

# PATENT ASSIGNMENT

Electronic Version v1.1  
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SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY AGREEMENT
<b>CONVEYING PARTY DATA</b>	
Name	Execution Date
Stemilt Growers, LLC	06/30/2011
<b>RECEIVING PARTY DATA</b>	
Name:	Wells Fargo Bank, National Association
Street Address:	600 California Street, 20th Floor
City:	San Francisco
State/Country:	CALIFORNIA
Postal Code:	94108
<b>PROPERTY NUMBERS Total: 5</b>	
Property Type	Number
Patent Number:	6260713
Patent Number:	PP09707
Patent Number:	PP17672
Patent Number:	PP11601
Patent Number:	PP18812
<b>CORRESPONDENCE DATA</b>	
Fax Number:	(503)778-2200
Phone:	(503) 778-2137
Email:	trademarks@lanepowell.com
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.</i>	
Correspondent Name:	Lisa M. Davis
Address Line 1:	601 SW 2nd Avenue, Suite 2100
Address Line 4:	Portland, OREGON 97204
ATTORNEY DOCKET NUMBER:	105727.1161
NAME OF SUBMITTER:	Lisa M. Davis

OP \$200.00 6260713

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**PATENT**  
**REEL: 027028 FRAME: 0764**

**Total Attachments: 6**

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## PATENT SECURITY AGREEMENT

THIS PATENT SECURITY AGREEMENT ("Agreement") is between Stemilt Growers, LLC, a Washington limited liability company ("Pledgor"), and Well Fargo Bank, National Association, in its capacity as administrative agent ("Secured Party"), pursuant to that certain Collateral Agreement dated as of June 30, 2011 (as amended, restated, or otherwise modified, the "Collateral Agreement") among Pledgor, certain of Pledgor's affiliates and Secured Party.

### R E C I T A L S:

A. All terms defined in the Collateral Agreement, wherever used herein, shall have the same meanings herein as are prescribed by the Collateral Agreement.

B. Under the terms of the Collateral Agreement, the Pledgor granted to the Lender a continuing security interest in, lien on, assignment of and right of set-off against, all of the Pledgor's Collateral whether now owned or existing or hereafter acquired or arising, regardless of where located.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. All capitalized terms used herein and not otherwise defined herein shall have the meaning assigned thereto in the Collateral Agreement. This Patent Security Agreement is in all respects subject to the terms of the Collateral Agreement.

2. As collateral security for, and to secure the prompt payment and performance in full of the Secured Obligations, Pledgor hereby grants a security interest to Secured Party in its entire right, title, and interest in and to the patents and patent applications listed in Exhibit "A" attached hereto, including, without limitation, all proceeds thereof (such as, by way of example, license royalties and proceeds of infringement suits), the right to sue for past, present, and future infringements, all rights corresponding thereto throughout the world, and all reissues, divisions, continuations, renewals, extensions, and continuations-in-part thereof (herein collectively called the "Patents").

3. Pledgor covenants and warrants that:

(a) To Pledgor's knowledge, the Patents are subsisting and have not been adjudged invalid or unenforceable, in whole or in part;

(b) Pledgor is the sole and exclusive owner of the entire right, title, and interest in and to each of such Patents, free and clear of any liens, charges, and encumbrances, including, without limitation, licenses except as otherwise provided in the Credit Agreement; and

(c) Pledgor has the power and authority to enter into this Agreement and perform its terms and will make good faith efforts consistent with commercially

reasonable practice, to enter into written agreements, as reasonably requested by Secured Party from time to time, to the extent reasonably necessary to comply with the terms of this Patent Security Agreement and to protect Secured Party's rights hereunder.

4. Pledgor agrees that, until all of the Secured Obligations shall have been satisfied in full, it will not enter into any agreement (for example, a license agreement) which is inconsistent with Pledgor's obligations under this Agreement, without Secured Party's prior written consent, except as permitted by the Collateral Agreement and the other Loan Documents.

5. If, before the Secured Obligations shall have been satisfied in full, Pledgor shall obtain rights to any new patentable inventions, or become entitled to the benefit of any patent application or patent for any reissue, division, continuation, renewal, extension, or continuation-in-part of any Patent or any improvement on any Patent, the provisions of Paragraph 2 shall automatically apply thereto and Pledgor shall give to Secured Party prompt notice thereof in writing.

6. Pledgor authorizes Secured Party to modify this Agreement by amending Exhibit "A" to include any future patents and patent applications of the Pledgor.

7. If any Event of Default shall have occurred and be continuing, Secured Party shall have, in addition to all other rights and remedies given it by this Agreement, those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted from time to time in any jurisdiction in which the Pledgor may be located and, without limiting the generality of the foregoing, Secured Party may immediately, without demand of performance and without other notice (except as set forth next below) or demand whatsoever to Pledgor, all of which are hereby expressly waived to the extent permitted by applicable law, and without advertisement, sell at public or private sale or otherwise realize upon, in the State of Washington, or elsewhere, the whole or from time to time any part of the Patents, or interest which the Pledgor may have therein, and after deducting from the proceeds of sale or other disposition of the Patents all reasonable expenses (including all reasonable expenses for brokers' fees and legal services), shall apply the remainder of such proceeds toward the payment of the Secured Obligations. Any remainder of the proceeds after payment in full of the Secured Obligations shall be paid over to Pledgor. Notice of any sale or other disposition of the Patents shall be given to Pledgor at least ten (10) days before the time of any intended public or private sale or other disposition of the Patents is to be made, which Pledgor hereby agrees shall be reasonable notice of such sale or other disposition. At any such sale or other disposition, Secured Party may, to the extent permissible under applicable law, purchase the whole or any part of the Patents sold, free from any right of redemption on the part of Pledgor, which right is hereby waived and released.

8. At such time as all of the Secured Obligations shall be completely satisfied, Secured Party shall execute and deliver to Pledgor all deeds, assignments, and other instruments as may be necessary or proper to revest in Pledgor full title to the Patents, subject to any disposition thereof which may have been made by Secured Party pursuant hereto.

9. Any and all reasonable fees, costs, and expenses, of whatever kind or nature, including the reasonable attorneys' fees and legal expenses, incurred by Secured Party in connection with the preparation of this Agreement and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, reasonable counsel fees, maintenance fees, encumbrances, or otherwise protecting, maintaining, preserving the Patents, or in defending or prosecuting any actions or proceedings arising out of or related to the Patents shall be borne and paid by Pledgor on demand by Secured Party and until so paid shall be added to the principal amount of the Secured Obligations and shall bear interest at the rate prescribed in the Credit Agreement.

10. No course of dealing between Pledgor and Secured Party, nor any failure to exercise, nor any delay in exercising, on the part of Secured Party, any right, power, or privilege hereunder or under the Collateral Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power, or privilege hereunder or thereunder preclude any other or future exercise thereof or the exercise of any other right, power, or privilege.

11. All of Secured Party's rights and remedies with respect to the Patents, whether established hereby or by the Collateral Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently.

12. The provisions of this Agreement are severable, and 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 hereof, 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.

13. This Agreement is subject to modification only by a writing signed by the parties.

14. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and the permitted assigns of the parties.

15. THE VALIDITY AND INTERPRETATION OF THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES SHALL BE GOVERNED BY THE LAWS OF THE STATE OF WASHINGTON.

(SIGNATURE PAGE FOLLOWS)

"SECURED PARTY"

WELLS FARGO BANK, NATIONAL  
ASSOCIATION

By: [Signature]  
Name: Bruce Zavalney  
Title: Senior Vice President

STATE OF Washington )  
 ) ss.  
COUNTY OF Spokane )

I certify that I know or have satisfactory evidence that Bruce Zavalney is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he is authorized to execute the instrument and acknowledged it as the Senior Vice President of Wells Fargo Bank, National Association to be his free and voluntary act of such parties for the uses and purposes mentioned in this instrument.

DATED: June 27, 2011



[Signature]  
Print Name: Jessy W. Hummel  
NOTARY PUBLIC for the State of Washington,  
residing at  
Spokane, WA

My appointment expires:  
7/22/2012

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

**"PLEDGOR"**

STEMILT GROWERS, LLC

By: *West A. Mathison*  
Name: West A. Mathison  
Title: President

STATE OF Washington )  
 ) ss.  
COUNTY OF Chelan )

I certify that I know or have satisfactory evidence that West A. Mathison is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he is authorized to execute the instrument and acknowledged it as the President of Stemilt Growers, LLC to be his free and voluntary act of such parties for the uses and purposes mentioned in this instrument.

DATED: June 23, 2011

*Donna L. Mittelstenen*  
Print Name: Donna L. Mittelstenen  
NOTARY PUBLIC for the State of Washington,  
residing at  
Wenatchee

My appointment expires:  
11/15/2014

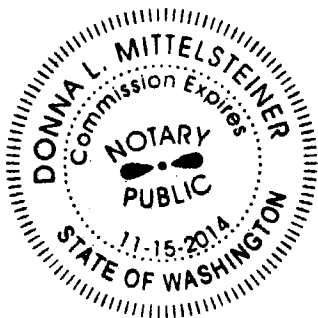


EXHIBIT "A"

Patents

Owner of Record	Patent	Registration No. or Application No.	Registration Date or Filing Date	Status
Stemilt Growers, LLC	Cherry sizing process and apparatus	6,260,713		Licensed
Stemilt Growers, LLC	'Lucky Rose Golden' Apple Tree	PP9,707		Licensed
Stemilt Growers, LLC	ROHO 3615	PP17,672		Licensed
Stemilt Growers, LLC	Staccato	Canadian Patent Denomination 13S2009		Licensed
Stemilt Growers, LLC	Pinova	PP11,601		Licensed
Stemilt Growers, LLC	Minneiska	PP18,812		Licensed

Patent Applications

None