

# PATENT ASSIGNMENT

Electronic Version v1.1  
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY AGREEMENT
<b>CONVEYING PARTY DATA</b>	
Name	Execution Date
Ag Growth Industries Limited Partnership	10/29/2009
<b>RECEIVING PARTY DATA</b>	
Name:	The Toronto-Dominion Bank, as Collateral Agent
Street Address:	77 King Street West
Internal Address:	18th Floor
City:	Toronto
State/Country:	CANADA
Postal Code:	M5K 1A2
<b>PROPERTY NUMBERS Total: 2</b>	
Property Type	Number
Patent Number:	5873447
Patent Number:	6763932
<b>CORRESPONDENCE DATA</b>	
Fax Number:	(617)316-8263
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	6172390632
Email:	agrandy@eapdlaw.com
Correspondent Name:	Adam M. Grandy
Address Line 1:	111 Huntington Avenue
Address Line 2:	Edwards Angell Palmer & Dodge LLP
Address Line 4:	Boston, MASSACHUSETTS 02199
ATTORNEY DOCKET NUMBER:	301056-1
NAME OF SUBMITTER:	Adam M. Grandy
Total Attachments: 15 source=GSA#page1.tif	

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**PATENT**  
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To: The Toronto-Dominion Bank in its capacity as security agent for the Participating Lenders (as defined in Schedule "A" hereto) to secure all present and future indebtedness, obligations and liabilities of the Undersigned, existing from time to time, to the Participating Lenders, whether direct indebtedness to any Participating Lender or indebtedness under any present or future guarantee or similar obligation given to any Participating Lender.

201 Portage Avenue, Winnipeg, Manitoba, R3C 2T2

(hereinafter called the "Bank")

GRANTED BY: Ag Growth Industries Limited Partnership

(hereinafter called the "Undersigned")

Where reference is made in this Agreement to "the Bank", in the context of obligations, indebtedness or liabilities to, letters of credit or guarantees issued by, the extension of credit by or the delivery of financial statements to the Bank, such reference to the Bank shall be deemed to be a reference to the Participating Lenders.

#### 1. Security Interest

As general and continuing security for the payment of all obligations, indebtedness and liabilities, direct or indirect, of the Undersigned to the Bank whosoever and howsoever incurred and whether incurred before, at the time of or after the execution hereof, including extensions or renewals thereof, including without restricting the generality of the foregoing, obligations to the Bank for advances by the Bank to the Undersigned under fixed or revolving credits established from time to time, liability to the Bank for letters of credit or guarantees, whether or not drawn upon, issued or given by the Bank for the Undersigned and the obligation and liability of the Undersigned under any contract of guarantee now or hereafter in existence whereby the Undersigned guarantees payment of the debts, liabilities and obligations of a third party to the Bank (the obligations, indebtedness and liabilities of the Undersigned referred to above hereinafter collectively called "Obligations"), and, IN CONSIDERATION OF THE OBLIGATIONS, the Undersigned hereby grants, bargains, assigns and transfers to the Bank a first, fixed and specific mortgage and charge, as and by way of a continuing security interest (hereinafter together with any other security interest hereby created called the "Security Interest") in the following property described in sub-paragraphs (a), (b), (c), and (d) of this paragraph now or hereafter owned or acquired by or on behalf of the Undersigned:

Delete "and (d)"  
if inapplicable.

(a) **Intangibles** - all intangible property and not included in paragraph 10 below including, without limitation, all contractual rights and insurance claims, patents, trademarks, trade names, goodwill, copyrights and other industrial property of the Undersigned (all of which property is hereinafter collectively called "Intangibles");

(b) **Proceeds** - all of the Undersigned's property in any form derived directly or indirectly from any use or dealing with the Collateral (defined in the last sentence of this paragraph) or that indemnifies or compensates for Collateral destroyed or damaged (all of which property is hereinafter collectively called "Proceeds");

(c) **Books & Records** - all of the Undersigned's deeds, documents, writings, papers, books of account and other books relating to or being records of debts, chattel paper or documents of title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;

Delete if inapplicable.  
If a Fixed and  
Specific Charge is  
Required, Complete  
Schedule.

(d) **Equipment** - all tools, machinery, equipment, furniture, plants, fixtures, and other tangible personal property, vehicles and fixed goods and chattels including all tools, machinery, equipment, furniture, plants, fixtures, vehicles, fixed goods and chattels other than Inventory (as defined below), and any other property or assets of the kind, nature or description of the property or assets particularly described in the Schedule hereto (all of which property is hereinafter collectively called "Equipment");

and for the same consideration the Undersigned hereby grants, bargains, assigns and transfers to the Bank a first floating charge, as and by way of a continuing security interest, over:

(e) **Inventory** - all goods and chattels now or hereafter forming the inventory of the Undersigned, of whatever kind and wherever located, including, without limitation, all goods, merchandise, raw material, work in process, finished goods and chattels held for sale, lease or resale, or furnished or to be furnished under contracts for service or used or consumed in the business of the Undersigned, goods used in or procured for packing or packaging, timber cut or to be cut, oil, gas and minerals extracted or to be extracted, all livestock and the young thereof after conception and all crops which become such within one year after the date of execution of this Agreement (all of which goods and chattels are hereinafter collectively called "Inventory");

(f) **Real Estate** - all real and immovable property, both freehold and leasehold, now or hereafter owned or acquired by the Undersigned, together with all buildings, erections, improvements and fixtures situate thereupon or used in connection therewith, including any lease, verbal or written or any agreement therefor, (all of which property is hereinafter collectively called "Real Estate") provided, however, the last day of any term of any such lease, verbal or written, or any agreement therefor now held or hereafter held by the Undersigned, is excepted out of the Real Estate charged by this Agreement, but should such charge become enforceable the Undersigned shall thereafter stand possessed of any such reversion upon trust to assign and dispose thereof as the Bank may direct; and

(g) **Other Property** - the undertaking and all other property and assets of the Undersigned for the time being of whatsoever nature and kind both present and future including without limiting the generality of the foregoing, uncalled capital, moneys, rights, franchises, negotiable and non-negotiable instruments, judgments and securities (all of which are hereinafter collectively called "Other Property"), other than that which is at any and all times validly subject to the first, fixed and specific mortgage and charge hereby created or subject to the assignment set forth in paragraph 10.

All of the above mentioned property together with the Assignment in paragraph 10 is hereinafter called the "Collateral".

#### 2. Location of Property

The Undersigned confirms and warrants that the Collateral will be kept at the address immediately preceding the Schedule hereto or, if left blank at the address shown below the Undersigned's signature to this Agreement, and, subject to the provisions of paragraph 4, the Undersigned will not remove any of the Collateral from said location without the prior written consent of the Bank.

This Agreement amends and restates a prior General Security Agreement in favour of The Toronto-Dominion Bank, and the security interest granted by this Agreement continues the security interest granted under such prior General Security Agreement.

### 3. Representations, Warranties & Covenants

The Undersigned hereby represents, warrants or covenants to or with the Bank, as the case may be, that:

- ~~(a) the Undersigned will reimburse the Bank for all costs and expenses (including legal fees on a solicitor and his own client basis) incurred by it in the preparation, execution and filing of this Agreement and the taking, recovering or possessing the Collateral and in any other proceedings taken for the purpose of protecting or enforcing the remedies provided herein, or otherwise in relation to the Collateral or by reason of non payment of the Obligations and all such costs and expenses shall bear interest at the highest rate borne by any of the Obligations and shall be payable on demand;~~
- (b) except for the Security Interest the Undersigned is, or respecting the Collateral acquired after the date hereof will be, the owner of the Collateral free from any mortgage, lien, charge, security interest or encumbrance and the Undersigned will keep the Collateral free and clear of all taxes, assessments, liens and encumbrances;
- (c) the Undersigned will deliver to the Bank within three (3) months next after the end of each of the Undersigned's fiscal years, audited financial statements of the Undersigned, and, if the Undersigned is a corporation, will furnish annually to the Bank the information which is required to be furnished to the shareholders of a corporation under applicable law;
- (d) the Undersigned will care for, protect and preserve the Collateral and not permit its value to be impaired and, subject to paragraph 4, will not sell, transfer, assign, mortgage, charge, pledge, hypothecate or deliver or otherwise dispose of any such property or any interest therein without the prior written consent of the Bank;
- (e) the Undersigned will keep the Collateral insured under policies with such provisions, for such amounts and by such insurers satisfactory to the Bank from time to time, and will maintain such insurance with loss, if any, payable to the Bank and will lodge such policies with the Bank;
- (f) the Bank shall be entitled from time to time and at any time to inspect the Collateral wherever located and to make enquiries and tests concerning the Collateral, and the Undersigned will defray all expenses in connection therewith; and
- (g) this Agreement has been properly authorized and constitutes a legally valid and binding obligation of the Undersigned in accordance with its terms.

### 4. Use of Specifically Charged Property

#### Dealing with Inventory, Real Estate or Other Property

Until the occurrence of an event of default, as hereinafter provided, the Undersigned may use the Collateral specifically charged in any lawful manner not inconsistent with this Agreement, and deal with the Inventory, Real Estate or Other Property or any part thereof in the ordinary course of business. Proceeds shall be received by the Undersigned in trust for the Bank and shall be forthwith paid over to the Bank.

### 5. Events of Default

Obligations not payable on demand shall become immediately payable upon the occurrence of one or more of the following events of default:

- (a) the Undersigned fails to pay when due any of the Obligations, or to perform or rectify a breach of any of the representations or warranties or covenants of this Agreement;
- (b) the Undersigned ceases or threatens to cease to carry on business, becomes insolvent or the subject of bankruptcy or insolvency proceedings;
- (c) any warranty or representation made to induce the Bank to extend credit to the Undersigned, under this Agreement or otherwise, is false in any material respect when made;
- (d) an encumbrancer takes possession of any of the Collateral or any process of execution is levied or enforced upon or against any of the Collateral;
- (e) indebtedness or liability of the Undersigned other than to the Bank becomes due and payable, or capable of being declared due and payable, before the stated maturity thereof or any such indebtedness or liability shall not be paid at the maturity thereof or upon the expiration of any stated applicable grace period thereof or any guarantee given by the Undersigned is not honoured when due and called upon;
- (f) a declaration of incompetency of the Undersigned by a court;
- (g) if the Undersigned is a partnership, the death of a partner; or
- (h) if the Undersigned is an individual, the death of the Undersigned;
- (i) any other event which causes the Bank, in good faith, to deem itself insecure;

and the Bank shall have all rights and remedies under applicable law as well as any other rights and remedies provided by this Agreement.

### ~~6. Additional Powers Upon Default~~

~~In addition to the rights and powers provided in paragraphs 5 and 8 and under the Personal Property Security Act, the Bank and the Receiver, as defined in paragraph 8, shall have the following rights and powers if the security hereby constituted becomes enforceable:~~

- ~~(a) to dispose of any of the Collateral in the condition in which it was at the date possession of it was taken, or after any commercially reasonable repair, processing or preparation thereof for disposition;~~
- ~~(b) if any part of the Collateral is perishable or will decline speedily in value, to sell or otherwise dispose of same without giving any notice whatever; and~~
- ~~(c) to demand, sue for and receive any Book Debts with or without notice to the Undersigned, give effectual receipts and discharges therefor, compromise any Book Debts which may seem bad or doubtful to the Bank and give time for payment thereof with or without security;~~

~~and the Undersigned shall from time to time forthwith on the Bank's request execute, do and make all such agreements, statements, further assignments, acts, matters and things which may from time to time in the opinion of the Bank be necessary or expedient for the purpose of carrying into effect any of the provisions hereof and of perfecting the title of the Bank in the Collateral; and the Bank and any of its managers or acting managers are by the Undersigned hereby irrevocably constituted and appointed the true and lawful attorney of the Undersigned with full power of substitution for the Bank at its option whenever and wherever it may deem necessary or expedient to do, make and execute all such statements, assignments, documents, acts, matters or things with the right to use the name of the Undersigned;~~

**7. Waiver by the Bank**

Any breach by the Undersigned of any of the provisions contained in this Agreement or any default by the Undersigned in the observance or performance of any covenant or condition required to be observed or performed by the Undersigned hereunder may only be waived by the Bank in writing, provided that no such waiver by the Bank shall extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting therefrom.

**8. Appointment of Receiver and Manager**

The Bank may appoint in writing any person, whether an employee or employees of the Bank or not, to be a receiver or a receiver and manager ("Receiver") of the Collateral or any part or parts thereof. A Receiver so appointed shall have power:

- (a) to take possession of, collect and get in the Collateral, or any part thereof and for that purpose to take any proceedings in the name of the Undersigned or otherwise;
- (b) to carry on or concur in carrying on the business of the Undersigned and for that purpose to raise money on the Collateral in priority to this Agreement or otherwise;
- (c) to sell or concur in selling any of the Collateral; and
- (d) to make any arrangement or compromise which the Receiver shall think expedient in the interest of the Bank.

Any Receiver so appointed shall be deemed to be the agent of the Undersigned, and the Undersigned shall be solely responsible for the Receiver's acts or defaults and for the Receiver's remuneration and expenses, and the Bank shall not be in any way responsible for any misconduct or negligence on the part of the Receiver. All moneys received by the Receiver after providing for payment of all costs, charges and expenses of or incidental to the exercise of any of the powers of the Receiver shall be applied in or towards satisfaction of the Security Interest. The rights and powers conferred by this paragraph are in supplement of and not in substitution for any rights the Bank may have from time to time.

**9. Perishable Collateral**

Except to the extent that the Bank believes on reasonable grounds that any part of the Collateral is perishable or will decline speedily in value, the Undersigned shall be entitled to not less than fifteen days' notice in writing of the date, time and place of any intended disposition of the Collateral, such notice to be sent by registered mail to the last known post office address of the Undersigned.

**10. General Assignment of Book Debts**

And the Undersigned for good and valuable consideration assigns, transfers, and sets over unto the Bank all debts, accounts, choses in action, claims, demands, and moneys now due or owing or accruing due or which may hereafter become due or owing to the Undersigned, including (without limiting the foregoing) claims against the Crown in the right of Canada or of any province, moneys which may become payable under any policy of insurance in respect of any loss by fire or other cause which has been or may be incurred by the Undersigned (collectively called "Book Debts"), together with all contracts, securities, bills, notes, lien notes, judgments, chattel mortgages, mortgages and all other rights, benefits and documents now or hereafter taken, vested in or held by the Undersigned in respect of or as security for the Book Debts hereby assigned or intended so to be or any part thereof and the full benefit and advantage thereof, and all rights of action, claim, or demand which the Undersigned now has or may at any time hereafter have against any person or persons, firm or corporation in respect thereof. The Undersigned further hereby covenants, promises, and agrees to and with the Bank to well and truly execute or cause to be executed all or any such further or other document or documents as shall or may be required by the Bank to more completely or fully vest in the Bank the Book Debts hereby assigned or intended so to be and the right to receive the said moneys or to enable the Bank to recover same and will from time to time prepare and deliver to the Bank all deeds, books, vouchers, promissory notes, bills of exchange, accounts, letters, invoices, papers, and all other documents in any way relating to the Book Debts. Provided that this assignment is and shall be a continuing collateral security to the Bank for the Obligations. All money or any other form of payment received by the Undersigned in payment of any Book Debts shall be received and held by the Undersigned in trust for the Bank.

**11. Appropriation**

The Bank shall have the right at any time to appropriate any payment made to any portion of the Obligations and to revoke or alter any such appropriation.

**12. Dealing with Security Interest**

The Bank may grant extensions of time and other indulgences, take and give up any of the Security Interest, or modify or abstain from perfecting or taking advantage of any of the Security Interest, accept compositions, grant releases and discharges thereof and otherwise deal with the Undersigned, debtors of the Undersigned, sureties and others and with any of the Security Interest as the Bank may see fit without prejudice to the liability of the Undersigned or the Bank's right to hold and realize any of the Security Interest. The Bank shall not be accountable to the Undersigned for the value of any of the Security Interest released except for any moneys actually received by the Bank.

**13. Execution**

If more than one person executes this Agreement, the term "Undersigned" shall include each as well as all of them, any and all of their obligations hereunder shall be joint and several and these presents and such obligations shall continue in full force and effect and apply notwithstanding any change for any cause or in any manner whatsoever in the composition of or membership of any firm or company which is a party hereto.

14. Term

This Agreement shall be a continuing agreement in every respect for the payment of the Obligations and it shall remain in full force and effect until all of the Obligations shall be paid in full. In the event any provisions of this Agreement shall be deemed invalid or void by any court of competent jurisdiction, the remaining terms and provisions of this Agreement shall remain in full force and effect.

15 Non-Substitution

The Security Interest is in addition to and not in substitution for any other security now or hereafter held by the Bank.

16. The attached Schedule "A" is incorporated into and forms part of this Agreement.

~~16. Acknowledgement~~

~~The Undersigned acknowledges receipt of a copy of this Agreement.~~

IN WITNESS WHEREOF the Undersigned has executed this Agreement this 29 day of October 2008.

Witness:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Per:

Ag Growth Industries Limited Partnership by its  
general partner Ag Growth Industries Inc.

(Seal)

(Seal)

(Seal)

Branch must  
insert Date  
and Initial as

Date Received
Recorded _____
Approved _____

\_\_\_\_\_  
(Address)

Collateral is now and will hereafter be located at the following address(es):

\_\_\_\_\_  
(Street) (Town/City) (Province)

Schedule

Quantity	Description	Serial number
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If space is insufficient attach additional list headed:  
PAGE 2 OF  
SCHEDULE

Resolution authorizing execution of general security agreement.

"RESOLVED THAT THE \_\_\_\_\_ and the \_\_\_\_\_ are hereby authorized for and on behalf of the Corporation to execute and deliver to The Toronto-Dominion Bank a General Security Agreement substantially in the form of the General Security Agreement (attached hereto and initialed by the Secretary for identification) presented to the directors, with such alterations, amendments, deletions or additions as may be approved by the persons executing the same and that execution accordingly shall be conclusive evidence of such approval and that the General Security Agreement so executed is the General Security Agreement authorized by this Resolution."

"Any officer or director be and is hereby authorized to execute and deliver on behalf of the Corporation all such other documents and writings and to do such other acts and things as may be necessary or desirable for fulfilling the Corporation's obligations under the General Security Agreement."

Certificate

I hereby certify that the foregoing is a true and correct copy of a Resolution duly passed by the Directors of

on the \_\_\_\_\_ day of \_\_\_\_\_ and that the said Resolution is now in full force and effect.

\_\_\_\_\_  
Secretary

C/S

PATENT

REEL: 023456 FRAME: 0010

## Schedule "A" to General Security Agreement

### Participating Lenders:

When used herein, the term **"Participating Lenders"** means The Toronto-Dominion Bank and other secured creditors from time to time by agreement, and any successor or assignee from time to time of the interests of such parties. For certainty, but without limiting the generality of the foregoing, the Participating Lenders include the lenders from time to time under a Third Amended and Restated Loan Agreement dated on or about the date hereof between, *inter alia*, the Undersigned and The Toronto-Dominion Bank, as may be amended, replaced, amended and restated or superseded from time to time, and the Note holders under a certain Note Purchase and Private Shelf Agreement dated on or about the date hereof between, *inter alia*, Prudential Investment Management, Inc. and each Prudential Affiliate (as therein defined) as may be amended, replaced, amended and restated or superseded from time to time.

### Additional Provisions:

**"Pledged Certificated Securities"** means any and all Collateral that is a certificated security.

**"Pledged Futures Contracts"** means any and all Collateral that is a futures contract.

**"Pledged Futures Accounts"** means any and all Collateral that is a futures account.

**"Pledged Futures Intermediary"** means, at any time, any Person which is at such time a futures intermediary at which a Pledged Futures Account is maintained.

**"Pledged Futures Intermediary's Jurisdiction"** means, with respect to any Pledged Futures Intermediary, its jurisdiction as determined under section 7.1(1)(d) of the PPSA.

**"Pledged Issuer"** means, at any time, any Person which is at such time an issuer with respect to any Pledged Securities or Pledged Security Entitlements.

**"Pledged Issuer's Jurisdiction"** means, with respect to any Pledged Issuer, its jurisdiction as determined under section 44(2) of the STA.

**"Pledged Security Certificates"** means any and all security certificates representing the Pledged Certificated Securities.

**"Pledged Securities"** means any and all Collateral that is a security.

**"Pledged Securities Accounts"** means any and all Collateral that is a securities account.

**"Pledged Securities Intermediary"** means, at any time, any Person which is at such time a securities intermediary at which a Pledged Securities Account is maintained.

**"Pledged Securities Intermediary's Jurisdiction"** means, with respect to any securities intermediary, its jurisdiction as determined under section 45(2) of the STA.

**"Pledged Security Entitlements"** means any and all Collateral that is a security entitlement.

**"Pledged Uncertificated Securities"** means any and all Collateral that is an uncertificated security.

**"PPSA" or the "Personal Property Security Act"** means *The Personal Property Security Act* (Manitoba), as such legislation may be amended, restated, renewed or otherwise modified from time to time, including all regulations from time to time made under such legislation; provided that, if validity, perfection or the effect of perfection or non-perfection or the priority of the Security Interest granted hereunder in any Collateral or the rights and remedies of Bank are governed by the PPSA or other similar legislation as in effect in a jurisdiction other than Manitoba, then "PPSA" shall mean the Personal Property Security Act or other similar legislation, including all regulations from time to time made under such legislation, as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such validity, perfection, effect of perfection or non-perfection, to priority or to such rights and remedies.

**"STA"** means *The Securities Transfer Act* (Manitoba), as such legislation may be amended, restated, renewed or otherwise modified from time to time, and includes all regulations from time to time made under such legislation.

**Limitations on Grant of Security Interests.** If the grant of any Security Interest in respect of any contract, intellectual property right or permit under Section 1 would result in the termination or breach of such contract, intellectual property right or permit, then such contract, intellectual property right or permit will not be subject to any Security Interest under Section 1 but will be held in trust by the Undersigned for the benefit of Bank and, on the exercise by Bank of any of Bank's rights or remedies under this Agreement following an Event of Default, will be assigned by the Undersigned as directed by Bank, provided that the Security Interests shall attach to such contract, intellectual property right or permit, or applicable portion thereof, immediately at such time as the condition causing such termination or breach is remedied. In addition, the Security Interests do not attach to consumer goods or extend to the last day of the term of any lease or agreement for lease of real property. Such last day will be held by the Undersigned in trust for Bank and, on the exercise by Bank of any of its rights or remedies under this Agreement following an Event of Default, will be assigned by the Undersigned as directed by the Bank. For greater certainty, no intellectual property right shall be transferred to Bank by sole virtue of the grant of the Security Interests contained in Section 1.

**Attachment; No Obligation to Advance.** The Undersigned confirms that value has been given by Bank to the Undersigned, that the Undersigned has rights in the Collateral existing at the date of this Agreement and that the Undersigned and Bank have not agreed to postpone the time for attachment of any of the Security Interests to any of the Collateral. The Security Interests will have effect and be deemed to be effective whether or not the Obligations or any part thereof are owing or in existence before or after or upon the date of this Agreement. Neither the execution and delivery of this Agreement nor the provision of any financial accommodation by Bank shall oblige Bank to make any financial accommodation or further financial accommodation available to the Undersigned or any other Person.



## Covenants.

The Undersigned covenants and agrees with Bank that:

- (a) Further Documentation. The Undersigned will from time to time, at the expense of the Undersigned, promptly and duly authorize, execute and deliver such further instruments and documents, and take such further action, as Bank may reasonably request for the purpose of obtaining or preserving the full benefits of, and the rights and powers granted by, this Agreement (including the filing of any financing statements or financing change statements under any applicable legislation with respect to the Security Interests). The Undersigned acknowledges that this Agreement has been prepared based on the existing laws in the Province of Manitoba and that a change in such laws, or the laws of other jurisdictions, may require the execution and delivery of different forms of security documentation. Accordingly, the Undersigned agrees that Bank will have the right to require that this Agreement be amended, supplemented, restated or replaced, and that the Undersigned will immediately on request by Bank authorize, execute and deliver any such amendment, supplement, restatement or replacement: (i) to reflect any changes in such laws, whether arising as a result of statutory amendments, court decisions or otherwise, (ii) to facilitate the creation and registration of appropriate security in all appropriate jurisdictions, or (iii) if the Undersigned merges or amalgamates with any other Person or enters into any corporate reorganization, in each case in order to confer on the Bank liens similar to, and having the same effect as, the Security Interest.
- (b) Further Identification of Collateral. The Undersigned will promptly furnish to Bank such statements and schedules further identifying and describing the Collateral, and such other reports in connection with the Collateral, as Bank may from time to time reasonably request, including an updated list of any motor vehicles or other "serial number" goods owned by the Undersigned and classified as Equipment, including vehicle identification numbers.
- (c) Instruments; Documents of Title; Chattel Paper. Promptly upon request from time to time by Bank, the Undersigned will deliver to Bank, endorsed and/or accompanied by such instruments of assignment and transfer in such form and substance as Bank may reasonably request, any and all Instruments, Documents of Title and Chattel Paper included in or relating to the Collateral as Bank may specify in its request.
- (d) Pledged Certificated Securities. At the request of Bank, the Undersigned will: (i) deliver to Bank any and all Pledged Security Certificates and other materials as may be required from time to time to provide Bank with control over all Pledged Certificated Securities in the manner provided under section 23 of the STA, and (ii) cause all Pledged Security Certificates to be registered in the name of Bank or its nominee.

- (e) Pledged Uncertificated Securities. At the request of Bank, the Undersigned will deliver to Bank any and all such documents, agreements and other materials as may be required from time to time to provide Bank with control over all Pledged Uncertificated Securities in the manner provided under section 24 of the STA.
- (f) Pledged Security Entitlements. At the request of Bank, the Undersigned will deliver to Bank any and all such documents, agreements and other materials as may be required from time to time to provide Bank with control over all Pledged Security Entitlements in the manner provided under section 25 or 26 of the STA.
- (g) Pledged Futures Contracts. At the request of Bank, the Undersigned will deliver to Bank any and all such documents, agreements and other materials as may be required from time to time to provide Bank with control over all Pledged Futures Contracts in the manner provided under subsection 1(1.1) of the PPSA.
- (h) Partnerships, Limited Liability Companies. The Undersigned will ensure that the terms of any interest in a partnership or limited liability company that is Collateral will expressly provide that such interest is a "security" for the purposes of the STA.
- (i) Transfer Restrictions. If the constating documents of any Pledged Issuer restrict the transfer of the securities of such Pledged Issuer, then, the Undersigned will deliver to Bank a certified copy of a resolution of the directors, shareholders, unitholders or partners of such Pledged Issuer, as applicable, consenting to the transfer(s) contemplated by this Agreement, including any prospective transfer of the Collateral by Bank upon a realization on the Security Interests.
- (j) Notices. The Undersigned will advise Bank promptly, in reasonable detail, of:
  - (i) any change to a Pledged Securities Intermediary's Jurisdiction, Pledged Issuer's Jurisdiction, or Pledged Futures Intermediary's Jurisdiction;
  - (ii) any change in the location of the jurisdiction of incorporation or amalgamation, chief executive office, or domicile of the Undersigned;
  - (iii) any change in the name of the Undersigned;
  - (iv) any merger or amalgamation of the Undersigned with any other Person;
  - (v) any additional jurisdiction in which the Undersigned carries on business or has tangible personal property;
  - (vi) any additional jurisdiction in which material account debtors of the Undersigned are located;
  - (vii) any acquisition of any right, title or interest in real property by the Undersigned;

- (viii) the creation or acquisition of any subsidiary of the Undersigned;
- (ix) any lien on, or claim asserted against, any of the Collateral; or
- (x) the occurrence of any event, claim or occurrence that could reasonably be expected to have a material adverse effect on the value of the Collateral or on the Security Interests.

The Undersigned will not effect or permit any of the changes referred to in clauses (ii) through (viii) above unless all filings have been made and all other actions taken that are required in order for Bank to continue at all times following such change to have a valid and perfected first priority Security Interest in respect of all of the Collateral.

**Rights on Event of Default.** If an Event of Default has occurred and is continuing, then and in every such case all of the Obligations shall, at the option of Bank become immediately due and payable and the Security Interests shall become enforceable and Bank, in addition to any rights now or hereafter existing under applicable law, may, personally or by agent, at such time or times as Bank in its discretion may determine, do any one or more of the following:

- (a) **Rights under PPSA, etc.** Exercise all of the rights and remedies granted to secured parties under the PPSA and any other applicable statute, or otherwise available to Bank by contract, at law or in equity.
- (b) **Demand Possession.** Demand possession of any or all of the Collateral, in which event the Undersigned will, at the expense of the Undersigned, immediately cause the Collateral designated by Bank to be assembled and made available and/or delivered to Bank at any place designated by Bank.
- (c) **Take Possession.** Enter on any premises where any Collateral is located and take possession of, disable or remove such Collateral.
- (d) **Deal with Collateral.** Hold, store and keep idle, or operate, lease or otherwise use or permit the use of, any or all of the Collateral for such time and on such terms as Bank may determine, and demand, collect and retain all earnings and other sums due or to become due from any Person in respect of any of the Collateral.
- (e) **Carry on Business.** Carry on, or concur in the carrying on of, any or all of the business or undertaking of the Undersigned and enter on, occupy and use (without charge by the Undersigned) any of the premises, buildings, plant and undertaking of, or occupied or used by, the Undersigned.
- (f) **Enforce Collateral.** Seize, collect, receive, enforce or otherwise deal with any Collateral in such manner, on such terms and conditions and at such times as Bank may deem advisable.
- (g) **Dispose of Collateral.** Realize on any or all of the Collateral and sell, lease, assign, give options to purchase, or otherwise dispose of and deliver any or all of the Collateral (or contract to do any of the above), in one or more parcels at any

public or private sale, at any exchange, broker's board or office of any of Bank or elsewhere, with or without advertising or other formality, except as required by applicable law, on such terms and conditions as Bank may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery. If any part of the Collateral is perishable or will decline speedily in value, to sell or otherwise dispose of same without giving any notice whatever.

- (h) Court-Approved Disposition of Collateral. Obtain from any court of competent jurisdiction an order for the sale or foreclosure of any or all of the Collateral.
- (i) Purchase by Bank. At any public sale, and to the extent permitted by law on any private sale, bid for and purchase any or all of the Collateral offered for sale and, upon compliance with the terms of such sale, hold, retain, sell or otherwise dispose of such Collateral without any further accountability to the Undersigned or any other Person with respect to such holding, retention, sale or other disposition, except as required by law. In any such sale to Bank, Bank may, for the purpose of making payment for all or any part of the Collateral so purchased, use any claim for any or all of the Obligations then due and payable to it as a credit against the purchase price.
- (j) Collect Accounts. Notify the account debtors under any accounts of the Undersigned of the assignment of such accounts to Bank and direct such account debtors to make payment of all amounts due or to become due to the Undersigned in respect of such accounts directly to Bank and, upon such notification and at the expense of the Undersigned, enforce collection of any such accounts, and adjust, settle or compromise the amount or payment of such accounts, in such manner and to such extent as Bank may deem appropriate in the circumstances.
- (k) Transfer of Collateral. Transfer any Collateral that is investment property into the name of Bank or its nominee.
- (l) Voting. Vote any or all of the Pledged Securities (whether or not transferred to Bank or its nominee) and Pledged Security Entitlements and give or withhold all consents, waivers and ratifications in respect thereof and otherwise act with respect thereto as though it were the outright owner thereof.
- (m) Exercise Other Rights. Exercise any and all rights, privileges, entitlements and options pertaining to any Collateral that is investment property as if Bank was the absolute owner of such investment property.
- (n) Dealing with Contracts and Permits. Deal with any and all contracts and permits to the same extent as the Undersigned might (including the enforcement, realization, sale, assignment, transfer, and requirement for continued performance), all on such terms and conditions and at such time or times as may seem advisable to Bank.
- (o) Payment of Obligations. Pay any liability secured by any lien against any Collateral. The Undersigned will immediately on demand reimburse Bank for all

such payments and, until paid, any such reimbursement obligation shall form part of the Obligations and shall be secured by the Security Interests.

- (p) Borrow and Grant Security Interests. Borrow money for the maintenance, preservation or protection of any Collateral or for carrying on any of the business or undertaking of the Undersigned and grant liens on any Collateral (in priority to the Security Interests or otherwise) as security for the money so borrowed. The Undersigned will immediately on demand reimburse Bank for all such borrowings and, until paid, any such reimbursement obligations shall form part of the Obligations and shall be secured by the Security Interests.
- (q) Court-Appointed Receiver. Obtain from any court of competent jurisdiction an order for the appointment of a Receiver of the Undersigned or of any or all of the Collateral.
- (r) Consultants. Require the Undersigned to engage a consultant of Bank's choice, or engage a consultant on its own behalf, such consultant to receive the full cooperation and support of the Undersigned and its agents and employees, including unrestricted access to the premises of the Undersigned and the books and records; all reasonable fees and expenses of such consultant shall be for the account of the Undersigned and the Undersigned hereby authorizes any such consultant to report directly to Bank and to disclose to Bank any and all information obtained in the course of such consultant's employment.

Bank may exercise any or all of the foregoing rights and remedies without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except as required by applicable law) to or on the Undersigned or any other Person, and the Undersigned hereby waives each such demand, presentment, protest, advertisement and notice to the extent permitted by applicable law. None of the above rights or remedies will be exclusive of or dependent on or merge in any other right or remedy, and one or more of such rights and remedies may be exercised independently or in combination from time to time. The Undersigned acknowledges and agrees that any action taken by Bank hereunder following the occurrence and during the continuance of an Event of Default shall not be rendered invalid or ineffective as a result of the curing of the Event of Default on which such action was based.

**Realization Standards.** To the extent that applicable law imposes duties on Bank to exercise remedies in a commercially reasonable manner and without prejudice to the ability of Bank to dispose of the Collateral in any such manner, the Undersigned acknowledges and agrees that it is not commercially unreasonable for Bank: (a) to incur expenses reasonably deemed significant by Bank to prepare the Collateral for disposition or otherwise to complete raw material or work in process into finished goods or other finished products for disposition, (b) to fail to obtain third party consents for access to the Collateral to be disposed of provided that nothing herein shall constitute an inducement by the Undersigned to commit, or an endorsement by Undersigned of, any such failure, or otherwise render the Undersigned liable to any other Person therefor or otherwise serve to subject the Undersigned to any adverse consequences thereof in relation to any such third party, (c) to fail to exercise collection remedies against account debtors or other Persons obligated on the Collateral or to remove liens against the Collateral, (d) to exercise

collection remedies against account debtors and other Persons obligated on the Collateral directly or through the use of collection agencies and other collection specialists, (e) to dispose of Collateral by way of public auction, public tender or private contract, with or without advertising and without any other formality, (f) to contact other Persons, whether or not in the same business of the Undersigned, for expressions of interest in acquiring all or any portion of the Collateral, (g) to hire one or more professional auctioneers to assist in the disposition of the Collateral, whether or not the Collateral is of a specialized nature or an upset or reserve bid or price is established, (h) to dispose of the Collateral by utilizing internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capacity of doing so, or that match buyers and sellers of assets, (i) to dispose of assets in wholesale rather than retail markets, (j) to disclaim disposition warranties, such as title, possession or quiet enjoyment, (k) to purchase insurance or credit enhancements to insure Bank against risks of loss, collection or disposition of the Collateral or to provide to Bank a guaranteed return from the collection or disposition of the Collateral, (l) to the extent deemed appropriate by Bank, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist Bank in the collection or disposition of any of the Collateral, (m) to dispose of Collateral in whole or in part, (n) to dispose of Collateral to a customer of Bank, and (o) to establish an upset or reserve bid price in respect of Collateral.

**Application of Proceeds.** The Proceeds of any sale, realization or other disposal of the Collateral howsoever arising and any other amounts from time to time received by Bank or a Receiver in connection therewith shall be applied as follows:

- (s) first, to the payment in full of all reasonable fees of Bank and any Receiver and all out-of-pocket costs, reasonable fees and expenses (including, without limitation, reasonable legal fees on a solicitor and his own client full indemnity basis) incurred by Bank and any Receiver or other enforcement agent appointed by Bank of a court of competent jurisdiction, as the case may be, in connection with the collection or enforcement of the Obligations owed to Bank, the enforcement of the Security Interests or the preservation of the Collateral;
- (t) second, in payment to Bank of all amounts payable hereunder that have not already been paid pursuant to this Section; and
- (u) third, the balance, if any, will be paid, subject to applicable law, to the Undersigned.

**Performance by Bank of Undersigned's Obligations.** If the Undersigned fails to perform or comply with any of the obligations of the Undersigned under this Agreement, Bank may, but need not, perform or otherwise cause the performance or compliance of such obligation, provided that such performance or compliance will not constitute a waiver, remedy or satisfaction of such failure. The expenses of Bank incurred in connection with any such performance or compliance will be payable by the Undersigned to Bank immediately on demand, and until paid, any such expenses will form part of the Obligations and will be secured by the Security Interests.

**Severability.** Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

**Release of Information.** The Undersigned authorizes Bank to provide a copy of this Agreement and such other information as may be requested of Bank to the extent necessary to enforce Bank's rights, remedies and entitlements under this Agreement.

**Expenses; Indemnity; Waiver.**

- (v) The Undersigned shall pay: (i) all reasonable out-of-pocket expenses incurred by Bank, including the reasonable fees, charges and disbursements of counsel for Bank and all applicable taxes, in connection with the preparation and administration of this Agreement, (ii) all reasonable out-of-pocket expenses incurred by Bank, including the reasonable fees, charges and disbursements of counsel for Bank and applicable taxes, in connection with any amendments, modifications or waivers of the provisions hereof, and (iii) all reasonable out-of-pocket expenses incurred by Bank, including the fees, charges and disbursements of any counsel for Bank and all applicable taxes, in connection with the enforcement or protection of its rights in connection with this Agreement, including its rights under this Section, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of the Obligations.
- (w) The Undersigned shall not assert, and hereby waives (to the fullest extent permitted by applicable law): (i) any claim against Bank, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, and (ii) all of the rights, benefits and protections given by any present or future statute that imposes limitations on the rights, powers or remedies of a secured party or on the methods of, or procedures for, realization of security, including any "seize or sue" or "anti-deficiency" statute or any similar provision of any other statute.
- (x) All amounts due under this Section shall be payable not later than three business days after written demand therefor.
- (y) The indemnifications set out in this Section will survive the release or extinguishment of the Security Interests.

**Release of Undersigned.** Neither the taking of any judgment nor the exercise of any power of seizure or sale shall extinguish the liability of the Undersigned to pay the Obligations, nor shall the same operate as a merger of any covenant contained in this Agreement or of any other liability, nor shall the acceptance of any payment or other security constitute or create any novation.

**Environmental License and Indemnity.** The Undersigned hereby grants to Bank and its employees and agents an irrevocable and non-exclusive license, subject to the rights of tenants, to enter any of the premises of the Undersigned to conduct reasonable audits, testing and monitoring with respect to hazardous substances and to remove and analyze any hazardous substance at the cost and expense of the Undersigned (which cost and expense will form part of the Obligations and will be payable immediately on demand and secured by the Security Interests created by this Agreement). The Undersigned will indemnify Bank and hold Bank harmless against and from all losses, costs, damages and expenses which Bank may sustain, incur or be or become liable at any time whatsoever for by reason of or arising from the past, present or future existence, clean-up, removal or disposal of any hazardous substance on or about any property owned or occupied by Bank or compliance with environmental laws or environmental orders relating thereto, including any clean-up, decommissioning, restoration or remediation of any premises owned or occupied by the Undersigned or other affected lands or property. This indemnification will survive the release or extinguishment of the Security Interests.

**Amalgamation.** If the Undersigned is a corporation, the Undersigned acknowledges that if it amalgamates with any other corporation or corporations, then: (i) the Collateral and the Security Interests will extend to and include all the property and assets of the amalgamated corporation and to any property or assets of the amalgamated corporation thereafter owned or acquired, (ii) the term "Undersigned", where used in this Agreement, will extend to and include the amalgamated corporation, and (iii) the term "Obligations", where used in this Agreement, will extend to and include the Obligations of the amalgamated corporation.

**Interpretation.** Unless otherwise expressly provided in this Agreement, if any matter in this Agreement is subject to the consent or approval of Bank or is to be acceptable to Bank, such consent, approval or determination of acceptability will be in the discretion of Bank, acting reasonably. If any provision in this Agreement refers to any action taken or to be taken by the Undersigned, or which the Undersigned is prohibited from taking, such provision will be interpreted to include any and all means, direct or indirect, of taking, or not taking, such action. The division of this Agreement into sections and paragraphs, and the insertion of headings, is for convenience of reference only and will not affect the construction or interpretation of this Agreement. Unless the context otherwise requires, words importing the singular include the plural and vice versa, and words importing gender include all genders. When used in this Agreement, the word "including" (or "includes") means including (or includes) without limitation. Any reference in this Agreement to a "Section" means the relevant Section of this Agreement. A reference in this agreement to another agreement refers to that other agreement as it may be amended, modified, supplemented, restated or replaced from time to time. A reference in this agreement to a statute refers to that statute as it may be amended and to any restated or successor legislation of comparable effect.

**Successors and Assigns.** This Agreement will enure to the benefit of, and be binding on, the Undersigned and its successors and permitted assigns, and will enure to the benefit of, and be binding on, Bank and its successors and assigns. The Undersigned may not assign this Agreement, or any of its rights or obligations under this Agreement. If the Undersigned is an individual, then the term "Undersigned", as applicable, will also include his or her heirs, administrators and executors.



**Acknowledgment of Receipt/Waiver.** The Undersigned acknowledges receipt of an executed copy of this Agreement and, to the extent permitted by applicable law, waives the right to receive a copy of any financing statement or financing change statement registered in connection with this Agreement or any verification statement issued in respect of any such financing statement or financing change statement.

**Schedule.** This Schedule "A" is incorporated into and forms part of the Agreement given by the Undersigned to which this Schedule "A" is attached.

**Rights and Remedies.** If the Undersigned has also given a pledge agreement to the Bank (the "Pledge Agreement"), to the extent any rights or remedies are granted to the Bank in the Pledge Agreement which are not also granted to the Bank in this Agreement, or vice versa, the Undersigned acknowledges and agrees that the inclusion of such rights and remedies in one such agreement but not the other shall not derogate from, reduce or adversely affect the obligations of the Undersigned or the rights and remedies of the Bank hereunder or thereunder.

**AG GROWTH INDUSTRIES  
LIMITED PARTNERSHIP,  
by its General Partner AG  
GROWTH INDUSTRIES INC.**

Per: \_\_\_\_\_

CEO