

## PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY AGREEMENT
CONVEYING PARTY DATA	
Name	Execution Date
Actagro, LLC	04/14/2008
RECEIVING PARTY DATA	
Name:	Fifth Third Bank
Street Address:	600 17th Street
Internal Address:	Suite 2800 - South
City:	Denver
State/Country:	COLORADO
Postal Code:	80202
PROPERTY NUMBERS Total: 1	
Property Type	Number
Patent Number:	6911415
CORRESPONDENCE DATA	
Fax Number:	(202)533-9099
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	202-467-8800
Email:	iplaw@vorys.com
Correspondent Name:	C M Pouliquen, Vorys Sater Seymour Pease
Address Line 1:	1828 L Street, NW
Address Line 2:	Eleventh Floor
Address Line 4:	Washington, DISTRICT OF COLUMBIA 20036
ATTORNEY DOCKET NUMBER:	005252-000425
NAME OF SUBMITTER:	Corinne Marie Pouliquen
Total Attachments: 12 source=actagro fifth third - patent#page1.tif source=actagro fifth third - patent#page2.tif	

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**A FIFTH THIRD BANCORP BANK****PATENT ASSIGNMENT AND SECURITY AGREEMENT**

THIS PATENT ASSIGNMENT AND SECURITY AGREEMENT (this "Agreement") , dated as of April 14, 2008 (the "Effective Date"), is entered into by and between ACTAGRO, LLC, a Delaware limited liability company, whose principal place of business and mailing address is P.O. Box 309, Biola, CA 93606 (hereinafter "Debtor"), and **FIFTH THIRD BANK**, an Ohio banking corporation (hereinafter sometimes "Lender"), for itself and as agent for each affiliate of Fifth Third Bancorp (hereinafter collectively, "Secured Party"). Debtor hereby grants to Secured Party a continuing security interest in and to, and a Lien on, and hereby collaterally assigns to Secured Party as collateral, all of the "Patent Collateral", as defined in Section 2 of this Agreement. Debtor and Secured Party hereby further agree as follows:

1. **OBLIGATIONS:** The security interest hereby granted shall secure the full, prompt and complete payment and performance of the "Obligations", as that term is defined in the Credit Agreement dated of even date herewith between Debtor and Lender (as the same may be amended, renewed, consolidated, restated or replaced from time to time, the "Credit Agreement").

2. **PATENT COLLATERAL:** The collateral in which a security interest, Lien, and collateral assignment is hereby granted (the "Patent Collateral") comprises collectively: (a) all of Debtor's right, title and interest in and to its now or in the future owned or existing patents and patent applications, including the inventions and improvements described and claimed in those patents and patent applications and the patents listed on Schedule I attached and made a part of this Agreement (the property in this item (a) being collectively, the "Patents"); (b) all reissues, divisions, continuations, renewals, extensions and continuations-in-part of each of the Patents; (c) all income, royalties, damages and payments now and in the future due or payable under and with respect to any and all of the Patents, including damages and payments for past or future infringements of any and all of the Patents; (d) all rights to sue for past, present and future infringements of any and all of the Patents; (e) all rights corresponding to any and all of the Patents throughout the world; and (f) all rights of Debtor as licensor or licensee under, or with respect to, any patents or patent applications, including the licenses listed on Schedule I and the Patent Licenses (as defined in Section 4(a)) (Debtor's rights as licensor or licensee sometimes referred to in this Agreement collectively as "Patent License Rights"). The term "material item of the Patent Collateral" means each of (i) U.S. Patent No. 6,911,415 and (ii) each other present or future item of the Patent Collateral unless, with respect to the applicable item of Patent Collateral, such item is not necessary for the ownership of Debtor's properties or the conduct of its business.

**3. DEFINITIONS:** Any capitalized term used but not defined herein shall have the meaning ascribed thereto in the Credit Agreement. As used herein, the following capitalized terms will have the following meanings:

(a) "Uniform Commercial Code" means the Uniform Commercial Code as adopted in each applicable jurisdiction, as amended or superceded from time to time. The "Ohio UCC" means the Uniform Commercial Code, as adopted in Ohio, as amended or superceded from time to time.

All of the uncapitalized terms contained in this Agreement which are now or hereafter defined in the Ohio UCC will, unless the context expressly indicates otherwise, have the meanings provided for now or hereafter in the Ohio UCC, as such definitions may be enlarged or expanded from time to time by amendment or judicial decision.

**4. LICENSES:**

(a) Except for licenses attendant to products and services provided by Debtor in the ordinary course of business, Debtor expressly represents, warrants, covenants and agrees that Debtor shall not license, as licensor, any Patents (a "Patent License") included in the Patent Collateral without the prior written consent of Secured Party, which consent will not be unreasonably withheld by Secured Party, and each such Patent License so granted shall be subject to the terms and conditions of this Agreement, including the termination provisions in Section 4(b) provided that nothing in this section shall prevent Debtor from granting any Patent License to any Subsidiary of Debtor that is obligated as borrower or guarantor with respect to the Obligations. Secured Party shall not be under any obligation to consent to a Patent License unless it is necessary or appropriate in the ordinary course of Debtor's business as presently conducted by it, and so long as no Event of Default has occurred.

(b) If an Event of Default has occurred and is continuing, Secured Party shall have the right, immediately or at any time thereafter, in its sole discretion, to deliver to Debtor and to each licensee under a Patent License notice terminating the Patent Licenses, whereupon: (i) the Patent Licenses will automatically and immediately terminate without any further notice or demand (which Debtor expressly waives); (ii) all rights and interests of the licensees in and to and under the Patent Licenses will revert to Debtor; and (iii) all rights of the licensees in the Patent Collateral will cease to exist and be void. If the Event of Default is cured to Secured Party's satisfaction or is waived in writing by Secured Party, then, without any further action on the part of Secured Party, the Patent Licenses will immediately revert with the licensees on the cessation of the Event of Default subject to the terms of this Agreement.

**5. REPRESENTATIONS AND WARRANTIES:**

To induce Lender to make Loans and other extensions of credit pursuant to the Loan Documents, Debtor represents to Secured Party that the following statements are as of the date that each representation and warranty set forth in the Credit Agreement is required to be made or remade pursuant thereto, true:

(a) Debtor is the sole legal and beneficial owner of the entire right, title and interest in and to the Patents, free and clear of any Lien, option, or license except as otherwise disclosed on Schedule I and except for the security interest hereby granted and any other Permitted Liens;

(b) Set forth in Schedule I is a complete and accurate list of all Patents and Patent License Rights owned by Debtor or in which Debtor has any rights;

(c) Except as set forth on Schedule I, each Patent identified in Schedule I is subsisting and has not been adjudged invalid, unpatentable, or unenforceable, in whole or in part, and is enforceable, except as otherwise set forth on Schedule I;

(d) Debtor has not granted any license, release, covenant not to sue, or non-assertion assurance to any Person with respect to any part of the Patent Collateral except as otherwise disclosed in Schedule I;

(e) To Debtor's knowledge, the Patent License Rights are in full force and effect. Debtor is not in default under any of the Patent License Rights, and, to Debtor's knowledge, no event has occurred which with notice, the passage of time, the satisfaction of any other condition, or all of them, would reasonably be expected to constitute a default by Debtor under the Patent License Rights; and

(f) Except for the filing of UCC financing statements and the recording of this Agreement with the United States Patent and Trademark Office, no authorization, consent, approval or other action by, and no notice to or filing or recording with, any governmental authority is currently or is reasonably expected to be required either: (i) for the grant by Debtor of the Liens granted hereby or for the execution, delivery or performance of this Agreement by Debtor or (ii) for the perfection of or the exercise by Secured Party of its rights and remedies hereunder.

**6. DEBTOR'S RESPONSIBILITIES AND AGREEMENTS:** Until the Obligations are fully paid, performed and satisfied (exclusive of any contingent obligations for indemnification for which Secured Party has not given notice of a claim thereof against Debtor) and this Agreement is terminated:

(a) Debtor will furnish to Secured Party upon Secured Party's request in good faith a current list of all of the items of the Patent Collateral for the purpose of identifying the Patent Collateral, including any licensing of Patent Collateral, and all other reports in connection with the Patent Collateral as Secured Party may reasonably request, all in reasonable detail, and further execute and deliver such supplemental instruments, in the form of assignments or otherwise, as Secured Party shall reasonably require for the purpose of confirming and perfecting Secured Party's security interest in any or all of the Patent Collateral;

(b) Should Debtor obtain an ownership interest in any Patent License Rights or Patents, which is not now identified in Schedule I: (i) Debtor will give prompt written notice to Secured Party, (ii) the provisions of Section 2 shall automatically apply to the Patent License Rights and Patents acquired or obtained, and (iii) each of such Patent License Rights and Patents

shall automatically become part of the Patent Collateral under this Section 6(b). Debtor authorizes Secured Party to modify this Agreement by amending Schedule I to include any Patents and Patent License Rights which become part of the Patent Collateral under this Section 6(b);

(c) Debtor, to the extent that Debtor determines in its reasonable discretion that it is in Debtor's best interest to do so, will take all necessary steps in any proceeding before the United States Patent and Trademark Office (or any similar office or agency in any other country or any political subdivision of that country) or in any court: (i) to maintain and pursue any application for any Patent now or in the future included in the Patent Collateral and (ii) to maintain each Patent now or in the future included in the Patent Collateral, including the filing of divisional, continuation, continuation-in-part and substitute applications; the filing of applications for reissue, renewal or extensions; the payment of maintenance fees, and the participation in reexamination, opposition, interference and infringement proceedings. Any expenses incurred in connection with such activities shall be borne by Debtor. Debtor will not abandon any right to file a patent application or abandon any pending patent application or patent unless the invention which is the subject of such patent application or patent is not necessary to the conduct of Debtor's business or unless it is the opinion of Debtor or Debtor's counsel that a meaningful patent will not issue on a patent application;

(d) Debtor will notify Secured Party immediately in writing of any information which Debtor has received, which could reasonably be expected to materially adversely affect the value of the Patent Collateral or the rights of Secured Party with respect thereto;

(e) Debtor will notify Secured Party immediately when Debtor learns: (i) that any material item of the Patent Collateral may become abandoned or dedicated; (ii) of any adverse written determination by a court or other governmental authority (including the institution of any proceeding in the United States Patent and Trademark Office or any other U.S. or foreign court or tribunal of any kind) regarding any material item of the Patent Collateral; or (iii) that Debtor is in default of any of the Patent License Rights pertaining to any material item of the Patent Collateral;

(f) Debtor will promptly notify Secured Party if Debtor becomes aware that any material item of the Patent Collateral is materially infringed or misappropriated by any Person (an "Infringement"). Debtor will, to the extent that Debtor determines in its reasonable discretion that it is in Debtor's best interest to do so, promptly sue for Infringement and recovery of all damages caused by the Infringement and will take all other actions as Debtor deems appropriate under the circumstances to protect the Patent Collateral. Any expense incurred in connection with the foregoing activities will be borne by Debtor;

(g) Debtor will not: (i) sell, assign (by operation of law or otherwise), license or otherwise dispose of any of the Patent Collateral, except: (A) as expressly permitted by the Credit Agreement or (B) as expressly permitted by this Agreement; (ii) create or suffer to exist any Liens on, or with respect to, any of the Patent Collateral except as may otherwise be disclosed in Schedule I or as otherwise expressly permitted by the Credit Agreement; or (iii) except as permitted in the Credit Agreement, take any other action in connection with any of the items of Patent Collateral that could materially impair the value of the interests or rights of Debtor or Secured Party in, to or under such Patent Collateral;

(h) Debtor will cause the use of reasonable and proper statutory notice in connection with its use of a Patent in its business, except where Debtor determines in its reasonable discretion that the failure to do so will not materially impair the value of the interests or rights of Debtor or Secured Party in, to or under such Patent; and

(i) pay all expenses and reasonable attorneys' fees of Secured Party incurred by Secured Party in the exercise (including enforcement) of any of Secured Party's rights or remedies under this Agreement or applicable law within 5 days after receipt of an invoice and supporting documentation thereof; and Debtor agrees that said expenses and fees shall constitute part of the Obligations and be secured by the Patent Collateral and the other Loan Collateral.

**7. POWER OF ATTORNEY:** Debtor: (a) specifically authorizes Secured Party as its true and lawful attorney in fact: (i) to execute and/or authenticate on its behalf and/or file financing statements reflecting its security interest in the Patent Collateral and (ii) to execute and/or authenticate on its behalf and/or file any other documents necessary or desirable to perfect or otherwise further the security interest granted herein and (b) specifically authorizes Secured Party as its true and lawful attorney in fact upon the occurrence and during the continuance of any Event of Default: (i) to file any claims or take any action or institute any proceedings that Secured Party may deem necessary or desirable for the collection of any of the Patent Collateral, (ii) to assign of record in the United States Patent and Trademark Office (and each other applicable governmental authority) any and all of the Patent Collateral in Secured Party's name (or the name of any nominee), and/or (iii) otherwise to enforce the rights of Secured Party with respect to any of the Patent Collateral.

**8. DEFAULT:**

(a) If an Event of Default occurs and is continuing, then, in any such event, Secured Party may, at Secured Party's option:

(i) resort to the rights and remedies available at law, in equity and under the Loan Documents, including, without limitation, the rights and remedies of a secured party under the Uniform Commercial Code (whether or not the Uniform Commercial Code applies to the affected Patent Collateral) including: (A) causing the assignment of record in the United States Patent and Trademark Office (or any other applicable governmental authority) of the Patent Collateral in Secured Party's name or in the name of any nominee of Secured Party, (B) requiring Debtor to assemble all or any part of the documents embodying the Patent Collateral as directed by Secured Party and make the documents available to Secured Party at a place to be designated by Secured Party; (C): (1) licensing the Patent Collateral or any part thereof, (2) assigning its rights to the Patent License Rights to any Person, and (3) otherwise exercising any and all rights and remedies of Secured Party under or in connection with the Patent Licenses or otherwise in respect of the Patent Collateral; and (D) selling the Patent Collateral at public or private sale, and Debtor will be credited with the net proceeds of such sale, after payment in full of all Obligations, only when they are actually received by Secured Party, any requirement of reasonable notice of any disposition of the Patent Collateral will be satisfied if such notice is sent to Debtor 10 days prior to such disposition. In the event of any sale, assignment, or other

disposition of any of the Patent Collateral, Debtor will supply to Secured Party or its designee Debtor's: (I) know-how and expertise relating to the manufacture and sale of products or the provision of services relating to any Patent Collateral subject to such disposition and (II) customer lists and other records relating to such Patent Collateral and to the distribution of such products and services; and

(ii) without notice to Debtor, apply for and have a receiver appointed under state or federal law by a court of competent jurisdiction in any action taken by Secured Party to enforce its rights and remedies under this Agreement and, as applicable, the other Loan Documents in order to: (A) manage, protect, preserve, and sell and otherwise dispose of all or any portion of the Patent Collateral, (B) continue the operation of the business of Debtor, and/or (C) collect all revenues and profits thereof and apply the same to the payment of all expenses and other charges of such receivership, including the compensation of the receiver, and to the payment of the Obligations until a sale or other disposition of such Patent Collateral is finally made and consummated.

(b) No remedy set forth herein is exclusive of any other available remedy or remedies, but each is cumulative and in addition to every other remedy given under this Agreement, the other Loan Documents or now or hereafter existing at law or in equity or by statute. Secured Party may proceed to protect and enforce its rights by an action at law, in equity or by any other appropriate proceedings. No failure on the part of Secured Party to enforce any of the rights hereunder shall be deemed a waiver of such rights or of any Event of Default, and no waiver of any Event of Default will be deemed to be a waiver of any subsequent Event of Default.

(c) Debtor acknowledges and agrees that Secured Party shall have no obligation to, and Debtor hereby waives to the fullest extent permitted by law any right that it may have to require Secured Party to: (i) prepare any of the Patent Collateral for sale, (ii) pursue any Person to collect any of the Obligations or (iii) exercise collection remedies against any Persons obligated on the Patent Collateral. Secured Party's compliance with any applicable local, state or federal law requirements, in addition to those imposed by the Uniform Commercial Code in connection with a disposition of any or all of the Patent Collateral will not be considered to adversely affect the commercial reasonableness of any disposition of any or all of the Patent Collateral under the Uniform Commercial Code.

## **9. GENERAL PROVISIONS:**

(a) All rights of Secured Party shall inure to the benefit of its successors, assigns and affiliates and all obligations of Debtor shall bind the successors and assigns of Debtor.

(b) This Agreement and the other Loan Documents contain the entire agreement of the parties with respect to the subject matter of this Agreement and supersede all previous understandings and agreements relating to the subject matter hereof, and no oral agreement whatsoever, whether made contemporaneously herewith or hereafter shall amend, modify or otherwise affect the terms of this Agreement; *provided* that nothing herein or in any of the Loan Documents shall be construed to supersede, or to have merged into, any of the FTSDG



Subordinated Debt Documents, all of which will remain in full force and effect. This Agreement may be signed by facsimile signatures or other electronic delivery of an image file reflecting the execution hereof, and, if so signed: (i) may be relied on by each party as if the document were a manually signed original and (ii) will be binding on each party for all purposes. This Agreement may be executed in multiple counterparts, each of which shall be an original but all of which together shall constitute one and the same instrument.

(c) All rights and liabilities hereunder shall be governed and limited by and construed in accordance with the local laws of the State of Ohio (without regard to Ohio conflicts of law principles).

(d) If any provision of this Agreement is found invalid by a court of competent jurisdiction, the invalid term will be considered excluded from this Agreement and will not invalidate the remaining provisions of this Agreement.

(e) Debtor hereby irrevocably authorizes Secured Party to file with the United States Patent and Trademark Office a copy of this Agreement and any amendments thereto or any document which may be required by the United States Patent and Trademark Office. Debtor also hereby irrevocably authorizes Secured Party at any time and from time to time to file in any filing office in any jurisdiction any initial financing statements and amendments thereto that: (i) describe the Patent Collateral and (ii) provide any other information required by Part 5 of Article 9 of the Uniform Commercial Code for the sufficiency or filing office acceptance of any financing statement or amendment, including whether Debtor is an organization, the type of organization and any organizational identification number issued to Debtor. Debtor hereby irrevocably authorizes Secured Party at any time and from time to time to correct or complete, or to cause to be corrected or completed, any financing statements, continuation statements or other such documents as have been filed naming Debtor as debtor and Secured Party as secured party. Secured Party is hereby authorized to give notice to any licensor or licensee of any Patent Collateral or any other Person as may be necessary or desirable under applicable laws to evidence, protect, perfect, or enforce the security interest granted to Secured Party in the Patent Collateral.

(f) The definition of any document, instrument or agreement includes all schedules, attachments and exhibits thereto and all renewals, extensions, supplements, restatements and amendments thereof. All schedules, exhibits or other attachments to this Agreement are incorporated into, and are made and form an integral part of, this Agreement for all purposes. As used in this Agreement, "hereunder," "herein," "hereto," "this Agreement" and words of similar import refer to this entire document; "including" is used by way of illustration and not by way of limitation, unless the context clearly indicates the contrary; the singular includes the plural and conversely; and any action required to be taken by Debtor is to be taken promptly, unless the context clearly indicates the contrary. The description of the Patent Collateral in this Agreement does not in any way limit the description of, or Secured Party's Lien on, the "Collateral" as defined in the Security Agreement or Secured Party's rights or remedies respecting the "Collateral."

(g) SECURED PARTY AND DEBTOR HEREBY WAIVE THE RIGHT TO TRIAL BY JURY OF ANY MATTERS ARISING OUT OF THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

(h) The remedies provided in this Agreement and the other Loan Documents are cumulative and not exclusive of any remedies provided by law. Exercise of one or more remedy(ies) by Secured Party does not require that all or any other remedy(ies) be exercised and does not preclude later exercise of the same remedy. If there is any conflict, ambiguity, or inconsistency, in Secured Party's judgment, between the terms of this Agreement and any of the other Loan Documents, then the applicable terms and provisions, in Secured Party's judgment exercised in good faith, providing Secured Party with the greater rights, remedies, powers, privileges, or benefits will control.

(i) This Agreement will terminate ("Termination") on the later to occur of: (i) the full performance, payment and satisfaction of the Obligations (exclusive of any contingent obligations for indemnification for which Secured Party has not then given notice of a claim thereof against Debtor) and (ii) the termination of all commitments to extend credit under the Credit Agreement. Upon such Termination, the Liens on the Patent Collateral granted hereunder shall automatically be released without further action of Secured Party, and Secured Party shall, at Debtor's expense, promptly execute and deliver to Debtor proper documentation acknowledging such release, and shall duly assign and deliver to Debtor such of the Patent Collateral as has been released and is in the possession of Secured Party, pursuant to one or more instruments of re-conveyance prepared by Secured Party, and shall deliver UCC termination statements with respect to its Liens on the Patent Collateral.

*[Signature Pages Follow]*

This Agreement is made and dated as of the Effective Date.

ACTAGRO, LLC  
a Delaware limited liability company

By: K. J. Mitchell  
Kevin J. Mitchell, Vice President

State of California

County of \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_, a Notary Public,  
personally appeared Kevin J. Mitchell, personally known to me (or proved to me on the basis of  
satisfactory evidence) to be the person whose name is subscribed to the within instrument and  
acknowledged to me that he executed the same in his authorized capacity, and that by his  
signature on the instrument the person, or the entity upon behalf of which the person acted,  
executed the instrument.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

Print Name: \_\_\_\_\_

My commission expires:  
\_\_\_\_\_

*[Signatures Continue on Next Page]*

SIGNATURE PAGE TO  
PATENT ASSIGNMENT AND SECURITY AGREEMENT  
(SENIOR LOAN)

## ACKNOWLEDGMENT

State of California  
County of Fresno

On April 10, 2008 before me, Kimberly Ann Hindmarsh, a Notary Public,  
(here insert name and title of the officer)

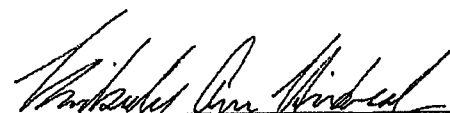
personally appeared Kevin James Mitchell

, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.


Signature

  
Kimberly Ann Hindmarsh



(Seal)

**FIFTH THIRD BANK,**  
an Ohio banking corporation

By:   
Lee Bowen, Vice President

SIGNATURE PAGE TO  
PATENT ASSIGNMENT AND SECURITY AGREEMENT  
(SENIOR LOAN)

**SCHEDULE I****PATENTS AND LICENSES****A. Patents.**

<b>Title</b>	<b>Patent No.</b>	<b>Issue Date</b>	<b>Status</b>
Fungicidal compositions containing organic compositions derived from natural organic materials, phosphorous acid, phosphite salts and phosphate salts, methods of making same and methods of applying same to plants	6,911,415 B1	6/28/2005	LIVE

**B. Patent Licenses.**

None.