

Form PTO-1585 PUBLIC RECORDS
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U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

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To the Honorable Commissioner of Patents a

102413197

original documents or copy thereof

1. Name of Conveying Part(ies):

Northwest Horticulture, LLC

4-3-03

2. Name and address of receiving party(ies):

Name: Northwest Farm Credit Services, FLCA

Internal Address:

Street Address: 1700 S. Assembly

City: Spokane State: WA Zip: 99224-2121

Additional name(s) of conveying party(ies) attached?

Yes No

Additional names(s) & address(es) attached: Yes No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Merger
- Change of Name
- Other Security Agreement and License

of Intellectual Property

Execution Date: December 13, 2002

4. Application number(s) or patent number(s):

If this document is being filed together with a new application, the execution date of the application is: N/A

A. Patent Application No.(s):

B. Patent No.(s)
5,331,908

Additional numbers attached: Yes No

Additional numbers attached: Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Mark W. Hendricksen

Internal Address: Wells St. John P.S.

Street Address: 601 W. First Avenue, Ste. 1s300

City: Spokane State: WA Zip: 99201-3828

6. Total number of applications and patents involved. 1

7. Total fee (37 CFR 3.41). \$ 40

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number
23-0925

(Attach duplicate copy of this page if paying by deposit account)

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9. Statement and Signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Mark W. Hendricksen
Name of Person Signing

[Signature]
Signature

4-3-03
Date

TOTAL NUMBER OF PAGES INCLUDING COVER SHEET, ATTACHMENTS AND DOCUMENT: 10

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2 Additional name and address of receiving parties:

Northwest Farm Credit Services, PCA
1700 S. Assembly
Spokane, WA 99224-2121

Northwest Horticulture, LLC
Customer/Note Nos. 43793-141, -241, -242,
441, -442 and -443

**SECURITY AGREEMENT AND LICENSE
OF INTELLECTUAL PROPERTY**

THIS SECURITY AGREEMENT AND LICENSE OF INTELLECTUAL PROPERTY ("Agreement") dated November 26, 2002, is by and between NORTHWEST HORTICULTURE, LLC, a Washington limited liability company, whose principal place of business is at 14113 Riverbend Road, P.O. Box 91070, Mount Vernon, WA 98273 (hereinafter "Debtor"), and NORTHWEST FARM CREDIT SERVICES, FLCA and NORTHWEST FARM CREDIT SERVICES, PCA, corporations whose principal place of business is at 1700 S. Assembly, Spokane, WA 99224-2121, P.O. Box 2515, Spokane, WA 99220-2515 (hereinafter collectively "Lender").

WITNESSETH:

WHEREAS, Debtor and Lender have executed a certain General Business Security Agreement of even date herewith and other documents (hereinafter the "Security Agreement") which grant to lender a security interest in Debtor's assets, including, without limitation, any and all of its accounts, inventory, equipment and general intangibles and intellectual property, including, but not limited to patents, patent applications, trademarks, trademark applications, trade names, service marks, logos, slogans, copyrights, all registrations pertaining to the foregoing, goodwill and licenses; and the foregoing is hereinafter collectively called the "Collateral"; and

WHEREAS, the Debtor and the Lender wish to make specific provision in this Agreement for the Debtor's intangibles and intellectual property identified herein;

NOW, THEREFORE, in consideration of the mutual agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Debtor and Lender agree as follows:

A. Incorporation of Security Agreement. All of the terms and provisions of the Security Agreement are incorporated herein by reference in their entirety; and the capitalized terms used herein shall have the meaning assigned to them in the Security Agreement.

B. Grant of Security Interest in Intellectual and Intangible Property. Debtor hereby irrevocably grants a security interest to Lender all of the following collateral items now owned or hereafter acquired or arising, which shall be referred to herein as the Intellectual & Intangible Property of Debtor, to secure payment and performance of the debts, liabilities and obligations of Debtor to Lender:

1. All patents and patent applications on the inventions and improvements described and claimed therein, and including those patents (if any) listed on Schedule A and attached hereto (herein the "Patents"); and

a. All reissues, divisions, continuations, renewals, extensions and continuations-in-part of the Patents;

b. All income, royalties, damages and payments now or hereafter due and/or payable with respect to the Patents, including, without limitation, all damages and payments for past or future infringements of the Patents however arising and payable;

c. All rights to sue for the past, present and future infringements of the Patents; and

d. All rights arising from or corresponding to the Patents throughout the world.

2. All trademarks, service marks, logos, slogans, trademark and service mark registrations, trade names, service mark and trademark applications, including, without limitation, the trademarks, service marks and applications (if any) listed on Schedule B attached hereto (hereinafter the "Trademarks"); and

a. All renewals of any of the foregoing;

b. All income, royalties, damages and payments now or hereafter due and/or payable with respect to the trademarks, including, without limitation, all damages and payments for past or future infringements of the Trademarks;

c. All rights to sue for the past, present and future infringements of the Trademarks; and

d. All rights corresponding to the Trademarks throughout the world to the extent available to Debtor.

3. All copyrights, copyright registrations and copyright applications, including, without limitation, all unregistered or common law copyrights, and all renewals, extensions and continuations of such copyrights (hereinafter the "Copyrights").

4. All licensing, distribution, publishing and exclusive dealing agreements with any other person or entity, (hereinafter the "Licenses"), and the right to prepare for sale, sell and advertise for sale, all goods (as defined in the Uniform Commercial Code), wherever located, now or hereafter owned by the Debtor and which is covered by such Licenses to the extent, and only to the extent, Debtor is permitted to collaterally pledge and/or assign the Licenses pursuant to the underlying agreements relating thereto.

5. The goodwill of each of the Debtor's businesses connected with and/or symbolized by the business, the Trademarks (hereinafter "Goodwill").

6. The trade secrets and Confidential Information of Debtor's business. For the purposes of this Agreement, Confidential Information includes, without limitation, any proprietary aspect of growing and selling plant related products, and providing garden and garden services, methods of growing perennials, or of any other aspect of Debtor's business.

7. Similar or After-Acquired Property: All property (tangible or intangible), property interests, rights, choses in action and goods similar to those described above, which at any time hereafter may be acquired by Debtor; also all additions thereto and all proceeds thereof.

Debtor hereby agrees that Lender's rights in and to the Intellectual and Intangible Property now or hereafter received by Debtor, shall be worldwide to the extent of Debtor's rights with respect thereto.

C. Disposition of Intellectual Property. After the occurrence of an Event or Default (as defined in the Security Agreement), Lender may sell, assign or convey any or all of the Intellectual and Intangible Property, to any purchaser(s) who would require some or all of such intellectual property as a condition to purchasing Debtor's business or any of the inventory, equipment and/or product lines of Debtor. Lender shall have no right to sell, assign or convey any or all of the Intellectual and Intangible Property, on any basis independent or apart from a sale of the inventory, equipment and/or product lines of Debtor (or a part thereof).

D. License to Use Intellectual and Intangible Property. In addition to Lender's other rights and interests herein, Debtor grants to lender an exclusive royalty-free transferable license and right to use the Intellectual and Intangible Property, for the purpose of permitting Lender to manufacture, use, sub-license and/or dispose of the Collateral commencing on the date of an Event of Default, and physical possession thereof as provided in Paragraph C above.

E. Waiver of Payments by Lender. Lender shall have no liability to Debtor or any other party for any royalties or other charges arising from Lender's use or disposition of the Intellectual and Intangible Property (including from any use pursuant to the license granted in Section D above), except for any such liability arising from the gross negligence or willful misconduct of the Lender or its agents, and except for any such liability resulting from the knowing violation by Lender or its agents of the rights of others arising from such use or disposition. Debtor hereby indemnifies Lender from any royalties, expenses, charges, and/or liabilities incurred by Lender under this Agreement (or otherwise) and from any litigation, claims, actions and/or proceedings against Lender regarding the use and/or disposition of the Intellectual and Intangible Property, (including, but not limited to, reasonable attorneys' fees), except for any such liability arising from the gross negligence or willful misconduct of the Lender or its agents, and except for any such liability resulting from the knowing violation by Lender or its agents of the rights of others arising from such use or disposition.

F. Termination of this Security Agreement and License. The term of the security interest and license granted to Lender herein shall expire upon the earlier of:

1. The expiration of each of the respective Intellectual and Intangible Property for which a security interest is granted herein (including any renewals thereof); or

2. Full satisfaction of all of Debtor's obligations to Lender, as set forth in the Security Agreement.

Upon payment in full of the obligations, Lender shall execute and deliver to Debtor all satisfactions and other instruments as may be necessary or proper to release Lender's interest in and to the Intellectual and Intangible Property (subject to any disposition thereof which may have been made by Lender during the term of this Agreement in accordance with the terms hereof), according to the Security Agreement.

G. Duties of Debtor. Until the Intellectual and Intangible Property are disposed of as contemplated in Paragraph C above, Debtor shall have the unconditional duty to, subject to Debtor's good faith business judgment:

1. Pay all taxes, fees and other amounts necessary to maintain in full force and effect all of the Intellectual and Intangible Property;

2. Prosecute diligently any Patent, Copyright and/or Trademark rights and/or application acquired by Debtor now or hereafter until the Obligations shall have been paid in full,;

3. Make application on all patentable inventions and on all Trademarks and Copyrights, as appropriate;

4. Preserve and maintain all of Lender's rights in and to the Patent(s), Trademark(s), Copyright(s) and License(s); and

5. Promptly notify Lender in writing of any new Patent, Trademark, Copyright or License, or any material change in the status of Debtor's interests in any Patent, Trademark, Copyright or License.

All expenses incurred in fulfilling Debtor's duties hereunder shall be borne solely and exclusively by Debtor. Lender shall have no obligation or liability to pay any taxes or fees regarding the Intellectual and Intangible Property, or Lender's use thereof; nor shall lender have any duties in connection with the application for, protection and/or maintenance of the Intellectual and Intangible Property. Debtor shall not abandon any rights in and to any patentable invention or in any Trademark or Copyright without the prior written consent of Lender.

H. Lender's Rights to Protect Intellectual and Intangible Property. After the occurrence of an Event of Default, Lender shall have the right, but shall in no way be obligated, to bring suit in its own name or otherwise to enforce its rights (or those of Debtor) in the Intellectual and Intangible Property. If Lender shall commence any such permitted suit, Debtor shall, at the request of the Lender, do all lawful acts and execute all proper documents required by Lender in aid of such enforcement. Debtor shall promptly, upon demand, reimburse and indemnify Lender for all reasonable costs and expenses incurred by Lender in exercise of its rights under this

Agreement. In the event Lender incurs any expense or cost in protecting and/or enforcing its rights under this Agreement (or its rights and interests in and to the Intellectual and Intangible Property), such expense and cost shall be deemed an "Obligation" under the Security Agreement and subject to all the provisions thereof. Upon the request of Lender, Debtor shall promptly provide such other documents, certificates or information as may be necessary for Lender to properly record or evidence this Agreement with the appropriate governmental authority.

I. Waivers. No course of dealing between Debtor and Lender, nor any failure to exercise, or any delay in exercising, on the part of Lender, any right or privilege hereunder shall operate as a waiver of such right or privilege, or preclude Lender from any other or further exercise of any right or privilege, pursuant to the Security Agreement.

J. Severability. The provisions of this Agreement are severable. If any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

K. Entire Agreement. This Agreement constitutes the entire agreement of the parties as to the subject matter hereto. No provision of this Agreement may be waived or modified in any manner (including this paragraph) without the prior written consent of Debtor and Lender.

L. Cumulative Remedies. All of Lender's rights and remedies with respect to the Intellectual and Intangible, whether established hereunder or by the Security Agreement, or by any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently.

M. Beneficiaries. This Agreement shall be binding upon the Debtor and its successors and assigns and shall inure to the benefit of Lender and its respective successors and assigns.

N. Default Limited. Wherever this Agreement provides that the Lender shall have rights and remedies after the occurrence of an Event of Default, it is understood and agreed that any waiver of an Event of Default executed and delivered by the Lender in writing shall cause the particular Event of Default which is waived to be deemed not to have existed for the purpose of determining whether the Lender may exercise rights and remedies after, or whether certain changes in the terms of this Agreement occur as a result of, the occurrence of an Event of Default.

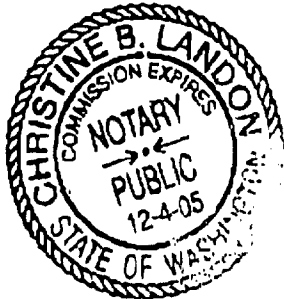
O. Counterpart. This agreement may be executed in any number of counterparts, each of which, when executed, shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument.

NORTHWEST HORTICULTURE, LLC

By: [Signature]
Stanley L. Baty, Manager

STATE OF Washington
County of King)ss.

On this 13th day of December, 2002, before me personally appeared Stanley L. Baty, known to me to be the manager of the limited liability company which executed the same as its free act and deed: and on oath stated that he was authorized to execute said instrument.



Christine B. Landon
Notary Public for the State of Washington
Residing at Seattle
My commission expires 12-4-05
Printed Name: Christine B. Landon

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SCHEDULE A

PATENTS

PATENT INFORMATION			
5,331,908	07/26/1994	US	"Method of Growing Perennials"
2,095,079	02/27/1996	Canada	"Method Of Growing Perennials"
EP 0 570 060 B1	08/26/1998	European	"Method Of Growing Perennials"
E170037	08/26/1998	Austria	"Method Of Growing Perennials"
693 20 526 1-05	08/26/1998	Germany	"Method Of Growing Perennials"
0 570 060	08/26/1998	Denmark	"Method Of Growing Perennials"
ES 2119855T3	08/26/1998	Spain	"Method Of Growing Perennials"
93201298.2	08/26/1998	Sweden	"Method Of Growing Perennials"
0 570 060	08/26/1998	Belgium	"Method Of Growing Perennials"
0 570 060	08/26/1998	Switzerland	"Method Of Growing Perennials"
0 570 060	08/26/1998	France	"Method Of Growing Perennials"
0 570 060	08/26/1998	Great Britain	"Method Of Growing Perennials"
0 570 060	08/26/1998	Ireland	"Method Of Growing Perennials"
0 570 060	08/26/1998	Italy	"Method Of Growing Perennials"
0 570 060	08/26/1998	Luxembourg	"Method Of Growing Perennials"
0 570 060	08/26/1998	Netherlands	"Method Of Growing Perennials"
0 570 060	08/26/1998	Portugal	"Method Of Growing Perennials"

SCHEDULE B

TRADEMARKS

Serial No. Date Filed	Image	Description
U.S. Reg. No. 2,273,173 03/15/1999		Living starter plants, namely, perennials, trees and shrubs
U.S. Serial No. 75/431,800 02/10/1998		Living starter plants, namely, perennials, trees and shrubs
U.S. Serial No. 76/046,369 05/10/2000	GARDEN OF THE YEAR	Collections of live plants for pre-planned gardens
U.S. Serial No. 75/592,999 11/20/1998	ETERA	Fertilizer for agricultural and domestic use, potting soil Hand-operated gardening tools, namely, hoes, weeding forks, trowels, spades, . .
U.S. Reg. No. 2,290,235 11/02/1999	ETERA	Living starter plants, namely perennials, trees, and shrubs
Community Trademark Registration No 001159474 07/18/2000	ETERA	Living starter plants, namely perennials, trees, and shrubs
Unregistered	ETERA GROWING PROCESS	
Unregistered	EGP	
Unregistered	EGP Design	