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, reasonable expert witness fees, costs and necessary disbursements in addition to any other relief to which that party may be entitled.

10.6 Interpretation; Venue. Prior to the execution of this Agreement, each of the Parties has had an opportunity to review the provisions of this Agreement, and contribute to the content hereof, and have consulted with legal counsel of that Party's own choosing or have chosen not to do so of that Party's own volition. The provisions of this Agreement shall be interpreted to give effect to their fair meaning and shall be construed as though prepared by Borrower and Lender, respectively. The invalidity of any provision shall not affect the validity of any other provision. Section headings are for convenience only and may not be used in interpretations. All interpretations are to be made in accordance with California law. The venue for any legal action arising out of this Agreement shall lie in Los Angeles County, California.

10.7 Agreement in Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. The Parties may also deliver executed copies of this Agreement to each other by electronic transmission, which electronically transmitted signatures shall be binding. Any electronically delivered signatures shall be followed by the delivery of executed originals.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

LENDER

PPZ, LLC,
a Wyoming limited liability company

By: */s/ Rhea Lamia*
Rhea Lamia
Its: Manager

BORROWER

THE REAL GOOD FOOD COMPANY LLC,
a California limited liability company

By: */s/ Josh Schreider*
Josh Schreider
Its: Manager

EXHIBIT A

PROMISSORY NOTE

(***attached behind***)

SECURED PROMISSORY NOTE (*"NOTE"*)

500,000.00 October 25, 2018

1. Obligation. FOR VALUE RECEIVED, the undersigned, THE REAL GOOD FOOD COMPANY LLC, a California limited liability company ("***Company***"), promises to pay to the order of PPZ, LLC, a Wyoming limited liability company ("***Holder***") at maturity, a principal sum of up to Five Hundred Thousand Dollars and Zero Cents ($500,000.00) ("***Principal***"), together with all accrued and unpaid interest, at the address set forth below or such other place as the Holder may designate in writing.

2. Interest Rate. From the date of this Note and until this Note is paid in full, interest shall accrue on the outstanding principal balance of this Note at the simple rate of interest of nine percent (9%) per annum ("***Interest Rate***"). Interest shall be calculated on the basis of a 360-day year assuming twelve equal 30-day months. Interest will accrue on the remaining Principal from the date such Principal is received by the Company.

3. Payment Provisions

3.1 Payment at Maturity. The outstanding principal balance plus all accrued and unpaid interest under this Note shall be due and payable to the Holder on December 31, 2020 ("***Maturity Date***").

3.2 Other Payment Provisions. All payments of principal and/or interest shall be payable to the Holder in lawful money of the United States. All payments shall first be applied to accrued and unpaid interest and then to reduce the principal balance of this Note. Except as otherwise provided herein, this Note may not be prepaid at any time without the prior written consent of the Holder.

4. Origination and Maintenance Fee. The Company shall pay Holder Ten Thousand Dollars ($10,000.00) as an origination and loan maintenance fee.

5. Security Interest. The indebtedness evidenced by this Note shall be secured, to the fullest extent permitted by law, by a security interest in and to all of the Company's assets and evidenced by the filing of a financing statement made pursuant to, and in accordance with the terms and conditions of the Loan and Security Agreement of even date herewith executed by and between the Company, as Debtor, and Holder, as Lender, and subordinated only to prior secured loans of record and all indebtedness now and or in the future owed by the Company to PMC Financial Services Group, LLC.

6. Assignment. The Company may not assign this Note or any of its rights hereunder without the prior written consent of the Holder; provided, however, that in the event of a merger or consolidation of the Company into or with another entity, this Note may be, without the prior written consent of the Holder, and shall be deemed to be, assigned to and assumed by the surviving entity in any such merger or consolidation, which shall thereupon become the Company for purposes of this Note. The Holder may assign this Note without the prior written consent of the Company. The Company or the Holder, as applicable, shall promptly deliver notice of any assignment of this Note or any rights, title or interests in or to this Note by such party, which notice shall include the date of the assignment and the name and address of the assignee.

7. Successors and Assigns. Except as otherwise provided herein, any reference to the Holder hereof shall be deemed to include the permitted successors and assigns of such Holder, and all covenants, promises and agreements by or on behalf of the Company that are contained in this Note shall bind and inure to the benefit of the permitted successors and assigns of such Holder and to any future holders of this Note.

8. Notices. Any communication, notice or demand of any kind whatsoever which either party may be required or may desire to give to or serve upon the other shall be in writing and delivered by (a) overnight courier (such as Federal Express) that provides evidence of receipt, (b) by registered or certified mail, postage prepaid, return receipt requested or (c) by electronic communication (whether by email or facsimile) so long as a copy of such notice follows using the methods provided in (a) or (b) within two (2) days, addressed as follows:

To Holder:	PPZ, LLC Attention: Rhea Lamia [***] Email: [***]
To Company:	The Real Good Food Company LLC [***] Email: [***]

Any party may change its address for notice by written notice given to the other in the manner provided in this Section 8. Any such communication, notice or demand shall be deemed to have been received on the date of confirmed delivery; provided, however, that any communication, notice or demand received after 5:00 p.m. (local time for the addressee) shall be deemed to have been received on the next business day.

9. Waiver. No waiver of any obligation of the Company under this Note shall be effective unless it is in a writing signed by the Holder. A waiver by the Holder of any right or remedy under this Note on any occasion shall not be a bar to exercise of the same right or remedy on any subsequent occasion or of any other right or remedy at any time. The Company hereby expressly waives presentment, demand and protest, notice of demand, dishonor and nonpayment of this Note, and all other notices or demands of any kind in connection with the delivery, acceptance, performance, default or enforcement hereof.

10. Controlling Law and Venue. This Note and the provisions hereof shall be governed, construed and interpreted strictly in accordance with the laws of the State of California, without regard to its principles of conflicts of law. The Company and Holder each submit to the exclusive jurisdiction of the state courts in the State of California. The venue for any legal action arising out of this Agreement shall lie in Los Angeles County, California.

11. Severability. In the event any one or more of the provisions of this Note shall for any reason be held to be invalid, illegal or unenforceable, in whole or in part or in any respect, or in the event that any one or more of the provisions of this Note operate or would prospectively operate to invalidate this Note, then and in any such event, such provision(s) only shall be deemed null and void and shall not affect any other provision of this Note and the remaining provisions of this Note shall remain operative and in full force and effect and in no way shall be affected, prejudiced, or disturbed thereby.

12. Loss, Theft, Destruction or Mutilation of Note. In the event of the loss, theft, mutilation or destruction of this Note, upon Company's receipt of an indemnification agreement reasonably satisfactory to the Company and executed in favor of the Company by the Holder, or in the event of a mutilation of this Note, upon Holder's surrender to Company of the mutilated Note, Company shall execute and deliver to Holder, a new convertible promissory note in the form and content identical to this Note in lieu of the lost, stolen, destroyed or mutilated Note.

13. Relationship of Parties. The relationship between Company and Holder is, and at all times shall remain, solely that of debtor and creditor, for purposes of this Note only, and shall not be, or be construed to be, a joint venture, partnership or other relationship of any nature.

14. Costs. The Company, with the exception of Holder's attorney fees, shall be responsible for all costs and expenses related to this Agreement included, but limited to, title policies, escrow costs, recording fees, postage, etc.

15. Amendments. No amendment, modification or termination of this Note shall be effective unless the same shall be in writing and signed and delivered by the Company and Holder. No waiver of any provision of this Note or consent by the Holder shall be effective unless the same shall be in writing and signed by the Holder. No waiver of any provision of this Note or consent by the Company shall be effective unless the same shall be in writing and signed by the Company.

[***signature page follows***]

IN WITNESS WHEREOF, the undersigned has caused this Note to be executed and its seal affixed effective as of the day and year first above written.

COMPANY: THE REAL GOOD FOOD COMPANY LLC,
a California limited liability company

By: _____
Josh Schreider
Its: Manager

Signature Page to PPZ 500K Promissory Note

EXHIBIT B

UCC-1 FINANCING STATEMENT

[***]

CARTER CREDIT UNION

Business Membership Application

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING AN ACCOUNT

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person or business that opens an account. **What this means for you:** When you open an account, we will ask for your name, address, date of birth, if applicable, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

MEMBER/ACCOUNT OWNER

BUSINESS/ORGANIZATION NAME: The Real Good Food Company, LLC — MEMBER NUMBER: [***]

OTHER TRADE OR D/B/A NAME: — MEMBERSHIP ELIGIBILITY: ACC

STATE ORGANIZED: California — EIN/TIN: [***] — BUSINESS TYPE: Limited Liability Corporation

BUSINESS START DATE: 2/3/2016 — SERVICES OFFERED:

PHYSICAL ADDRESS: 111 N..Artsakh Avenue #201
Glendale CA 91206

BUSINESS PHONE: [***] — EMAIL ADDRESS: [***]

AUTHORIZED PERSON / AUTHORIZED SIGNER

NAME: Josh Schreider — SSN/TIN: [***] — DATE OF BIRTH: [***]

HOME ADDRESS: [***] — DRIVER'S LICENSE/PERSONAL ID NO. : [***]

TITLE /POSITION: COO — STATE ID ISSUED BY: AZ — ID EXPIRATION DATE: [***]

OWNERSHIP % (IF ANY) [***] — E-MAIL: [***] — CELL PHONE: [***]

NAME: Rhea Lamia — SSN/TIN: [***] — DATE OF BIRTH: [***]

HOME ADDRESS: [***] — DRIVER'S LICENSE/PERSONAL ID NO. : [***]

TITLE /POSITION: Signer for PPZ — STATE ID ISSUED BY: CA — ID EXPIRATION DATE: [***]

OWNERSHIP % (IF ANY) [***] — E-MAIL: [***] — CELL PHONE: [***]

NAME: Bryan T Freeman — SSN/TIN: [***] — DATE OF BIRTH: [***]

HOME ADDRESS: [***] — DRIVER'S LICENSE/PERSONAL ID NO. : [***]

TITLE /POSITION: Signer for Slingshot — STATE ID ISSUED BY: CA — ID EXPIRATION DATE: [***]

OWNERSHIP % (IF ANY) [***] — E-MAIL: [***] — CELL PHONE: [***]

NAME: — SSN/TIN: — DATE OF BIRTH:

HOME ADDRESS: — DRIVER'S LICENSE/PERSONAL ID NO. :

TITLE /POSITION: — STATE ID ISSUED BY: — ID EXPIRATION DATE:

OWNERSHIP % (IF ANY) — E-MAIL: — CELL PHONE:

ACCOUNTS & SERVICES

X Business Share Savings* — __ Free Business Checking

Your Credit Union Account Automatically includes a share account. (Loan proceeds are deposited into this account.)

Additional Person(s) authorized to receive account information: _____ ☐ Internet Banking

Is more than one signature required to transact business? NO

TIN CERTIFICATION AND BACKUP WITHHOLDING INFORMATION

Under penalties of perjury, the undersigned certifies on behalf of the Account Owner that:

☐
1. ***The number shown on this form is the Account Owner' s correct TIN (or the Account Owner is waiting for a number to be issued), and***
2. ***The Account Owner is not subject to backup withholding because: (a) it is exempt from backup withholding, or (b) it has not been notified by the Internal Revenue Service (IRS) that it is subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified the Account Owner that it is no longer subject to backup withholding, and***
3. ***The Account Owner is a U.S. citizen or other U.S. person. For federal tax purposes, the Account Owner is considered a U.S. person if the Account Owner is: an individual who is a U.S. citizen or U.S. resident alien; a partnership, corporation, company, or association created or organized in the United States or under the laws of the United States; an estate (other than a foreign estate); or a domestic trust (as defined in Regulations section 301.7701-7).***
4. ***The FATCA code(s) entered on this form (if any) indicating that the Account Owner is exempt from FATCA reporting is correct.***

Certification Instructions. Check the box for item 2 above if the Account Owner has been notified by the IRS that it is currently subject to backup withholding because it has failed to report all interest and dividends on its tax return. Checking the box serves to strike out the language related to underreporting. Complete the appropriate W-8 form if the Account Owner is not a U.S. person. If a separate W-8 form is completed, your signature does not serve to certify this section.

Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____

Authorization & Authorized Signers

By signing or otherwise authenticating, the undersigned, on behalf of the Account Owner, acknowledge(s) receipt of and agree(s) to the terms of this Business Account Card, the Business Membership and Account Agreement, the Funds Availability Policy Disclosure, additional documents and disclosures the Credit Union has provided, and to any amendments the Credit Union may make from time to time, which are applicable to the accounts and services requested herein. The undersigned also agree(s) that the information contained on this document is accurate, that any information updates identified on this Business Account Card amend all previously authenticated Business Account Card(s), and that such updates are subject to the terms and conditions of the applicable disclosures noted herein.

By signing this authorization, each of the signers jointly and severally certifies and agrees that the terms of the Certificate of Authority apply to the Member/Owner listed above. The signers further acknowledge receipt of and agree to the terms of the Membership and Account Agreement, Account Card, Truth-in-Savings Disclosure, and Funds Availability Policy Disclosure, if applicable, as amended by the Credit Union from time to time.

The IRS does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

/s/ Josh Schreider
Josh Schreider (May 12, 2020)

/s/ BFreeman
BFreeman (May 12, 2020)

/s/ Rhea Lamia
Rhea Lamia (May 12, 2020)

CERTIFICATE OF AUTHORITY

1. **Member/Owner.** The Member/Owner name shown above is the complete and correct name of the Member/Owner. If applicable, all registered assumed names under which the Member/Owner does business are shown above. Each corporate officer, partner or trustee, whichever is applicable, warrants that the corporation, partnership, or living trust has been duly formed and is currently existing.

2. **Authorized Signers.** The officers, authorized agents, or trustees, as applicable, signing above (Signers) presently occupy the positions shown and are authorized to transact business on behalf of the Member/Owner. Each Signer agrees to notify the Credit Union in writing of any change in authority. Credit Union may request any other evidence of Signer's authority at any time.

3. **Authority.**

   a. Each Signer certifies and agrees that the Member/Owner's accounts will be governed by the terms set forth in the Membership and Account Agreement and Account Card, as amended from time to time.

   b. The Credit Union is directed to accept and pay without further inquiry any item, bearing the appropriate number of signatures as indicated above, drawn against any of the Member/Owner's accounts. Unless otherwise indicated, any one Authorized Signer is expressly authorized to endorse all items payable to or owned by the Member/Owner for deposit with or collection by the Credit Union and to execute such other agreements and to perform any other transaction under the Agreement.

   c. The authority given to the Authorized Signers and Persons Authorized to Receive Account Information shall remain in full force until written notice of revocation is delivered to and received by the Credit Union at each location where an account is maintained. Any such notice shall not affect any items in process at the time notice is given. An authorized officer, trustee, or agent of the Member/Owner will notify the Credit Union of any change in the Member/Owner's composition, assumed business names, or any aspect of the entity affecting the deposit relationship between the Member/Owner and the Credit Union before any such change occurs. The Credit Union shall have no duty to inquire as to the powers and duties of any Signer and shall have no notice of any breach of fiduciary duties by any Signer unless the Credit Union has actual notice of wrongdoing.

   d. The Persons Authorized to Receive Account Information, if applicable, are authorized to receive from the Credit Union, either orally or in writing, any information related to the account. Those persons are not authorized to withdraw funds or issue checks/drafts against or make any transaction related to the account.

Liability. Member/Owner and each Signer agree to indemnify and hold Credit Union harmless of any claim or liability as a result of unauthorized acts of any Signer or former Signer or acts of any Signer upon which Credit Union relies prior to notice of any account change or change of Member/Owner. The Member/Owner agrees that the Credit Union shall not be liable for any losses due to the Member/Owner's failure to notify the Credit Union of such changes

CERTIFICATION OF BENEFICIAL OWNER(S)

Persons opening an account on behalf of a legal entity must provide the following information.

a. Name and Title of Natural Person Opening Account:

NAME	TITLE
Josh Schreider	COO

b. Name, Type and Address of Legal Entity for Which the Account is Being Opened:

NAME	TYPE	ADDRESS
The Real Good Food Company, LLC	Limited Liability Corporation	111 N..Artsakh Avenue #201 GlendaleCA91206

c. The following information for <u>each</u> individual, if any, who directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, owns 25 percent or more of the equity interests of the legal entity listed above. If no individual meets this definition, please check "Beneficial Owner Not Applicable" below and skip to the next section.

____ Beneficial Owner Not Applicable

BENEFICIAL OWNER 1

NAME	DATE OF BIRTH	ADDRESS (Residential or Business Street Address)
Josh Schreider	[***]	[***]
SOCIAL SECURITY NUMBER*	**PASSPORT OR OTHER ID NUMBER***	**COUNTRY OF ISSUANCE***
[***]	[***]	AR

BENEFICIAL OWNER 2

NAME	DATE OF BIRTH	ADDRESS (Residential or Business Street Address)
Rhea Lamia	[***]	[***]
SOCIAL SECURITY NUMBER*	**PASSPORT OR OTHER ID NUMBER***	**COUNTRY OF ISSUANCE***
[***]	[***]	USA

BENEFICIAL OWNER 3

NAME	DATE OF BIRTH	ADDRESS (Residential or Business Street Address)
Bryan Freeman	[***]	[***]
SOCIAL SECURITY NUMBER*	**PASSPORT OR OTHER ID NUMBER***	**COUNTRY OF ISSUANCE***
[***]	[***]	USA

BENEFICIAL OWNER 4

NAME	DATE OF BIRTH	ADDRESS (Residential or Business Street Address)
SOCIAL SECURITY NUMBER*	**PASSPORT OR OTHER ID NUMBER***	**COUNTRY OF ISSUANCE***

d. The following information for one individual with significant responsibility for managing the legal entity listed above, such as:

- **An executive officer or senior manager (e.g., Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President, Treasurer); or**
- **Any other individual who regularly performs similar functions (if appropriate, an individual listed under section (c) above may also be listed in this section (d)).**

NAME	ADDRESS (Residential or Business Street Address)	
Josh Schreider	[***]	
TITLE	**DATE OF BIRTH**	
COO	[***]	
SOCIAL SECURITY NUMBER*	**PASSPORT OR OTHER ID NUMBER***	**COUNTRY OF ISSUANCE***
[***]	[***]	AZ

* <u>For U.S. Persons</u>: Provide a Social Security Number.

<u>For Non-U.S. Persons</u>: Provide a Social Security Number, passport number and country of issuance, or other similar identification number, such as an alien identification card number or number and country of issuance of any other government-issued document evidencing nationality or residence and bearing a photograph or similar safeguard.

CERTIFICATION SIGNATURE

I,<u>Josh Schreider</u>(name of natural person opening account), hereby certify, to the best of my knowledge, that the information provided above is complete and correct.

Signature Date

X */s/ Josh Schreider*
Josh Schreider (May 12, 2020)

(Seal)

CARTER CREDIT UNION P.O. Box 814 Springhill, LA 71075 Phone: 318-686-3620 Fax: 318-671-1492 www.carterfcu.org

SIMPLIFIED LOAN PROGRAM
TRUTH-IN-LENDING DISCLOSURE; SECURITY AGREEMENT
SINGLE ADVANCE LOAN TYPE
Words or phrases preceded by a ☐ are applicable only if the ☐ is marked, e.g. ☒ "our" means not applicable.
The terms on all pages are part of the entire Agreement.

Primary Borrower Name/Address	Co-Borrower Name/Address	Date	Account Number
The Real Good Food Company, LLC - 111 N..Artsakh Avenue #201 Glendale CA 91206		5/9/2020	[***]
		Interest Rate	1.00%

This Single Advance Loan Disclosure is made under the terms of your Simplified Loan Agreement with the above-named Credit Union and provides information that is specific to the closed-end credit advance described herein. By authenticating this transaction (that is, by signing or depositing any loan advance proceeds check, or by accepting and/or using any loan proceeds deposited by the Credit Union into your share or share draft account), this Single Advance Loan Disclosure becomes an integrated part of the Simplified Loan Agreement, and is subject to all of the terms and conditions set forth in that document.

Promise To Pay. By authenticating the transaction you promise to pay the principal amount advanced, plus all accrued interest and other charges according to the terms set forth in this document (including the Truth-In-Lending Disclosure) and in the Simplified Loan Agreement. The payment schedule for this Closed-End Credit Loan Type is set forth in the Truth-In-Lending Disclosure.

CAUTION: If you do not understand and agree with the information contained in this Single Advance Loan Disclosure you must contact the Credit Union immediately. You understand that by accepting loan proceeds evidenced by this disclosure, you agree to the terms of this Single Advance Loan. The loan proceeds may be returned or rejected if you do not agree with the credit terms or other conditions set forth in the Truth-in-Lending disclosure.

TRUTH-IN-LENDING DISCLOSURE – SINGLE ADVANCE LOAN

ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate.	FINANCE CHARGE The dollar amount the credit will cost you	AMOUNT FINANCED The amount of credit provided to you or on your behalf.	TOTAL OF PAYMENTS The amount you will have paid when you have made all payments as scheduled.
1.00%	**$ 4,011.56**	**$308,702.00**	**$312,713.56**

Number of Payments	Amount Of Payments	When Payments Are Due
17	$17,372.98	12/9/2020
1	$17,372.90	5/9/2022

PREPAYMENT: If you payoff your loan early, you will not have to pay a penalty.
REQUIRED DEPOSIT: The annual percentage rate does not take into account your required deposit, if any.

PROPERTY INSURANCE: You may obtain property insurance from anyone you want that is acceptable to the Credit Union.

LATE CHARGE: If your payment is more than 10 days late you will be charged an amount equal to 5% of the past due payment , minimum $5.00, maximum $25.00.

ASSUMABILITY: Your loan is not assumable.

FILING FEES: $_____

SECURITY: You are giving us a security interest in:

- ☒ Your present and future shares and deposits with the credit union.
- ☒ Personal property (other than household goods or any dwelling) securing other loans you have with us.
- ☐ The property purchased in this transaction.
- ☐ Other *(describe by item or type)* _____

See your contract documents for any additional information about prepayment, default, any required repayment in full before the scheduled due date, and prepayment refunds and penalties. "e" means an estimate

ITEMIZATION OF THE AMOUNT FINANCED The Credit Union or an entity affiliated with the Credit Union will retain a portion of the amount paid to others denoted by asterisk (*).

Itemization of amount financed of $	Amount given to you directly $	Paid on Account $	Prepaid Finance Charge $
Amount paid to others on your behalf:			
To:	$	To:	$
To:	$	To:	$

SECURITY DESCRIPTION – PLEDGED PROPERTY

By authenticating this transaction, you give the Credit Union a security interest in the property described below ("Pledged Property") to secure repayment of the closed-end credit loan advance evidenced by this Single Advance Loan Disclosure. *(Describe Pledged Property)*:

See Page 2 for additional information about security for this closed-end credit advance.

/s/ Josh Schreider
Borrower Josh Schreider (May 12, 2020) _____ (seal)

/s/ BFreeman
Borrower BFreeman (May 12, 2020) _____ (seal)

/s/ Rhea Lamia
Borrower Rhea Lamia (May 12, 2020) _____ (seal)

Borrower _____ (seal)

CARTER CREDIT UNION P.O. Box 814 Springhill, LA 71075 Phone: 318-666-3620 Fax: 318-871-1492 www.cartercu.org

SIMPLIFIED LOAN PROGRAM
TRUTH-IN-LENDING DISCLOSURE;
SECURITY AGREEMENT
SINGLE ADVANCE LOAN TYPE
Words or phrases preceded by a ☐ are applicable only if the ☐ is marked, e.g. ☒ "not" means not applicable. The terms on all pages are part of the entire Agreement.

Primary Borrower Name/Address	Co-Borrower Name/Address	Date	Account Number
The Real Good Food Company, LLC - 111 N..Artsakh Avenue #201 Glendale CA 91206		5/9/2020	[***]

Security Interest: To secure repayment of the loan evidenced by this Single Advance Loan Disclosure, and any extensions, renewals, or refinancing of the loan, you give the Credit Union a security interest in the property described in the "Security" section on Page 1 ("Pledged Property"). This security interest covers not only the Pledged Property, but also covers all proceeds of, substitutions or replacements for, and all accessions and improvements to the Pledged Property, as well as all proceeds from insurance and all refunds of unearned premiums related to the Pledged Property. The security interest also includes any replacements of the Pledged Property you buy within 10 days of the loan, as well as any money you receive for selling the Pledged Property.

You understand and agree that by authenticating this advance you give the Credit Union a security interest in all individual and joint deposit accounts you have in the credit union, now or in the future, except for those accounts, such as an IRA, Keogh Account, or similar government-authorized tax deferral account which would lose special tax treatment if pledged as security for a loan advance (collectively, the "Pledged Deposits").

Refer to the section "Security for Closed-end Loan Types" in the Simplified Loan Agreement for additional terms and conditions related to security for this loan.

You promise that you own the Pledged Deposits and any Pledged Property given as collateral, and/or that you will use the proceeds of this loan to purchase the Pledged Property, and that no one else has or will have an interest in or claim against the collateral, except as now or previously disclosed to the Credit Union.

Any item of personal property you pledge as security for this Single Advance Loan Type (other than household goods or any dwelling) will secure repayment of amounts you owe the Credit Union in the future, if that intent is reflected in the Truth In Lending Disclosures furnished in connection with any such future loans.

Protection of the Collateral: Refer to the section "Protection of the Collateral" in the Simplified Loan Agreement for the terms and conditions related to your agreements and obligations with respect to the collateral.

Property Insurance and Taxes: Refer to the section "Property Insurance and Taxes" in the Simplified Loan Agreement for the terms and conditions related to your obligations to insure the collateral and to pay any taxes on the collateral.

Default: You will be in default if you fail to make payments are required by this Single Advance Loan Disclosure. You will also be in default if any of the events described in the "Default" section of the Simplified Loan Agreement occur. Refer to the Simplified Loan Agreement for additional terms and conditions related to default.

Remedies: Refer to the section "Remedies" in the Simplified Loan Agreement for the Credit Union's remedies in the event of default.

Lien Impressment and Right of Setoff: Refer to the section "Lien Impressment and Right of Setoff for All Loan Types" in the Simplified Loan Agreement for the terms and conditions related to the Credit Union's right to impress and enforce a statutory lien on your shares on deposit with the Credit Union and to the Credit Union's right of setoff.

Simplified Loan Agreement: You understand and agree that upon authentication of this loan that this Single Advance Loan Disclosure becomes an integrated part of the Simplified Loan Agreement, and that all of the terms and conditions contained in the Simplified Loan Agreement are incorporated herein. Refer to the Simplified Loan Agreement for important additional terms and conditions.

Notice: You promise that your name and address shown in this Single Advance Loan Disclosure is your legal name and place of residence and such place is the proper address for all notice(s) that may be required and your further understand that changes in address must be submitted to the Credit Union in writing to be effective.

Limited Power of Attorney: By accepting the proceeds of the loan evidenced by this Single Advance Loan Disclosure, you hereby appoint the Credit Union to be your lawful Attorney-in-Fact for you to record a lien on the motor vehicle or other property described as collateral herein and to print your name and sign the Credit Union, in your behalf. Your Attorney-in-Fact can also do all things necessary to any other related document and bind you in a sufficient manner as you would do yourself were you personally present and signing your name. With full power of substitution and revocation, by evidence of this loan, you confirm whatever your Attorney-in-Fact causes to be done within the scope of the Power of Attorney.

SPOUSAL INTERVENTION—This paragraph is to be completed only when the Security Agreement affects previously owned household goods and only one spouse applies for individual credit.
FOR LOUISIANA RESIDENTS
AND NOW INTO THESE PRESENCE INTERVENES

_____

my spouse, appearing herein for the limited purpose of concurring with the granting of a security interest on the community-owned property described on the face side of this contract in accordance with the terms and conditions of this Agreement consistent with Article 2347 of the Louisiana Civil Code without creating any liability with regard to my spouse's separate property as well as (where applicable) to waive any homestead or other exemptions from seizure with regard to the secured property as may be granted under Louisiana law.
INTERVENOR (Spouse):

_____

Credit Union Approval_____ Date

For Credit Union Use Only

Owner of Collateral Signature (if applicable)

To be signed by Owner of Collateral Other than Borrower for the collateral pledged as security for this closed-end credit loan advance. If you are authenticating as "Owner of Collateral Other than Borrower," you are giving the Credit Union a Security Interest in the property described above and you are bound only by the Security Agreement.

Owner of Collateral Other than Borrower Seal Date	Owner of Collateral Other than Borrower Seal Date
X	*X*

Deferral Information

Deferment Period. Borrower acknowledges that the loan represented by this Note has been extended to the Borrower by the Lender as authorized by the provisions of the Coronavirus Aid, Relief, and Economic Security Act enacted March 27, 2020 (the "CARES Act"). Pursuant to the Act, all payments hereunder are deferred for six (6) months from the date of this Note (the "Deferment Period"), the first payment of all interest accruing during the Deferment Period begin due on the payment date as set forth above. Borrower further acknowledges and agrees that at any time following the expiration of the Deferment Period, the Lender may, in its sole discretion, convert any amounts which may be due and owing at such time to a loan which fully amortize over the remaining term of this Note and the Borrower agrees to all changes in the monthly payment necessitated thereby.

/s/ Josh Schreider
Josh Schreider (May 12, 2020)

Josh Schreider

/s/ Rhea Lamia
Rhea *Lamia* (May 12, 2020)

Rhea Lamia

/s/ BFreeman
BFreeman (May 12, 2020)

Bryan Freeman

Borrower:	The Real Good Food Company, LLC
Organization Type:	Limited Liability Corporation
State of Organization:	California
Person(s) Authorized to Act on Behalf of Borrower:	Josh Schreider *COO* [***], Rhea Lamia *Signer for PPZ*, Bryan Freeman *Signer for Slingshot*
Lender:	Carter Federal Credit Union
Loan Amount:	$308,702.00

RESOLUTIONS OF THE BORROWER PAYCHECK PROTECTION PROGRAM

The undersigned, being all the members of the governing body of Borrower, do hereby adopt the following resolutions in the name of and on behalf of Borrower, without the necessity of a formal meeting, and in lieu thereof.
WHEREAS, Borrower has been adversely affected by the COVID-19 Pandemic and faces economic uncertainty as a result of the pandemic; and

WHEREAS, Borrower has determined that it is eligible for a loan under the Paycheck Protection Program (the "Program") authorized by Section 1102 of the Coronavirus Aid, Relief and Economic Security Act, HR 748 (Pub. Law 116-136) (the "CARES Act"); and

WHEREAS, the Company desires to apply to Lender for a loan in the amount set forth above (the "Loan") under the Program; and

WHEREAS, Borrower will use the Loan in accordance with the requirements of the CARES Act and all applicable rules, regulations and guidance issued by the United States Small Business Administration and Secretary of the Treasury applicable to the Program ("Program Requirements");

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. Borrower shall be, and hereby is, authorized to apply for, make, accept and enter into the Loan on such terms and conditions as any Authorized Person shall deem appropriate, the execution of any promissory notes and other loan documents, certificates and agreements in connection with the Loan by any Authorized Person to be conclusive evidence of approval thereof by Borrower.

2. Borrower shall be, and hereby is, authorized and directed to comply with any and all Program Requirements.

3. Borrower shall be, and hereby is, authorized and directed to take any all actions necessary to cause the forgiveness of so much of the Loan as Borrower may be entitled under Section 1106 of the CARES Act, the execution of any applications, certifications and agreements and the providing of any information in connection therewith by any Authorized Person to be conclusive evidence of approval and authorization thereof by Borrower.

4. Borrower shall be, and hereby is, authorized and directed to take such further actions or to execute such further documents as Authorized Person may deem necessary or advisable to consummate the transactions contemplated by these resolutions, the taking of each of such actions or the execution of each of such documents by any Authorized Person to be conclusive evidence of approval thereof by Borrower.

5. Each action heretofore taken, and each document or instrument heretofore executed by Borrower in connection with the transactions contemplated by these Resolutions shall be, and hereby is, ratified, affirmed and approved in all respects.

The undersigned, being all the persons or entities required to approve these Resolutions on behalf of Borrower hereby execute these Resolutions for and on behalf of Borrower as of the dates set forth below.

/s/ Josh Schreider
Josh Schreider (May 12, 2020)

Josh Schreider, COO [***]

/s/ Rhea Lamia
Rhea Lamia (May 12, 2020)

Rhea Lamia, Signer [***]

/s/ BFreeman
BFreeman (May 12, 2020)

Bryan Freeman Signer

CONTRACT PACKING AGREEMENT

This Contract Packing Agreement (the "Agreement") is made effective as of November 5, 2018 (the "Effective Date") between Me Gusta Gourmet ("Manufacturer"), having its principal offices at 28212 Constellation, Valencia, CA 91355, and The Real Good Food Company LLC, a California Limited Liability Company ("RGF") having its principal offices at 111 Maryland Ave, Glendale, CA 91201. Manufacturer and RGF are sometimes hereinafter referred to individually as a "Party" and together as the "Parties".

RECITALS:

A. Upon the terms and conditions set forth herein, RGF will purchase certain Products (as defined below) from Manufacturer and will engage Manufacturer to manufacture, package, and ship those Products to the retail sellers listed on **Exhibit "1"** hereto (hereinafter referred to singularly as a "Customer" and collectively as the "Customers").

B. RGF shall be the vendor of record for each Customer in accordance with each Customer's vendor/supplier agreement between each Customer and RGF (hereinafter referred to as the "Customer Requirements"). The Customer Requirements are attached as **Exhibit "2"** hereto.

C. The term "Product" or "Products" as used herein shall mean the products stated in **Exhibit "1"** hereto.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged by the Parties, and in order to induce RGF to engage Manufacturer for the manufacture of the Products, Manufacturer and RGF agree as follows:

1. Recitals. The Parties acknowledge the accuracy of the Recitals and by this reference incorporate them into this Agreement.

2. Product Specifications and Delivery Requirements. The Product(s) shall be manufactured, packaged and shipped according to the specifications stated in **Exhibit "1"** and the Customer Requirements attached as **Exhibit "2"** hereto, both of which are incorporated herein by reference as if fully set forth herein. Manufacturer agrees to provide advance written notice to RGF of any change to the manufacturing and production facility used to produce the Products.

3. Product Pricing. The Products shall be sold by Manufacturer to RGF at the price(s) stated in **Exhibit "1"**, as it may be amended from time to time in accordance with Section 4 hereof.

4. Pricing Changes. Any and all proposed changes to the Product pricing after the guarantee as stated in **Exhibit "1"** must be submitted in writing to RGF with at least 90 days advance written notice provided any increase will not exceed the actual increase in Manufacturer's cost of production, as verified by the supporting documentation reasonably requested by RGF. RGF shall have 30 days from the receipt of a proposed price change to either approve or reject the proposed price change. If a price change is approved, a replacement **Exhibit "1"** will be issued and mutually agreed to in a written Addendum signed by RGF and Manufacturer. If Manufacturer increases, or proposes to increase, the price of a Product or Products, RGF may, at its sole election, elect to terminate this Agreement as to any such Product or Products or portion thereof, provided, however, Manufacturer's obligations and agreements pursuant to Sections 7, 9, 11, 12, 13, 14, 15, 16, 17, 18, and19 of this Agreement, and other provisions that by their nature survive termination, shall survive such termination and shall continue indefinitely.

__ / */s/ JO*

5. Purchase Order and Delivery Terms. RGF will submit a purchase order to Manufacturer for all requested Products. Orders are to be manufactured, packaged, and shipped within _____ (___) days _____ to _____ and must be received by Customer(s) within _____ (___) days from the date the purchase order is received.

6. Payment Terms. Payment from RGF to Manufacturer will be due 30 days after production.

7. Artwork; Packaging; Research and Development; Manufacturer's Supply Chain.

(a) Artwork. RGF shall be responsible for the design of artwork for the Product packaging and/or labels. The completed artwork shall be submitted electronically to Manufacturer for ordering and production of Product packaging and/or labels. For the purpose of this Agreement, labels shall be considered Packaging as discussed in 7(b).

(b) Packaging. Packaging supply inventories shall be ordered and reordered in quantities as defined in **Exhibit "1"**. All packaging costs, whether fixed or variable, shall be included in the Product Pricing as stated in **Exhibit "1"**. During the term of this Agreement, Manufacturer shall conduct a physical inventory of Packaging on the first Monday of each month and submit the totals in writing to RGF.

(c) Research and Development. Manufacturer shall create all formulations necessary for the research and development of the Products and shall pay and be responsible for all costs to develop the Products, including the cost of the ingredients, labor, and shipping necessary to create and distribute samples of the Products. RGF will pay and be responsible for RGF's salaries, overhead, and costs (including but not limited to travel costs) necessary to sell and market the Products.

Notwithstanding Manufacturer's development of the formulations necessary for research and development of the Products, RGF shall own all recipes, formulations, trade secrets, confidential or proprietary information and other intellectual property (including but not limited to trademark(s), artwork, artwork design, printer's artwork distortion files (if applicable), product packaging, packing mockups, printing proofs, printing plates, drums, and other customary items related to artwork and graphics development) relating to the Products or RGF (collectively, "RGF's Intellectual Property"); and Manufacturer shall forward all such information (including but not limited to formulations, formula application, mathematics, ingredient lists, and complete specifications) to RGF (i) prior to first date of shipment, (ii) within ten (10) days after any specification is changed, (iii) current as of the date of termination of this Agreement within ten (10) days after termination of this Agreement, and (iv) within five (5) days of any request by RGF.

RGF grants to Manufacturer a revocable, non-exclusive license for the term of this Agreement to use RGF's Intellectual Property solely for the purpose of performing Manufacturer's obligations under this Agreement. Notwithstanding any breach of this Agreement, Manufacturer shall not use RGF's Intellectual Property except in accordance with the limited license. Manufacturer acknowledges that by obtaining the limited license to RGF's Intellectual Property, Manufacturer does not have or acquire any right, title, privilege, interest or license in or to any of RGF's Intellectual Property, including without limitation its product formulae and recipes. All of RGF's Intellectual Property and its Derivatives shall remain the sole and exclusive property of RGF. The term "Derivatives" as used herein shall mean: (a) for copyrightable or copyrighted material, any translation, abridgment, revision or other form in which an existing work may be recast, transformed or adapted; (b) for patentable or patented material, any improvement thereon; and (c) for material that is protected by trade secret, any new material derived from such existing trade secret material, including new material which may be protected under copyright, patent and/or trade secret laws. Manufacturer shall at all times keep RGF's Intellectual Property and its Derivatives confidential and not divulge the information to any party, except those officers, directors, employees, consultants, agents, advisors, and representatives of Manufacturer who need to know such information to perform Manufacturer's obligations under this Agreement.

__ / /s/ JO

To the extent that RGF's Intellectual Property includes property subject to copyright under which Manufacturer may otherwise claim, Manufacturer agrees that such work is done as a "work for hire" as that term is defined under federal copyright law, and that, as a result, RGF shall own all copyrights in the work. To the extent that RGF's Intellectual Property does not qualify as a "work for hire" under applicable law, and to the extent that RGF's Intellectual Property includes material subject to patent, trademark, trade secret, or other proprietary right protection, Manufacturer hereby irrevocably and fully transfers and assigns to RGF, its successors and assigns, all right, title, and interest in and to RGF's Intellectual Property, including but not limited to, all copyrights, patents, trade secrets, trademarks, and other proprietary rights therein (including renewals thereof). Manufacturer shall execute and deliver such instruments and take such other action as may be required and requested by RGF to carry out the assignment contemplated by this paragraph. Any documents, magnetically or optically encoded media, or other materials created by Manufacturer pursuant to this Agreement shall be owned by RGF and subject to the terms of this paragraph.

(d) Manufacturer's Supply Chain. Manufacturer shall keep written record of all ingredients and components used to manufacture the Products to include the country of origin, and the specific region of such country, where each of the ingredients, components or parts of the Products are grown, produced and/or manufactured. Upon the written request from RGF, Manufacturer shall provide such records to RGF to include applicable production runs or lot codes. Manufacturer agrees that RGF may provide such information to its Customers, or Customer's regulators, inspectors or third-party auditors upon request from such Customers. In addition, Manufacturer shall obtain RGF' written approval prior to making any changes to the Products which includes ingredient or component sources.

8. Agreement Term

(a) Term of Agreement. This Agreement will continue in effect until _5_ years from the Effective Date of this Agreement, subject to any extension of the term of this Agreement pursuant to Section 8(b) or termination in accordance with this Section 8.

(b) Extension of Term. Except as otherwise provided herein, this Agreement shall renew automatically every __5__ years on the anniversary of the Effective Date ("Renewal Date") unless either Party gives written notice of termination to the other Party any time prior to such Renewal Date. If a Party elects to terminate under this Section 8(b), the effective date of termination shall be the last day of the then current term in which the notice is given. Termination.

i. In addition to the right of RGF to terminate this Agreement under Section 8(b), RGF may terminate this Agreement if the Customer stops ordering the Product or terminate this Agreement, in part, as to such flavor(s)/SKU(s) of the Products as the Customer stops order ("Product Deletion") by giving written notice of termination or Product Deletion, as the case may be, to Manufacturer and specifying the effective date of termination. The date when such written notice of termination is given by RGF pursuant to Section 8(b) or this Section 8(c)(i) shall be the "Notice Date." If RGF terminates this Agreement under Section 8(b) or this Section 8(c)(i), RGF agrees to purchase from Manufacturer, at cost (but not to exceed the pricing set forth in **Exhibit "1"**), (a) all raw ingredients proprietary to the Products (or, in the case of Product Deletion, Products that are the subject of Product Deletion) - that is, the ingredients necessary to manufacture the Products but which are not part of the ingredients needed by Manufacturer to manufacture products for its other customers or such of the Products as are not subject to Product Deletion and which are specified in a writing delivered by Manufacturer to RGF prior to the first shipment of a Product, (b) Manufacturer's remaining inventory of finished Products (or, in the case of Product Deletion, Products that are the subject of Product Deletion), and (c) any Packaging that is exclusively used for Products (or, in the case of Product Deletion, Products that are the subject of Product Deletion) produced under this Agreement; provided, however that such buy back requirement shall not exceed the lesser of (i) the minimum inventory levels set forth in **Exhibit "1"** for such proprietary raw ingredients (as defined above), such finished Products, and such Packaging or (ii) the actual on hand inventory levels on the Notice Date of such proprietary raw ingredients (as defined above), such finished Products, and such Packaging reduced by, in each case, the amount of proprietary raw ingredients needed to fill all orders of Products ordered after the Notice Date, the number of units of the Products ordered after the Notice Date, and the amount of packaging needed to fill all orders of Products ordered after the Notice Date.

ii. RGF may terminate this Agreement effective immediately and/or cancel an order without liability to Manufacturer (a) if Manufacturer has materially breached this Agreement (subject to the cure provisions for performance issues); or (b) if RGF does not accept the revised pricing pursuant to Section 4, or (c) on sixty (60) days' notice with or without cause.

9. Non-Circumvention. For as long as RGF is selling any of the Products manufactured by Manufacturer directly to Customer(s) and for a period of two years thereafter, Manufacturer will not, directly or indirectly, sell or attempt to sell any of the Products (or any substantially similar or replacement product, including but not limited to non-major changes in the ingredients of the Products, packaging alterations, changes in quantity or size, and similar changes) directly to Customer(s), nor shall Manufacturer sell or attempt to sell any of the Products (or any substantially similar or replacement product, including but not limited to non-major changes in the ingredients of the Products, packaging alterations, changes in quantity or size, and similar changes) to any manufacturer, supplier or other intermediary who then sells such Products to Customer(s). Except as otherwise provided in this Agreement, including but not limited to Section 4 hereof, while RGF is purchasing Products manufactured by Manufacturer during the term of this Agreement at the price stated in Section 3, and provided there are no unresolved performance issues with Products Manufacturer's performance under this Agreement, RGF will not, directly or indirectly, sell or attempt to sell any of the Products (or any substantially similar or replacement product, including but not limited to non-major changes in the ingredients of the Products, packaging alterations, changes in quantity or size, or other like changes) manufactured by another supplier directly to Customer(s).

10. Facility Audits and Certifications. Manufacturer shall undergo annual food safety and regulation compliance audits conducted by an approved third-party firm for all facilities producing the Products. Manufacturer shall fulfill any and all requirements deemed necessary to receive an approved status on the aforementioned audits and shall remain in compliance with such requirements. Manufacturer shall also maintain (i) any and all certification requirements of Customer(s) and (ii) the requirements as described in **Exhibit "2"**. Manufacturer shall submit annual audit reports and current proof of required certifications to RGF electronically.

11. Indemnity.

(a) Manufacturer Indemnity. Manufacturer shall defend, hold harmless, and indemnify RGF and its parent company, subsidiaries and affiliates, and their respective directors, officers, employees, contractors, agents, successors and assigns from and against any and all third-party lawsuits, claims, demands, actions, liabilities, losses, damages, costs and expenses (including attorneys' fees and court costs) (collectively, "Losses"), for (i) any actual or alleged misappropriation or infringement of any patent, trademark, trade dress, trade secret, copyright or other right relating to the Products other than claims related to RGF's Intellectual Property; (ii) bodily injury, including death or sickness to persons, and damage to property resulting from or arising out o (A) the negligence, acts, or omissions of Manufacturer or its employees, contractors, representatives or agents, or (B) a defect in any Products provided by Manufacturer to RGF under the terms of this Agreement, other than a design defect in any recipe or formulation provided by RGF; (iii) violation by Manufacturer of any law, statute, ordinance, governmental administrative order, rule, or regulation, including, but not limited to, regulations and requirements of United States Food and Drug Administration, the laws of the State of California, the California's Safe Drinking Water and Toxic Enforcement Act of 1986, and other similar laws (collectively, "Law") relating to the Products or to the components or ingredients, or violation of Law relating to the manufacture of the Products or any failure by Manufacturer to maintain any required certification(s) or make any required disclosure(s) or warning(s) concerning the Products or the components, ingredients, or manufacture of the Products; and (iv) any installation by Manufacturer of equipment, fixtures, or other items. In addition, Manufacturer shall assume RGF's indemnification duties and obligations in favor of Customer(s) under the Customer Requirements to the extent that Manufacturer's actions or omissions triggered such indemnification duties and obligations.

12. Additional Notice and Reporting Obligations. Whenever Manufacturer acquires information or causes an event to occur, including shipment of the Products, that would trigger an obligation by RGF to notify, disclose, or report any information to Customer(s) pursuant to the Customer Requirements, Manufacturer shall immediately notify RGF of such information and/or event and provide to RGF all information necessary for RGF to comply with its obligation(s) to notify, disclose, or report any information to Customer(s) as soon as possible (and, in any event, no later than the number of days or hours constituting one-half (1/2) the time between such event or acquisition of information and RGF's deadline to notify, disclose, or report information to Customer(s)). Manufacturer shall provide such information to RGF in a form capable of being transmitted by RGF to Customer(s) without alteration and in compliance with the Customer Requirements.

__/ /s/ JO

Manufacturer shall indemnify RGF against any and all lawsuits, claims, demands, actions, liabilities, losses, damages, costs and expenses (including attorneys' fees and court costs), regardless of the cause or alleged cause thereof, and regardless of whether such matters are groundless, fraudulent or false, arising out of any actual or alleged failure by RGF to notify, disclose, or report any information to Customer(s) pursuant to the Customer Requirements concerning the Products.

13. Remedies. Manufacturer's failure to comply with any of the terms and conditions of this Agreement, the Customer Requirements, or any order or shipment of the Products shall be grounds for the exercise by RGF of any one or more of the following remedies:

(a) Cancellation of all or any part of any undelivered order of the Products without notice, including but not limited to the balance of any remaining installments on a multiple–shipment order of the Products;

(b) Rejection (or revocation of acceptance) of all or any part of any delivered shipment of the Products. Upon rejection or revocation of acceptance of any part of or all of a shipment, RGF may return such shipment or hold it at Manufacturer's risk and expense. Payment of any invoice shall not limit RGF's right to reject or revoke acceptance. RGF's right to reject and return or hold shipments of the Products at Manufacturer's expense and risk shall also extend to such Products as may be returned to Customer(s) by its/their customers. RGF may, at its option, require Manufacturer to grant a full refund or credit to RGF of the price actually paid by any such customer of any Customer for any such item in lieu of replacement with respect to any item. RGF shall be under no duty to inspect any shipment of the Products, and notice to Manufacturer of rejection shall be deemed given within a reasonable time if given within a reasonable time after notice of defects or deficiencies has been given to RGF by Customer(s). For any of the Products that is rejected (or acceptance revoked) by Customer(s), RGF may charge to Manufacturer any and all expenses incurred by RGF (including any expenses incurred by any Customer(s) and then charged against RGF), as evidenced by written documentation, in (i) unpacking, examining, repacking and storing such merchandise (it being agreed that in the absence of proof of a higher expense that the RGF or Customer(s), as applicable, shall claim an allowance for each rejection at the rate of 10% of the price for each rejection made by RGF or Customer(s)) and (ii) landing and reshipping such merchandise. Unless RGF otherwise agrees in writing, Manufacturer shall not have the right to make a conforming delivery within the contract time;

(c) Termination of all current and future business relationships with Manufacturer;

(d) Assessment of any related monetary fines, fees, or costs actually charged to RGF by any Customer(s);

(e) Recovery from Manufacturer of any damages sustained by RGF as a result of Manufacturer's breach or default, as evidenced by written documentation; and

(f) Buyer's remedies under the Uniform Commercial Code and such other remedies as are provided under applicable law

The Parties further acknowledge that any breach or violation of this Agreement may be difficult or impossible to calculate in pecuniary damages. Therefore, either Party hereto may avail itself of injunctive relief, specific performance or other equitable relief.

The remedies stated in this Section 13 are not exclusive and are in addition to all other remedies available to RGF at law or in equity.

14. Insurance Requirements. During the term of this Agreement and for one (1) year after any termination, Manufacturer shall obtain and maintain insurance coverage acceptable to RGF in the amounts and with the conditions required by (or exceeding) the Customer Requirements except that RGF and each Customer shall be named as the Certificate Holders and Insured Parties on all such policies.

15. Forum Selection; Choice of Law. This Agreement, and any and all disputes arising thereunder relating thereto or that in any way relate to the Products, whether sounding in contract or tort, shall be governed by and construed in accordance with the laws of the State of California without regard to its laws regarding conflicts of law; and the federal and/or state courts of Los Angeles County, CA, shall have exclusive jurisdiction over any actions or suits relating thereto. RGF and Manufacturer mutually acknowledge and agree that they shall not raise, and hereby waive, any defenses based upon venue, inconvenience of forum, or lack of personal jurisdiction in any action or suit brought in accordance with the foregoing. Any legal action brought by Manufacturer against RGF with respect to this Agreement or any in any way relating to the Products shall be filed in one of the above referenced jurisdictions within two (2) years after the cause of action arises or it shall be deemed forever waived. The Parties acknowledge that they have read and understand this clause and agree willingly to its terms.

__ / /s/ JO

16. Termination of RGF's Supplier/Vendor Agreement(s) With Customer(s); Survival of Provisions. In the event RGF's supplier/vendor agreement with any Customer(s) is terminated, RGF shall have no further obligation to Manufacturer concerning the Products as to such Customer(s); however, Manufacturer's obligations and agreements pursuant to Sections 7, 9, 11, 12, 13, 14, 15, 16, 17, 18, and19 of this Agreement, and other provisions that by their nature survive termination, shall survive such termination and shall continue indefinitely. In the event RGF's supplier/vendor agreement with less than all of the Customers is terminated, this Agreement shall remain in full force and effect as to such other Customer(s).

17. No Waiver. No failure or delay by either Party in exercising any right hereunder shall operate as a waiver thereof, nor shall any single or partial waiver thereof preclude any other or further exercise thereof or the exercise of any other right hereunder.

18. Construction/Severability. Each party acknowledges it has contributed to the drafting of this Agreement. The language in all parts of this Agreement shall in all cases be construed as a whole according to its fair meaning and not strictly for nor against any Party. The neuter gender includes the masculine and feminine. If any provision of this Agreement is declared void or unenforceable, such provision shall be deemed severed from this Agreement; and the remaining portions of the Agreement shall remain in full force and effect. The prevailing party of any legal action brought to enforce or interpret the provisions of this Agreement will be entitled to recover reasonable attorneys' fees and costs from the non-prevailing party in addition to any other relief which the prevailing party may be entitled.

19. Authority. Each of the Parties hereto represents and warrants to each other Party hereto that this Agreement has been duly authorized by all necessary action and that this Agreement constitutes and will constitute a binding obligation of each such Party.

IN WITNESS WHEREOF, the Parties execute this Agreement, to be effective on the Effective Date.

ME GUSTA GOURMET	THE REAL GOOD FOOD COMPANY, LLC
/s/ Joel Ortega	*/s/ Bryan Freeman*
By:Joel Oretga	Bryan Freeman
Its: President	Chief Executive
11/06/18	11-7-18
Date	Date

__/__

__/__

EXHIBIT 1

[***]

__/__

EXHIBIT 1 – A

[***]

EXHIBIT 2

Customer Requirements

[***]

__/__

Exhibit 21.1

SUBSIDIARIES OF RGF, INC.

Name of Entity	State or Other Jurisdiction of Incorporation or Organization
The Real Good Food Company LLC	California