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06-04-1999



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RECORDATION FORM COVER SHEET
TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID #
- Correction of PTO Error
Reel # Frame #
- Corrective Document
Reel # Frame #

Conveyance Type

- Assignment License
 - Security Agreement Nunc Pro Tunc Assignment
 - Merger Change of Name
 - Other
- Effective Date
Month Day Year

Conveying Party

Mark if additional names of conveying parties attached

Name Execution Date
Month Day Year

Formerly

- Individual General Partnership Limited Partnership Corporation Association
- Other
- Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City State/Country Zip Code

- Individual General Partnership Limited Partnership Corporation Association
- Other
- Citizenship/State of Incorporation/Organization

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

06/03/1999 MTHA11 00000232 1120/11

FOR OFFICE USE ONLY

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Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

TRADEMARK
REEL: 001906 FRAME: 0031

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

#

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="1120711"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Number of Properties

Enter the total number of properties involved.

#

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:

Enclosed Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

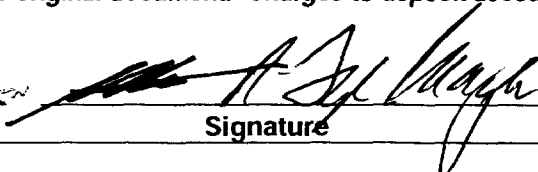
Authorization to charge additional fees:

Yes No

Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

WARREN LOU/ROBERT TEMSCHAGEN
Name of Person Signing


Signature

May 12, 1999
Date Signed

CANADIAN IMPERIAL BANK OF COMMERCE

U.S. SECURITY AGREEMENT

FROM SUBSIDIARIES OF AGRA INC.

THIS U.S. SECURITY AGREEMENT is made as of April 30, 1999 by each of **DEBTORS** (this term and other capitalized terms used in this Agreement having the respective meanings specified in Section 9) in favor of **CANADIAN IMPERIAL BANK OF COMMERCE**, as Administrative Agent.

A. In order to induce the Credit Providers to make or to continue to make certain financial accommodation to Agra and National Ventures, Debtors are willing to execute and deliver this Agreement.

B. Each Debtor will obtain benefits from financial accommodation being made, or continuing to be made, to Agra and National Ventures by the Credit Providers and, accordingly, each Debtor desires to execute this Agreement to satisfy the condition described in the preceding paragraph.

NOW, THEREFORE, in consideration of the benefits accruing to each Debtor, the receipt and sufficiency of which are hereby acknowledged, each Debtor hereby makes the following representations and warranties to the Administrative Agent and hereby covenants and agrees with the Administrative Agent.

1. SECURITY INTERESTS

1.1 Grant of Security Interests.

(a) As security for the prompt and complete payment and performance when due of all of the Liabilities of such Debtor (including the payment of any such Liabilities that would become due but for any automatic stay under the provisions of the *Bankruptcy and Insolvency Act* (Canada), the United States Bankruptcy Code or any analogous provisions of any other applicable law in Canada, the United States of America or any other jurisdiction), each Debtor does hereby assign and transfer unto the Administrative Agent, and does hereby pledge and grant to the Administrative Agent a continuing security interest of first priority (subject to Permitted Liens) in, all of the right, title and interest of such Debtor in, to and under all of the following, whether now existing or hereafter from time to time acquired: (i) each and every Receivable; (ii) all Contracts, together with all Contract Rights arising thereunder; (iii) all Inventory; (iv) all Equipment, including, without limitation, all Vehicles (and the certificates of title and all registrations relating thereto); (v) all Marks, together with the registrations and right to all renewals thereof, and the goodwill of the business of such Debtor symbolized by the Marks; (vi) all Patents; (vii) all Copyrights; (viii) all computer programs of such Debtor and all intellectual property rights therein and all Proprietary Information and Trade Secrets of such Debtor; (ix) all other Goods, General Intangibles, Chattel Paper,

Documents, Investment Property and Instruments; (x) all capital stock and other equity interests owned by the Debtor in any corporation or other entity and all promissory notes or other evidences of indebtedness issued to, or held by, the Debtor; (xi) each Cash Collateral Account and all monies, securities, instruments and other investments deposited or required to be deposited in such Cash Collateral Account; (xii) all other bank, demand, time savings, passbook, certificates of deposit and similar accounts maintained by the Debtor and all monies, securities, instruments and other investments deposited or required to be deposited in any of the foregoing accounts; and (xiii) all Proceeds and products of any and all of the foregoing (all of the above, collectively, the "Collateral").

(b) The security interest of the Administrative Agent under this Agreement extends to all Collateral of the kind which is the subject of this Agreement which any Debtor may acquire at any time during the continuation of this Agreement.

1.2 **Power of Attorney.** Each Debtor hereby constitutes and appoints the Administrative Agent its true and lawful attorney, irrevocably, with full power after the occurrence of and during the continuance of a Default relative to such Debtor (in the name of such Debtor or otherwise) to act, require, demand, receive, compound and give acquittance for any and all monies and claims for monies due or to become due to such Debtor under or arising out of the Collateral, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Administrative Agent may deem to be necessary or advisable to protect the interests of the Credit Providers, which appointment as attorney is coupled with an interest.

2. **GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS**

Each Debtor represents, warrants and covenants, which representations, warranties and covenants shall survive execution and delivery of this Agreement, as follows:

2.1 **Necessary Filings.**

(a) All filings, registrations and recordings necessary or appropriate to create, preserve and perfect the security interest granted by each Debtor to the Administrative Agent hereby in respect of the Collateral (other than Vehicles) have been (or within 10 days after the date hereof will be) accomplished, and the security interest granted by each Debtor to the Administrative Agent pursuant to this Agreement in and to the Collateral (other than Vehicles) constitutes a perfected security interest therein prior to the rights of all other Persons therein and subject to no other Liens (other than as expressly permitted under the Secured Credit Documents) and is entitled to all the rights, priorities and benefits afforded by the Uniform Commercial Code or other relevant law as enacted in any jurisdiction relevant to perfected security interests, in each case to the extent that the Collateral consists of the type of property in which a security interest may

be perfected by filing a financing statement under the Uniform Commercial Code as enacted in the relevant jurisdiction or in the United States Patent and Trademark Office or United States Copyright Office.

(b) Notwithstanding the foregoing, at the request of the Administrative Agent following the occurrence of a Default, (i) all certificates of title evidencing each Debtor's ownership of the Vehicles of such Debtor shall be duly endorsed in favor of, and delivered to, the Administrative Agent, and (ii) all other filings, registrations or recordings necessary or appropriate to perfect the security interest granted by each Debtor to the Administrative Agent hereby in respect of the Vehicles shall be accomplished. Upon the completion of such endorsements and deliveries, filings, registrations and recordings, the security interest granted to the Administrative Agent pursuant to this Agreement in and to the Vehicles of each Debtor will constitute a first priority perfected security interest therein superior and prior to the rights of all other Persons therein and subject to no other Liens (other than Permitted Liens) and will be entitled to all the rights, priorities and benefits afforded by the Uniform Commercial Code or other relevant law as enacted in any jurisdiction relevant to perfected security interests. Upon the occurrence of a Default and at the request of the Administrative Agent, each Debtor shall promptly deliver to the Administrative Agent the originals of all such endorsed certificates of title.

2.2 No Liens. Each Debtor is, and as to Collateral acquired by it from time to time after the date hereof each Debtor will be, the owner of all Collateral pledged by it hereunder free from any Lien, security interest, encumbrance or other right, title or interest of any Person (other than as expressly permitted under the Secured Credit Documents), and each Debtor shall defend the Collateral against all claims and demands of all Persons at any time claiming the same or any interest therein (other than in connection with Liens as expressly permitted under the Secured Credit Documents) adverse to the Administrative Agent.

2.3 Other Financing Statements. As of the date hereof, there is no financing statement (or similar statement or instrument of registration under the law of any jurisdiction) covering or purporting to cover any interest of any kind in the Collateral (other than financing statements filed in respect of Liens as expressly permitted under the Secured Credit Documents), and each Debtor will not execute or authorize to be filed in any public office any financing statement (or similar statement or instrument of registration under the law of any jurisdiction) or statements relating to the Collateral, except financing statements filed or to be filed in respect of and covering the security interests granted hereby by such Debtor or in connection with Permitted Liens.

2.4 Chief Executive Office, Records. As of the date hereof, the chief executive office of each Debtor is located at the address indicated on Annex A hereto for such Debtor. Each Debtor will not move its chief executive office except to such new location as such Debtor may establish in accordance with the last sentence of this Section 2.4. A complete set of books of account and records of each Debtor relating to

the Receivables and the Contract Rights are, and will continue to be, kept at such Debtor's chief executive office, at one or more of the other record locations set forth on Annex A hereto for such Debtor, or at such new locations as such Debtor may establish in accordance with the last sentence of this Section 2.4. All Receivables and Contract Rights of each Debtor are, and will continue to be, maintained at, and controlled and directed (including, without limitation, for general accounting purposes) from, the office locations described above or such new location established in accordance with the last sentence of this Section 2.4. No Debtor shall establish new locations for such offices until (i) it shall have given to the Administrative Agent not less than 30 days' prior written notice of its intention to do so, clearly describing such new location and providing such other information in connection therewith as the Administrative Agent may reasonably request and (ii) with respect to such new location, it shall have taken all action, reasonably satisfactory to the Administrative Agent, to maintain the security interest of the Administrative Agent in the Collateral intended to be granted hereby at all times fully perfected and in full force and effect. Each Debtor's Governing Law State is that state set forth for that Debtor in Annex K hereto.

2.5 Location of Inventory and Equipment. All Inventory and Equipment held on the date hereof by each Debtor is located at one of the locations shown on Annex B hereto for such Debtor. Each Debtor agrees that all Inventory and Equipment now held or subsequently acquired by it shall be kept at (or shall be in transport to) any one of the locations shown on Annex B hereto, or such new location as such Debtor may hereafter establish to continue existing business operations or to conduct new business operations. If any Debtor establishes such a new location for Inventory and Equipment, (i) it shall give to the Administrative Agent written notice that it has done so, clearly describing such new location and providing such other information in connection therewith as the Administrative Agent may reasonably request, promptly after relocation of any Inventory or Equipment to such location, and (ii) with respect to such new location, it shall promptly take all action reasonably satisfactory to the Administrative Agent to maintain the security interest of the Administrative Agent in the Collateral (other than Vehicles) intended to be granted hereby at all times fully perfected and in full force and effect.

2.6 Recourse. This Agreement is made with full recourse to each Debtor and pursuant to and upon all the warranties, representations, covenants and agreements on the part of each Debtor contained herein and otherwise in writing in connection herewith.

2.7 Trade Names, Change of Name. As of the date hereof, no Debtor has or operates in any jurisdiction under, or in the preceding 12 months has had or has operated in any jurisdiction under, any trade names, fictitious names or other names except its legal name and such other trade or fictitious names as are listed on Annex C hereto for such Debtor. No Debtor shall change its legal name or assume or operate in any jurisdiction under any trade, fictitious or other name except those names listed on

Annex C hereto for such Debtor and new names established in accordance with the last sentence of this Section 2.7. No Debtor shall assume or operate in any jurisdiction under any new trade, fictitious or other name until (i) it shall have given to the Administrative Agent not less than 30 days' prior written notice of its intention so to do, clearly describing such new name and the jurisdictions in which such new name shall be used and providing such other information in connection therewith as the Administrative Agent may reasonably request and (ii) with respect to such new name, it shall have taken all action reasonably requested by the Administrative Agent, to maintain the security interest of the Administrative Agent in the Collateral intended to be granted hereby at all times fully perfected and in full force and effect.

3. SPECIAL PROVISIONS CONCERNING RECEIVABLES; CONTRACT RIGHTS; INSTRUMENTS

3.1 Additional Representations and Warranties. As of the time when each of its Receivables arises, each Debtor shall be deemed to have represented and warranted that such Receivable, and all records, papers and documents relating thereto (if any) are what they purport to be and that all papers and documents (if any) relating thereto (i) will represent indebtedness unpaid and owed by the respective account debtor arising out of the performance of labor or services or the sale or lease and delivery of the merchandise listed therein, or both; (ii) will be the only original writings evidencing and embodying such obligation of the account debtor named therein (other than copies created for general accounting purposes); and (iii) will be in compliance and will conform in all material respects with all applicable federal, state and local laws and applicable laws of any relevant foreign jurisdiction, except where the failure to so comply and confirm could not reasonably be expected to have a material adverse effect on the validity or enforceability of any such Receivables.

3.2 Maintenance of Records. Each Debtor will keep and maintain, at its own cost and expense, records of its Receivables and Contracts, and each Debtor will make the same available on such Debtor's premises to the Administrative Agent for inspection, at such Debtor's own cost and expense, at any and all reasonable times upon reasonable prior notice to such Debtor. Upon the occurrence and during the continuance of a Default relative to any Debtor, and at the reasonable request of the Administrative Agent, such Debtor shall, at its own cost and expense, deliver all tangible evidence of its Receivables and Contract Rights (including, without limitation, all documents evidencing the Receivables and all Contracts) and such books and records to the Administrative Agent or to its representatives (copies of which evidence and books and records may be retained by such Debtor). If the Administrative Agent so directs, upon the occurrence and during the continuance of a Default relative to any Debtor, such Debtor shall legend, in form and manner reasonably satisfactory to the Administrative Agent, the Receivables and the Contracts, as well as books, records and documents of such Debtor evidencing or pertaining to such Receivables and Contracts with an appropriate reference to the fact

that such Receivables and Contracts have been assigned to the Administrative Agent and that the Administrative Agent has a security interest therein.

3.3 Direction to Account Debtors, Contracting Parties, etc. Upon the occurrence and during the continuance of a Default relative to any Debtor, and if the Administrative Agent so directs such Debtor, such Debtor agrees (x) to cause all payments on account of the Receivables and Contracts to be made directly to the Administrative Agent to be held as additional Collateral hereunder; (y) that the Administrative Agent may, at its option, directly notify the obligors with respect to any Receivables and/or under any Contracts to make payments with respect thereto as provided in preceding clause (x) and (z) that the Administrative Agent may enforce collection of any such Receivables and Contracts and may adjust, settle or compromise the amount of payment thereof, in the same manner and to the same extent as such Debtor. Without notice to or assent by any Debtor, the Administrative Agent may apply any or all amounts so paid to the Administrative Agent in the manner provided in Section 7.4 of this Agreement. The reasonable costs and expenses (including reasonable attorneys' fees) of collection, whether incurred by the relevant Debtor or the Administrative Agent, shall be borne by the relevant Debtor. The Administrative Agent shall deliver a copy of each notice referred to in the preceding clause (y) to the relevant Debtor; provided, that the failure by the Administrative Agent to so notify such Debtor shall not affect the effectiveness of such notice or the other rights of the Administrative Agent created by this Section 3.3.

3.4 Modification of Terms; etc. No Debtor shall rescind or cancel any indebtedness evidenced by any Receivable or under any Contract, or modify any term thereof or make any adjustment with respect thereto, or extend or renew the same, or compromise or settle any material dispute, claim, suit or legal proceeding relating thereto, or sell any Receivable or Contract, or interest therein, without the prior written consent of the Administrative Agent, except as permitted by Section 3.5 hereof. Each Debtor will duly fulfill all obligations on its part to be fulfilled under or in connection with the Receivables and Contracts and will do nothing to impair the rights of the Administrative Agent in the Receivables or Contracts.

3.5 Collection. Each Debtor shall endeavor in accordance with reasonable business practices to cause to be collected from the account debtor named in each of its Receivables or obligor under any Contract, as and when due (including, without limitation, amounts which are delinquent, such amounts to be collected in accordance with generally accepted lawful collection procedures) any and all amounts owing under or on account of such Receivable or Contract, and apply forthwith upon receipt thereof all such amounts as are so collected to the outstanding balance of such Receivable or under such Contract, except that, prior to the occurrence of a Default relative to any Debtor, such Debtor may allow in the ordinary course of business as adjustments to amounts owing under its Receivables and Contracts (i) an extension or renewal of the

time or times of payment, or settlement for less than the total unpaid balance, which such Debtor finds appropriate in accordance with reasonable business judgment and (ii) a refund or credit due as a result of returned or damaged merchandise or improperly performed services or for other reasons which such Debtor finds appropriate in accordance with reasonable business judgment. The reasonable costs and expenses (including, without limitation, reasonable attorneys' fees) of collection, whether incurred by a Debtor or the Administrative Agent, shall be borne by the relevant Debtor.

3.6 Instruments. If any Debtor owns or acquires any Instrument constituting Collateral, such Debtor will within 10 Business Days notify the Administrative Agent thereof and, upon request by the Administrative Agent, promptly deliver such Instrument to the Administrative Agent appropriately endorsed to the order of the Administrative Agent as further security hereunder.

3.7 Further Actions. Each Debtor will, at its own expense, make, execute, endorse, acknowledge, file and/or deliver to the Administrative Agent from time to time such vouchers, invoices, schedules, confirmatory assignments, conveyances, financing statements, transfer endorsements, powers of attorney, certificates, reports and other assurances or instruments and take such further steps relating to its Receivables, Contracts, Instruments and other property or rights covered by the security interest hereby granted, as the Administrative Agent may reasonably require.

4. SPECIAL PROVISIONS CONCERNING TRADEMARKS

4.1 Additional Representations and Warranties. Each Debtor represents and warrants that, as of the date hereof, it is the true and lawful owner of all right, title and interest to, or otherwise has the right to use the registered Marks listed in Annex D hereto for such Debtor and that such listed Marks constitute all the marks and applications for marks registered in the United States Patent and Trademark Office that such Debtor presently owns or uses in connection with its business. Each Debtor represents and warrants that it owns, is licensed to use or otherwise has the right to use all material Marks that it uses. Each Debtor further warrants that it has no actual knowledge of any third party claim that any aspect of such Debtor's present or contemplated business operations infringes or will infringe any trademark, service mark or trade name. Each Debtor represents and warrants that it is the beneficial and record owner of all trademark registrations and applications listed in Annex D hereto for such Debtor and that such registrations are valid and subsisting, and that such Debtor is not aware of any third-party claim that any of such registrations in respect of any Mark is invalid or unenforceable. Each Debtor hereby grants to the Administrative Agent an absolute, irrevocable power of attorney to sign, upon the occurrence and during the continuance of a Default relative to such Debtor, any document which may be required by the United States Patent and Trademark Office in order to effect an absolute assignment of all right, title and interest of such Debtor in each Mark, and record the same.

4.2 Infringements. Each Debtor agrees, promptly upon learning thereof, to notify the Administrative Agent in writing of the name and address of, and to furnish such pertinent information that may be available with respect to, any party who such Debtor believes is infringing or diluting or otherwise violating in any material respect any of such Debtor's rights in and to any Mark, or with respect to any party, which such Debtor has actual knowledge, claiming that such Debtor's use of any Mark violates in any material respect any property right of that party. Each Debtor further agrees, unless otherwise agreed by the Administrative Agent, to prosecute any Person infringing any Mark in accordance with reasonable business practices.

4.3 Preservation of Marks. Each Debtor agrees to use its Marks in interstate commerce during the time in which this Agreement is in effect, sufficiently to preserve such Marks as trademarks or service marks under the laws of the United States and any other applicable law; provided, that no Debtor shall be obligated to preserve any Mark in the event such Debtor determines, in its reasonable business judgment, that the preservation of such Mark is no longer necessary or desirable in the conduct of its business.

4.4 Maintenance of Registration. Each Debtor shall, at its own expense, diligently process all documents required by the Trademark Act of 1946, 15 U.S.C. §§ 1051 et seq. to maintain trademark registrations, including but not limited to affidavits of use and applications for renewals of registration in the United States Patent and Trademark Office for all of its registered Marks pursuant to 15 U.S.C. §§ 1058(a), 1059 and 1065, and shall pay all fees and disbursements in connection therewith and shall not abandon any such filing of affidavit of use or any such application of renewal prior to the exhaustion of all administrative and judicial remedies without prior written consent of the Administrative Agent; provided, that no Debtor shall be obligated to maintain any Mark in the event that such Debtor determines, in its reasonable business judgment, that the maintenance of such Mark is no longer necessary or desirable in the conduct of its business.

4.5 Future Registered Marks. If any Mark registration issues hereafter to any Debtor as a result of any application now or hereafter pending before the United States Patent and Trademark Office, within 60 Business Days of receipt of such certificate, such Debtor shall deliver to the Administrative Agent a copy of such certificate, and an assignment for security in such Mark, to the Administrative Agent and at the expense of such Debtor, confirming the assignment for security in such Mark to the Administrative Agent hereunder, the form of such security to be substantially the same as the form hereof or in such other form as may be reasonably satisfactory to the Administrative Agent.

4.6 Remedies. If a Default relative to any Debtor shall occur and be continuing, the Administrative Agent may take any or all of the following actions:
(i) declare the entire right, title and interest of such Debtor in and to each of the Marks,

together with all trademark rights and rights of protection to the same, vested in the Administrative Agent, in which event such rights, title and interest shall immediately vest in the Administrative Agent and the Administrative Agent shall be entitled to exercise the power of attorney referred to in Section 4.1 hereof to execute, cause to be acknowledged and notarized and record such absolute assignment with the applicable agency; (ii) take and use or sell the Marks and the goodwill of such Debtor's business symbolized by the Marks and the right to carry on the business and use the assets of such Debtor in connection with which the Marks have been used; and (iii) direct such Debtor to refrain, in which event such Debtor shall refrain, from using the Marks in any manner whatsoever, directly or indirectly, and, if requested by the Administrative Agent, change such Debtor's corporate name to eliminate therefrom any use of any Mark and execute such other and further documents that the Administrative Agent may request to further confirm this and to transfer ownership of the Marks and registrations and any pending trademark application in the United States Patent and Trademark Office to the Administrative Agent.

5. SPECIAL PROVISIONS CONCERNING PATENTS, COPYRIGHTS AND TRADE SECRETS

5.1 Additional Representations and Warranties. Each Debtor represents and warrants that it is the true and lawful owner of all rights in (i) all Trade Secrets and Proprietary Information necessary to operate the business of such Debtor; (ii) the Patents listed in Annex E hereto for such Debtor and that such Patents constitute all the patents and applications for patents that such Debtor owns and (iii) the Copyrights listed in Annex F hereto for such Debtor and that said Copyrights constitute all registrations of copyrights and applications for copyright registrations that such Debtor owns. Each Debtor further warrants that it has no actual knowledge of any third party claim that any aspect of such Debtor's present or contemplated business operations infringes or will infringe any patent or any copyright or that such Debtor has misappropriated any Trade Secret or Proprietary Information. Each Debtor hereby grants to the Administrative Agent an absolute, irrevocable power of attorney to sign, upon the occurrence and during the continuance of a Default relative to such Debtor, any document which may be required by the United States Patent and Trademark Office or the United States Copyright Office in order to effect an absolute assignment of all right, title and interest of such Debtor in each Patent and Copyright, and to record the same.

5.2 Infringements. Each Debtor agrees, promptly upon learning thereof, to furnish the Administrative Agent in writing with all pertinent information available to such Debtor with respect to any infringement, contributing infringement or active inducement to infringe in any material respect any Patent or Copyright or to any claim that the practice of any Patent or the use of any Copyright violates in any material respect any property right of a third party, or with respect to any misappropriation of any Trade Secret or any claim that practice of any Trade Secret violates in any material respect any

property right of a third party. Each Debtor further agrees, to the extent consistent with reasonable business practices, to prosecute any Person infringing any Patent or Copyright or any Person misappropriating any Trade Secret.

5.3 Maintenance of Patents. At its own expense, each Debtor shall make timely payment of all post-issuance fees required pursuant to 35 U.S.C. § 41 to maintain in force rights under each Patent, absent prior written consent of the Administrative Agent; provided, that no Debtor shall be obligated to maintain any Patent in the event such Debtor determines, in its reasonable business judgment, that the maintenance of such Patent is no longer necessary or desirable in the conduct of its business.

5.4 Prosecution of Patent Application. At its own expense, each Debtor shall diligently prosecute all applications for Patents for such Debtor and shall not abandon any such application prior to exhaustion of all administrative and judicial remedies, absent written consent of the Administrative Agent; provided, that no Debtor shall be obligated to prosecute any application in the event such Debtor determines, in its reasonable business judgment, that the prosecuting of such application is no longer necessary or desirable in the conduct of its business.

5.5 Other Patents and Copyrights. Within 30 Business Days of the acquisition or issuance of a Patent, registration of a Copyright, or acquisition of a registered copyright, the relevant Debtor shall deliver to the Administrative Agent a copy of such Copyright or certificate or registration of such Patents, as the case may be, with an assignment for security as to such Patent or Copyright, as the case may be, to the Administrative Agent and at the expense of such Debtor, confirming the assignment for security, the form of such assignment for security to be substantially the same as the form of Annex G or Annex H hereof or in such other form as may be reasonably satisfactory to the Administrative Agent.

5.6 Remedies. If a Default relative to any Debtor shall occur and be continuing, the Administrative Agent may take any or all of the following actions: (i) declare the entire right, title, and interest of such Debtor in each of the Patents and Copyrights vested in the Administrative Agent, in which event such right, title, and interest shall immediately vest in the Administrative Agent, in which case the Administrative Agent shall be entitled to exercise the power of attorney referred to in Section 5.1 hereof to execute, cause to be acknowledged and notarized and to record said absolute assignment with the applicable agency; (ii) take and practice or sell the Patents and Copyrights; and (iii) direct such Debtor to refrain, in which event such Debtor shall refrain, from practicing the Patents and using the Copyrights directly or indirectly, and such Debtor shall execute such other and further documents as the Administrative Agent may request further to confirm this and to transfer ownership of the Patents and Copyrights to the Administrative Agent.

6. PROVISIONS CONCERNING ALL COLLATERAL

6.1 Protection of Administrative Agent's Security. Each Debtor will at all times keep its Inventory and Equipment insured in favor of the Administrative Agent, at such Debtor's own expense to the extent and in the manner provided in the Secured Credit Documents.

6.2 Further Actions. Each Debtor will, at its own expense, make, execute, endorse, acknowledge, file and/or deliver to the Administrative Agent from time to time such lists, descriptions and designations of its Collateral, warehouse receipts, receipts in the nature of warehouse receipts, bills of lading, documents of title, vouchers, invoices, schedules, confirmatory assignments, conveyances, financing statements, transfer endorsements, powers of attorney, certificates, reports and other assurances or instruments, and take such further steps relating to the Collateral and other property or rights covered by the security interest hereby granted, which the Administrative Agent deems reasonably appropriate or advisable to perfect, preserve or protect its security interest in the Collateral.

6.3 Financing Statements. Each Debtor agrees to execute and deliver to the Administrative Agent such financing statements, in form reasonably acceptable to the Administrative Agent, as the Administrative Agent may from time to time reasonably request or as are necessary or desirable in the reasonable opinion of the Administrative Agent to establish and maintain a valid, enforceable, first priority perfected security interest in the Collateral as provided herein and the other rights and security contemplated hereby all in accordance with the Uniform Commercial Code and any other relevant law. Each Debtor will pay any applicable filing fees, recordation taxes and related expenses relating to its Collateral. Each Debtor hereby authorizes the Administrative Agent to file any such financing statements without the signature of such Debtor where permitted by law.

7. REMEDIES UPON OCCURRENCE OF DEFAULT

7.1 Remedies; Obtaining the Collateral Upon Default. Each Debtor agrees that, if a Default relative to such Debtor shall have occurred and be continuing, then and in every such case, the Administrative Agent, in addition to any rights now or hereafter existing under applicable law, shall have all rights as a secured creditor under the Uniform Commercial Code and may:

(i) personally, or by agents or attorneys, immediately take possession of the Collateral of such Debtor or any part thereof, from such Debtor or any other Person who then has possession of any part thereof with or without notice or process of law, and for that purpose may enter upon such Debtor's premises where any of the Collateral is located and remove the same and use in connection with such removal any and all services, supplies, aids and other facilities of such Debtor;

(ii) instruct the obligor or obligors on any agreement, instrument or other obligation (including, without limitation, the Receivables and the Contracts) constituting the Collateral of such Debtor to make any payment required by the terms of such agreement, instrument or other obligation directly to the Administrative Agent;

(iii) withdraw all monies, securities and instruments in any Cash Collateral Account for application to the Liabilities of such Debtor in accordance with Section 7.4 hereof;

(iv) sell, assign or otherwise liquidate any or all of the Collateral of such Debtor or any part thereof in accordance with Section 7.2 hereof, or direct such Debtor to sell, assign or otherwise liquidate any or all of the Collateral of such Debtor or any part thereof, and, in each case, take possession of the proceeds of any such sale or liquidation;

(v) take possession of the Collateral of such Debtor or any part thereof, by directing such Debtor in writing to deliver the same to the Administrative Agent at any place or places designated by the Administrative Agent, in which event such Debtor shall at its own expense:

(x) forthwith cause the same to be moved to the place or places so designated by the Administrative Agent and there delivered to the Administrative Agent;

(y) store and keep any Collateral so delivered to the Administrative Agent at such place or places pending further action by the Administrative Agent as provided in Section 7.2 hereof, and

(z) while the Collateral shall be so stored and kept, provide such guards and maintenance services as shall be necessary to protect the same and to preserve and maintain them in good condition; and

(vi) license or sublicense, whether on an exclusive or nonexclusive basis, any Marks, Patents or Copyrights included in the Collateral for such term and on such conditions and in such manner as the Administrative Agent shall in its sole judgment determine;

it being understood that each Debtor's obligation so to deliver the Collateral is of the essence of this Agreement and that, accordingly, upon application to a court of equity having jurisdiction, the Administrative Agent shall be entitled to a decree requiring specific performance by such Debtor of such obligation.

7.2 Remedies; Disposition of the Collateral. Any Collateral repossessed by the Administrative Agent under or pursuant to Section 7.1 hereof, and any other Collateral whether or not so repossessed by the Administrative Agent, may be sold,

assigned, leased or otherwise disposed of under one or more contracts or as an entirety, and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner, at such time or times, at such place or places and on such terms as the Administrative Agent may, in compliance with any mandatory requirements of applicable law, determine to be commercially reasonable. Any of the Collateral may be sold, leased or otherwise disposed of, in the condition in which the same existed when taken by the Administrative Agent or after any overhaul or repair at the expense of the relevant Debtor which the Administrative Agent shall determine to be commercially reasonable. Any such disposition which shall be pursuant to a private sale or other private proceedings permitted by such requirements shall be made upon not less than 10 Business Days' written notice to the relevant Debtor specifying the time at which such disposition is to be made and the intended sale price or other consideration therefor, and shall be subject, for the 10 Business Days after the giving of such notice, to the right of the relevant Debtor or any nominee of such Debtor to acquire the Collateral involved at a price or for such other consideration at least equal to the intended sale price or other consideration so specified. Any such disposition which shall be a public sale permitted by such requirements shall be made upon not less than 10 days' written notice to the relevant Debtor specifying the time and place of such sale and, in the absence of applicable requirements of law, shall be by public auction (which may, at the Administrative Agent's option, be subject to reserve), after publication of notice of such auction not less than 10 days prior thereto in two newspapers in general circulation in the general vicinity of the location at which the public sale shall be conducted. To the extent permitted by any such requirement of law, the Administrative Agent or any other Credit Provider may bid for and become the purchaser of the Collateral or any item thereof, offered for sale in accordance with this Section without accountability to the relevant Debtor. If, under mandatory requirements of applicable law, the Administrative Agent shall be required to make disposition of the Collateral within a period of time which does not permit the giving of notice to the relevant Debtor as hereinabove specified, the Administrative Agent need give such Debtor only such notice of disposition as shall be reasonably practicable in view of such mandatory requirements of applicable law.

7.3 Waiver of Claims. Except as otherwise provided in this Agreement, EACH DEBTOR HEREBY WAIVES, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NOTICE AND JUDICIAL HEARING IN CONNECTION WITH THE ADMINISTRATIVE AGENT'S TAKING POSSESSION OR THE ADMINISTRATIVE AGENT'S DISPOSITION OF ANY OF THE COLLATERAL, INCLUDING, WITHOUT LIMITATION, ANY AND ALL PRIOR NOTICE AND HEARING FOR ANY PREJUDGMENT REMEDY OR REMEDIES AND ANY SUCH RIGHT WHICH SUCH DEBTOR WOULD OTHERWISE HAVE UNDER THE CONSTITUTION OR ANY STATUTE OF THE UNITED STATES OR OF ANY STATE, and each Debtor hereby further waives, to the extent permitted by law and except as otherwise provided herein:

(i) all damages occasioned by such taking of possession except any damages which are the direct result of the Administrative Agent's gross negligence or willful misconduct;

(ii) all other requirements as to the time, place and terms of sale or other requirements with respect to the enforcement of the Administrative Agent's rights hereunder; and

(iii) all rights of redemption, appraisalment, valuation, stay, extension or moratorium now or hereafter in force under any applicable law in order to prevent or delay the enforcement of this Agreement or the absolute sale of the Collateral or any portion thereof, and each Debtor, for itself and all who may claim under it, insofar as it or they now or hereafter lawfully may, hereby waives the benefit of all such laws.

Any sale of, or the grant of options to purchase, or any other realization upon, any Collateral shall operate to divest all right, title, interest, claim and demand, either at law or in equity, of the relevant Debtor therein and thereto, and shall be a perpetual bar both at law and in equity against such Debtor and against any and all Persons claiming or attempting to claim the Collateral so sold, optioned or realized upon, or any part thereof, from, through and under such Debtor.

7.4 Application of Proceeds.

(a) Subject to the provisions of the Credit Agreement, all Proceeds of Collateral of any Debtor received by the Administrative Agent may be applied to discharge or satisfy any expenses (including expenses of enforcing the Administrative Agent's rights against such Debtor under this Agreement), Liens over the Collateral of such Debtor in favor of Persons other than the Administrative Agent, borrowings, taxes and other liabilities affecting the Collateral of such Debtor or which are considered advisable by the Administrative Agent to protect, preserve, repair, process, maintain or enhance the Collateral of such Debtor or prepare it for sale, lease or other disposition, or to keep in good standing any Liens on the Collateral of such Debtor ranking in priority to any of the security interests from such Debtor, or to sell, lease or otherwise dispose of the Collateral of such Debtor. The balance of such Proceeds may, at the sole discretion of the Administrative Agent, be held as security for the Liabilities of such Debtor or be applied to such of the Liabilities of such Debtor (whether or not the same are due and payable) in such manner and at such times as the Administrative Agent considers appropriate (including in such manner as may be required to comply with any priority, subordination or security sharing arrangements between any one or more of the Credit Providers) and thereafter will be accounted for as required by law.

(b) It is understood and agreed that Debtors shall remain jointly and severally liable to the extent of any deficiency between the amount of the proceeds of the

Collateral hereunder and the aggregate amount of the sums referred to in Section 7.4(a) hereof.

7.5 Remedies Cumulative. Each and every right, power and remedy hereby specifically given to the Administrative Agent shall be in addition to every other right, power and remedy specifically given under this Agreement and the other Secured Credit Documents or now or hereafter existing at law, in equity or by statute and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time or simultaneously and as often and in such order as may be deemed expedient by the Administrative Agent. All such rights, powers and remedies shall be cumulative and the exercise or the beginning of the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of the Administrative Agent in the exercise of any such right, power or remedy and no renewal or extension of any of the Liabilities shall impair any such right, power or remedy or shall be construed to be a waiver of any Default or an acquiescence therein. No notice to or demand on any Debtor in any case shall entitle it to any other or further notice or demand in similar or other circumstances or constitute a waiver of any of the rights of the Administrative Agent to any other or further action in any circumstances without notice or demand. In the event that the Administrative Agent shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit the Administrative Agent may recover reasonable expenses, including reasonable attorneys' fees, and the amounts thereof shall be included in such judgment.

7.6 Discontinuance of Proceedings. In case the Administrative Agent shall have instituted any proceeding to enforce any right, power or remedy under this Agreement by foreclosure, sale, entry or otherwise, and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Administrative Agent, then and in every such case the relevant Debtor, the Administrative Agent and each holder of any of the Liabilities shall be restored to their former positions and rights hereunder with respect to the Collateral subject to the security interest created under this Agreement, and all rights, remedies and powers of the Administrative Agent shall continue as if no such proceeding had been instituted.

7.7 Enforcement by Administrative Agent. The Credit Providers agree that this Agreement may be enforced only by the action of the Administrative Agent and that no other Credit Provider shall have any right individually to seek to enforce this Agreement or to realize upon the security to be granted hereby, it being understood and agreed that such rights and remedies may be exercised by the Administrative Agent for the benefit of the Credit Providers upon the terms of this Agreement.

8. INDEMNITY

8.1 Indemnity.

(a) Each Debtor jointly and severally agrees to indemnify, reimburse and hold the Administrative Agent, each other Credit Provider and their respective successors, permitted assigns, employees, agents and servants (hereinafter in this Section 8.1 referred to individually as "Indemnitee," and collectively as "Indemnitees") harmless from any and all losses, liabilities, obligations, damages, injuries, penalties, claims, demands, actions, suits, judgments and any and all reasonable costs, expenses or disbursements (including reasonable attorneys' fees and expenses) (for the purposes of this Section 8.1 the foregoing are collectively called "expenses") of whatsoever kind and nature imposed on, asserted against or incurred by any of the Indemnitees in any way relating to or arising out of this Agreement, any other Secured Credit Document or any other document executed in connection herewith or therewith or in any other way connected with the administration of the transactions contemplated hereby or thereby or the enforcement of any of the terms of, or the preservation of any rights under any thereof, or in any way relating to or arising out of the manufacture, ownership, ordering, purchase, delivery, control, acceptance, lease, financing, possession, operation, condition, sale, return or other disposition, or use of the Collateral (including, without limitation, latent or other defects, whether or not discoverable), the violation by Debtors of the laws of any country, state or other governmental body or unit, any tort (including, without limitation, claims arising or imposed under the doctrine of strict liability, or for or on account of injury to or the death of any Person (including any Indemnitee), or property damage), or contract claim; provided that no Indemnitee shall be indemnified pursuant to this subsection 8.1(a) for losses, damages or liabilities to the extent caused by the gross negligence or willful misconduct of such Indemnitee. Each Debtor agrees that, upon written notice by any Indemnitee of the assertion of such a liability, obligation, damage, injury, penalty, claim, demand, action, suit or judgment, the relevant Debtor shall assume full responsibility for the defense thereof. Each Indemnitee agrees to use its best efforts to promptly notify the relevant Debtor of any such assertion of which such Indemnitee has knowledge.

(b) Without limiting the application of subsection 8.1(a) hereof, each Debtor agrees, jointly and severally, to pay, or reimburse the Administrative Agent for any and all reasonable fees, costs and expenses of whatever kind or nature incurred in connection with the creation, preservation or protection of the Administrative Agent's Liens on, and security interest in, the Collateral, including, without limitation, all fees and taxes in connection with the recording or filing of instruments and documents in public offices, payment or discharge of any taxes or Liens upon or in respect of the Collateral, premiums for insurance with respect to the Collateral and all other reasonable fees, costs and expenses in connection with protecting, maintaining or preserving the Collateral and the Administrative Agent's interest therein, whether through judicial proceedings or

otherwise, or in defending or prosecuting any actions, suits or proceedings arising out of or relating to the Collateral.

(c) If and to the extent that the obligations of any Debtor under this Section 8.1 are unenforceable for any reason, such Debtor hereby agrees to make the maximum contribution to the payment and satisfaction of such obligations which is permissible under applicable law.

8.2 Indemnity Liabilities Secured by Collateral; Survival. Any amounts paid by any Indemnitee as to which such Indemnitee has the right to reimbursement from any Debtor shall constitute Liabilities of such Debtor secured by the Collateral. The indemnity obligations of each Debtor contained in this Section 8 shall continue in full force and effect notwithstanding the full payment of all of the other Liabilities and notwithstanding the discharge thereof.

9. DEFINITIONS

Capitalized terms used in this Agreement and not otherwise defined shall have the respective meanings given to such terms in the Credit Agreement, and the following terms shall have the meanings herein specified. Such definitions shall be equally applicable to the singular and plural forms of the terms defined.

“Administrative Agent” shall mean Canadian Imperial Bank of Commerce in its capacity as Administrative Agent on behalf of and for the benefit of the Lenders in accordance with the Credit Agreement and shall include its successors and assigns in such capacity.

“Agra” shall mean AGRA Inc., a corporation existing under the laws of Canada, together with its successors by amalgamation, merger or otherwise.

“Agreement” shall mean this Security Agreement as the same may be modified, supplemented or amended from time to time in accordance with its terms.

“Cash Collateral Account” shall mean any cash collateral account maintained with, and in the sole dominion and control of, the Administrative Agent.

“Chattel Paper” shall have the meaning provided in the Uniform Commercial Code as in effect on the date hereof in the State of New York.

“Collateral” shall have the meaning provided in subsection 1.1(a) of this Agreement.

“Contract Rights” shall mean all rights of any Debtor, including, without limitation, (i) any and all rights to receive and demand payments under any or all Contracts, (ii) any and all rights to receive and compel performance under any or all

Contracts and (iii) any and all other rights, interests and claims now existing or in the future arising in connection with any or all Contracts.

“Contracts” shall mean all contracts between any Debtor and one or more additional parties, but excluding any contract to the extent that the terms thereof prohibit (after giving effect to any approach or waivers) the assignment of, or granting a security interest in, such contract (it being understood and agreed, however, that notwithstanding the foregoing, all rights to payment for money due or to become due pursuant to any such excluded contract shall be subject to the security interests created pursuant to this Agreement).

“Copyrights” shall mean any United States or foreign copyright owned (or subject to the rights of ownership) by any Debtor, including any registrations of any copyright, in the United States Copyright Office or the equivalent thereof in any foreign country, as well as any application for a copyright registration now or hereafter made with the United States Copyright Office or the equivalent thereof in any foreign country by any Debtor.

“Credit Agreement” shall mean that certain Credit Agreement dated as of April 30, 1999 between Agra, as a borrower in Canada, National Ventures, as a borrower in the United States of America, the Persons from time to time parties to such agreement as lenders, and Canadian Imperial Bank of Commerce, as administrative agent, as such credit agreement may from time to time be supplemented, amended, restated or consolidated.

“Credit Providers” shall mean the Administrative Agent, the Lenders and their respective Eligible Affiliates and **“Credit Provider”** shall mean any one of the Credit Providers.

“Debtors” shall mean the signatories to this Agreement other than the Administrative Agent, together with each other Person which from time to time becomes a Debtor under this Agreement by executing and delivering to the Administrative Agent a Supplement to this Agreement as provided for in Section 10.11 of this Agreement, and **“Debtor”** shall mean any of Debtors.

“Default” shall mean, relative to any Debtor, a default by such Debtor in the payment or performance of any of such Debtor’s Liabilities.

“Documents” shall have the meaning provided in the Uniform Commercial Code as in effect on the date hereof in the State of New York.

“Equipment” shall mean any “equipment,” as such term is defined in the Uniform Commercial Code as in effect on the date hereof in the State of New York, now or hereafter owned by any Debtor and, in any event, shall include, but shall not be limited

to, all machinery, equipment, furnishings, movable trade fixtures and vehicles now or hereafter owned by any Debtor and any and all additions, substitutions and replacements of any of the foregoing, wherever located, together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto.

“General Intangibles” shall have the meaning provided in the Uniform Commercial Code as in effect on the date hereof in the State of New York.

“Goods” shall have the meaning provided in the Uniform Commercial Code as in effect on the date hereof in the State of New York.

“Governing Law State” shall mean, for each Debtor, the state in which its principal place of business is currently located or, if none, the state in which it is incorporated.

“Indemnitee” shall have the meaning provided in Section 8.1 of this Agreement.

“Instrument” shall have the meaning provided in the Uniform Commercial Code as in effect on the date hereof in the State of New York.

“Inventory” shall mean merchandise, inventory and goods, and all additions, substitutions and replacements thereof, wherever located, together with all goods, supplies, incidentals, packaging materials, labels, materials and any other items used or usable in manufacturing, processing, packaging or shipping same, in all stages of production -- from raw materials through work-in-process to finished goods -- and all products and proceeds of whatever sort and wherever located and any portion thereof which may be returned, rejected, reclaimed or repossessed by the Administrative Agent from any Debtor’s customers, and shall specifically include all “inventory” as such term is defined in the Uniform Commercial Code as in effect on the date hereof in the State of New York, now or hereafter owned by any Debtor.

“Investment Property” shall have the meaning provided in the Uniform Commercial Code as in effect on the date hereof in the State of New York, including but not limited to those shares of common or preferred stock issued by the companies and evidenced by the stock certificates (and all securities issued as a distribution upon or in an exchange, reclassification, reorganization, split or division thereof) set forth in Annex I.

“Liabilities” shall mean, relative to any Debtor, all present and future indebtedness, liabilities and obligations of any or every kind, nature or description whatsoever and however (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured and whether as principal debtor, guarantor, surety or otherwise and, for greater certainty, including interest that, but for any filing made relative to such Debtor under the provisions of any applicable bankruptcy or insolvency

statute, would accrue on any such indebtedness, liabilities and obligations) of such Debtor to each of the Administrative Agent and the other Credit Providers under, in connection with or with respect to each of the Secured Credit Documents, and any unpaid balance thereof.

"Marks" shall mean all United States or foreign trademarks, service marks and trade names now owned, subject to a right of ownership, or hereafter acquired by any Debtor, including any registration of, or application for, any trademarks and service marks in the United States Patent and Trademark Office or the equivalent thereof in any foreign country, and any trade dress including logos and/or designs used by any Debtor in the United States or any foreign country.

"National Ventures" shall mean National Ventures, Inc., a corporation existing under the laws of the State of Florida, together with its successors by amalgamation, merger or otherwise.

"Patents" shall mean any United States or foreign patent owned, subject to a right of ownership by or hereafter acquired by any Debtor and any divisions, continuations, reissues, reexaminations, extensions or renewals thereof, as well as any application for a United States or foreign patent now or hereafter made by any Debtor or subject to a right of ownership in such Debtor.

"Proceeds" shall have the meaning provided in the Uniform Commercial Code as in effect in the State of New York on the date hereof or under other relevant law and, in any event, shall include, but not be limited to; (i) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to the Administrative Agent or any Debtor from time to time with respect to any of the Collateral; (ii) any and all payments (in any form whatsoever) made or due and payable to any Debtor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any Governmental Authority (or any person acting under color of Governmental Authority) and (iii) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

"Proprietary Information" means all information and know-how worldwide, including, without limitation, technical data, manufacturing data, research and development data, manufacturing data, research and development data, data relating to compositions, processes and formulations, manufacturing and production know-how and experience, management know-how, training programs, manufacturing, engineering and other drawings, specifications, performance criteria, operating instructions, maintenance manuals, technology, technical information, software, engineering and computer data and databases, design and engineering specifications, catalogs, promotional literature and financial, business and marketing plans, inventions and invention disclosures.

“Receivables” shall mean any “account” as such term is defined in the Uniform Commercial Code as in effect on the date hereof in the State of New York, now or hereafter owned by any Debtor and, in any event, shall include, but shall not be limited to, all of such Debtor’s rights to payment for goods sold or leased or services performed by such Debtor, whether now in existence or arising from time to time hereafter, including, without limitation, rights evidenced by an account, note, contract, security agreement, chattel paper or other evidence of indebtedness or security, together with (a) all security pledged, assigned, hypothecated or granted to or held by such Debtor to secure the foregoing; (b) all of any Debtor’s right, title and interest in and to any goods, the sale of which gave rise thereto; (c) all guarantees, endorsements and indemnifications on, or of, any of the foregoing; (d) all powers of attorney for the execution of any evidence of indebtedness or security or other writing in connection therewith; (e) all books, records, ledger cards and invoices relating thereto; (f) all evidences of the filing of financing statements and other statements and the registration of other instruments in connection therewith and amendments thereto, notices to other creditors or secured parties, and certificates from filing or other registration officers; (g) all credit information, reports and memoranda relating thereto; and (h) all other writings related in any way to the foregoing.

“Secured Credit Documents” shall mean (a) the Credit Agreement, (b) all other present and future Credit Documents as the same may from time to time be supplemented, amended, restated or consolidated, including all guarantees, security agreements, pledges and deeds of trust executed and delivered by the Debtors pursuant to the Credit Agreement, and (c) all present and future Approved Lender/Borrower Hedging Arrangements, as the same may from time to time be supplemented, amended, restated or consolidated.

“Supplement” shall have the meaning specified in Section 10.11 hereof.

“Trade Secrets” shall mean any secretly held existing engineering and other data, information, production procedures and other know-how relating to the design, manufacture, assembly, installation, use, operation, marketing, sale and servicing of any products, services or business of any Debtor worldwide whether written or not written.

“Uniform Commercial Code” shall mean the Uniform Commercial Code as enacted in the relevant jurisdiction based upon a model statute so titled published by the National Conference of Commissioners on Uniform State Laws.

“Vehicles” shall mean any motor vehicle, including any automobile, truck or trailer, that is subject to a certificate of title or registration statute in the jurisdiction in which it is located.

10. MISCELLANEOUS

10.1 Notices. All notices and other communications given under or with respect to this Agreement will be in writing and may be sent by facsimile, mailed or delivered to the Administrative Agent at its address: Canadian Imperial Bank of Commerce, 161 Bay Street, 8th Floor, BCE Place, Toronto, Ontario, M5J 2S8, (facsimile (416) 956-3830) for the attention of the Manager-Agency; or to any Debtor in care of Agra at Suite 1900, Royal Bank Tower, 335-8th Avenue S.W., Calgary, Alberta, T2P1C9, (facsimile (403) 263-9697) for the attention of the General Counsel; or, as to any such Person, at such other address or facsimile number as may be designated by such Person in a notice to the others given as required hereby. Except as otherwise provided in this Agreement, all such communications will be deemed to have been duly given when (a) transmitted by facsimile if transmitted prior to 4:00 p.m. (local time at the place of delivery) on a Business Day and otherwise on the Business Day following transmission; (b) personally delivered or (c) in the case of a mailed notice, upon receipt, in each case given or addressed as aforesaid.

10.2 Waiver; Amendment. No provision of this Agreement may be changed, discharged or terminated except with the written consent of each Debtor directly affected thereby and the written consent of the Administrative Agent. This Agreement shall be construed as a separate agreement with respect to each Debtor and, subject to the first sentence of this Section, may be amended, modified, supplemented, waived or released with respect to any Debtor, or any representations, agreements, contracts, indemnities, Liabilities or Collateral of, or any security interests from, any Debtor, without the approval of any other Debtor and without affecting the liabilities or obligations of any other Debtor under this Agreement.

10.3 Liabilities Absolute. The obligations of each Debtor hereunder shall remain in full force and effect without regard to, and shall not be impaired by: (a) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of such Debtor; (b) any exercise or non-exercise, or any waiver of, any right, remedy, power or privilege under or in respect of this Agreement or any other Secured Credit Document; or (c) any amendment to or modification of any Secured Credit Document or any security for any of the Liabilities; whether or not any Debtor shall have notice or knowledge of any of the foregoing.

10.4 Successors and Assigns. This Agreement shall be binding upon each Debtor and its successors and permitted assigns and shall inure to the benefit of the Administrative Agent and the Credit Providers and their respective successors and assigns. No Debtor may assign this Agreement or any of its liabilities or obligations under this Agreement. All agreements, statements, representations and warranties made by each Debtor herein or in any certificate or other instrument delivered by such Debtor or on its behalf under this Agreement shall be considered to have been relied upon by the Credit Providers and shall survive the execution and delivery of this Agreement and the

other Secured Credit Documents regardless of any investigation made by the Credit Providers or on their behalf.

10.5 Headings Descriptive. The headings of the several sections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

10.6 Governing Law. THIS AGREEMENT AND THE RIGHTS AND LIABILITIES OF THE PARTIES HEREUNDER SHALL BE CONSTRUED, AS TO EACH DEBTOR, IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE DEBTOR'S GOVERNING LAW STATE.

10.7 Debtor's Duties. It is expressly agreed, anything herein contained to the contrary notwithstanding, that each Debtor shall remain liable to perform all of the obligations, if any, assumed by it with respect to the Collateral and the Administrative Agent shall not have any obligations or liabilities with respect to any Collateral by reason of or arising out of this Agreement, nor shall the Administrative Agent be required or obligated in any manner to perform or fulfill any of the obligations of any Debtor under or with respect to any Collateral.

10.8 Release of Debtors. Promptly following any release of any Debtor from all of its Liabilities (including any such release effected by the operation of an express provision of the Secured Credit Documents providing for the release of such Liabilities in specified circumstances), the Administrative Agent, without affecting in any manner whatsoever any of the Liabilities of any other Debtor or any of the security interests created by this Agreement over the Collateral of any other Debtor, will release such Debtor and the Collateral of such Debtor then subject to the security interests created by this Agreement from this Agreement and from the security interests created by this Agreement, and such release shall serve to terminate any license granted pursuant to Section 7.1(vi) hereof. Upon such release, and at the request and expense of such Debtor, the Administrative Agent shall execute and deliver to such Debtor such releases and discharges as such Debtor may reasonably request.

10.9 Counterparts and Facsimile. This Agreement may be executed in counterparts. Each executed counterpart shall be deemed to be an original and all counterparts taken together shall constitute one and the same Agreement. Delivery of an executed signature page to this Agreement by any Debtor by facsimile transmission shall be as effective as delivery of a manually executed copy of this Agreement by such Debtor.

10.10 The Administrative Agent. The Administrative Agent will hold in accordance with this Agreement all items of the Collateral at any time received under this Agreement. It is expressly understood and agreed that the obligations of the Administrative Agent as holder of the Collateral and interests therein and with respect to

the disposition thereof, and otherwise under this Agreement, are only those expressly set forth in this Agreement. The Administrative Agent shall act hereunder on the terms and conditions set forth in this Agreement.

10.11 Additional Debtors. Additional Persons may from time to time after the date of this Agreement become Debtors under this Agreement by executing and delivering to the Administrative Agent a supplemental agreement (a "Supplement") to this Agreement in substantially the form attached as Annex J to this Agreement. Effective from and after the date of the execution and delivery by any Person to the Administrative Agent of a Supplement:

(a) such Person shall be, and shall be deemed for all purposes to be, a Debtor under this Agreement with the same force and effect, and subject to the same agreements, representations, indemnities, liabilities, obligations and security interests, as if such Person had been an original signatory to this Agreement as a Debtor; and

(b) all Collateral of such Person shall be, and shall be deemed for all purposes to be, "Collateral" of such Person for the purposes of this Agreement and subject to security interests from such Person in accordance with the provisions of this Agreement as security for the due payment and performance of the "Liabilities" of such Person in accordance with the provisions of this Agreement.

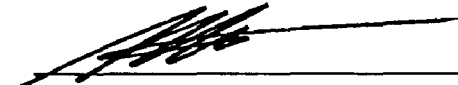
The execution and delivery of a Supplement by any additional Person shall not require the consent of any Debtor and all of the liabilities and obligations of each Debtor under this Agreement, and all security interests of each Debtor, shall remain in full force and effect notwithstanding the addition of any new Debtor to this Agreement.

IN WITNESS OF WHICH, the parties hereto have caused this Agreement to be executed and delivered by their duly authorized officers as of the date shown on the first page of this Agreement.

[signatures on the next following page]

**CANADIAN IMPERIAL BANK OF
COMMERCE, as Administrative Agent**

By: 
Name: Robert Tempelhagen
Title: Executive Director

By: 
Name: Warren Lobo
Title: Associate

NATIONAL VENTURES, INC.

AGRA FOUNDATIONS, INC.

AGRA INFRASTRUCTURE, INC.

AGRA MONENCO U.S., INC.

**AGRA EARTH & ENVIRONMENTAL,
INC.**

AGRA HOLDINGS, INC.

NORTHERN-MONENCO AGRA, INC.

AGRA BAYMONT, INC.

**AGRA PIPELINE PROFESSIONALS,
INC.**

AGRA BIRWELCO, INC.


AGRA BIRWELCO LIMITED

BIRWELCO HOUSTON INC.

PCI INTERNATIONAL, INC.

AGRA BAYMONT LIMITED

in each case by



Robert G. Dittmer

Authorized Signatory

ANNEX A to
U.S. SECURITY AGREEMENT
FROM SUBSIDIARIES OF AGRA INC.

SCHEDULE OF CHIEF EXECUTIVE OFFICE/RECORD LOCATIONS

Name of Debtor	PRINCIPAL PLACE OF BUSINESS AND CHIEF EXECUTIVE OFFICE Office at which the books and records are located	Office at which senior management are located and conduct their deliberations and make their decisions	Office from which invoices and accounts are issued
National Ventures, Inc.	AGRA Inc. 1900-335-8th Avenue SW Calgary, AB T2P 1C9	AGRA Inc. 1900-335-8th Avenue. SW Calgary, AB T2P 1C9	AGRA Inc. 1900-335-8th Avenue. SW Calgary, AB T2P 1C9
AGRA Foundations, Inc.	AGRA Inc. 1900-335-8th Avenue SW Calgary, AB T2P 1C9	AGRA Foundations, Inc. 10108-32nd Avenue West Bldg. C3, Suite A2 Everett, WA 98204	AGRA Foundations, Inc. 10108-32nd Avenue West Bldg. C3, Suite A2 Everett, WA 98204
AGRA Infrastructure, Inc.	AGRA Inc. 1900-335-8th Avenue SW Calgary, AB T2P 1C9	AGRA Infrastructure, Inc. 4435 E. Holmes Avenue Mesa, AZ 85206-3372	AGRA Foundations Limited 7708, Wagner Road Edmonton, AB T6E 5B2
AGRA Monenco U.S., Inc.	AGRA Inc. 1900-335 8th Avenue S.W. Calgary, AB T2P 1C9	320 Thompson Park Drive Cranberry Township, PA 16066	AGRA Infrastructure, Inc. 4435 E. Holmes Avenue Mesa, AZ 85206-3372 Suite 100, 2010 Winston Park Drive Oakville, ON L6H 6A3

TRADEMARK

PRINCIPAL PLACE OF BUSINESS AND CHIEF EXECUTIVE OFFICE			
Name of Debtor	Office at which the books and records are located	Office at which senior management are located and conduct their deliberations and make their decisions	Office from which invoices and accounts are issued
AGRA Earth & Environmental, Inc.	AGRA Inc. 1900-335-8th Avenue SW Calgary, AB T2P 1C9	AGRA Earth & Environmental, Inc. 3232 West Virginia Avenue Phoenix, AZ 85009	AGRA Earth & Environmental, Inc. 3232 West Virginia Avenue Phoenix, AZ 85009
		1290 North Hancock Street Anaheim, CA 92807	1290 North Hancock Street Anaheim, CA 92807
		11335 NE 122nd Way Suite 100 Kirkland, WA 98034	11335 NE 122nd Way Suite 100 Kirkland, WA 98034
		7477 SW Tech Center Drive Portland, OR 97223-8024	7477 SW Tech Center Drive Portland, OR 97223-8024
AGRA Holdings, Inc.	AGRA Inc. 1900-335-8th Avenue. SW Calgary, AB T2P 1C9	AGRA Foundations Limited 7708 Wagner Road Edmonton, AB T6E 5B2	AGRA Foundations Limited 7708 Wagner Road Edmonton, AB T6E 5B2
Northern-Monenco AGRA, Inc.	AGRA Inc. 1900-335-8th Avenue SW Calgary, AB T2P 1C9	AGRA Inc. 1900-335-8th Avenue SW Calgary, AB T2P 1C9	AGRA Inc. 1900-335-8th Avenue SW Calgary, AB T2P 1C9
AGRA Baymont, Inc.	Rubin ICOT Center 14100 58th Street North Clearwater, FL 33760-3796	Rubin ICOT Center 14100 58th Street North Clearwater, FL 33760-3796	Rubin ICOT Center 14100 58th Street North Clearwater, FL 33760-3796

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PRINCIPAL PLACE OF BUSINESS AND CHIEF EXECUTIVE OFFICE			
Name of Debtor	Office at which the books and records are located	Office at which senior management are located and conduct their deliberations and make their decisions	Office from which invoices and accounts are issued
AGRA Pipeline Professionals, Inc.	AGRA Inc. 1900-335-8th Avenue S.W. Calgary, AB T2P 1C9	Midwest Management (1987) Ltd. 510 Ellis Drive Edmonton, AB T5P 4C5	Midwest Management (1987) Ltd. 510 Ellis Drive Edmonton, AB T5P 4C5
AGRA Birwelco, Inc.	AGRA Inc. 1900-335-8th Avenue S.W. Calgary, AB T2P 1C9	AGRA Inc. 1900-335-8th Avenue S.W. Calgary, AB T2P 1C9	AGRA Inc. 1900-335-8th Avenue S.W. Calgary, AB T2P 1C9
AGRA Birwelco Limited	Birwelco Limited Mucklow House Mucklow Hill Halesowen West Midlands B62 8DG England	Birwelco Limited Mucklow House Mucklow Hill Halesowen West Midlands B62 8DG England	Birwelco Limited Mucklow House Mucklow Hill Halesowen West Midlands B62 8DG England
Birwelco Houston Inc.	Birwelco Limited Mucklow House Mucklow Hill Halesowen West Midlands B62 8DG England	Birwelco Houston Inc. 7151 Office City Drive Houston, TX 77087	Birwelco Houston Inc. 7151 Office City Drive Houston, TX 77087
PCI International Inc.	Birwelco Limited Mucklow House Mucklow Hill Halesowen West Midlands B62 8DG England	Birwelco Houston Inc. 7151 Office City Drive Houston, TX 77087	Birwelco Houston Inc. 7151 Office City Drive Houston, TX 77087

TRADEMARK

PRINCIPAL PLACE OF BUSINESS AND CHIEF EXECUTIVE OFFICE			
Name of Debtor	Office at which the books and records are located	Office at which senior management are located and conduct their deliberations and make their decisions	Office from which invoices and accounts are issued
AGRA Baymont Limited	Rubin ICOT Center 14100 58th Street North Clearwater, FL 33760-3796	Rubin ICOT Center 14100 58th Street North Clearwater, FL 33760-3796	Rubin ICOT Center 14100 58th Street North Clearwater, FL 33760-3796

**ANNEX B to
U.S. SECURITY AGREEMENT
FROM SUBSIDIARIES OF AGRA INC.**

SCHEDULE OF INVENTORY AND EQUIPMENT LOCATIONS

Name of Debtor	Locations
National Ventures, Inc.	None
AGRA Foundations, Inc.	Washington California Massachusetts
AGRA Infrastructure, Inc.	Arizona Nevada
AGRA Monenco U.S., Inc.	Pennsylvania Georgia New Jersey
AGRA Earth & Environmental, Inc.	Arizona New Mexico California Alaska Idaho Texas Washington Colorado Nevada Oregon Utah
AGRA Holdings, Inc.	None
Northern-Monenco AGRA, Inc.	Texas
AGRA Baymont, Inc.	Florida
AGRA Pipeline Professionals, Inc.	Texas
AGRA Birwelco, Inc.	Nevada
AGRA Birwelco Limited	Louisiana
Birwelco Houston Inc.	Texas
PCI International Inc.	Texas
AGRA Baymont Limited	Florida

**ANNEX C to
U.S. SECURITY AGREEMENT
FROM SUBSIDIARIES OF AGRA INC.**

SCHEDULE OF TRADE AND FICTITIOUS NAMES

Name of Debtor	Trade Names/Fictitious Names
National Ventures, Inc.	Monenco U.S., Inc. Monenco Inc. Monenco Corporation Western Caissons, Inc.
AGRA Foundations, Inc.	Frontier Foundations, Inc.
AGRA Infrastructure, Inc.	Howard R. Standage P.E., P.C. Standage & Truitt Engineering, Ltd.
AGRA Earth & Environmental, Inc.	SHB AGRA, Inc. SHB Geotechnical Engineers, Inc. Sergent, Hauskins & Beckwith Geotechnical Engineers, Inc. M&T AGRA, Inc. Rittenhouse-Zeman & Associates, Inc. RZA AGRA Alaska, Inc.
Northern-Monenco AGRA, Inc.	Northern Engineering, Inc. NEI AGRA Inc.
AGRA Baymont, Inc.	Baymont Technologies, Inc.

ANNEX D to
U.S. SECURITY AGREEMENT
FROM SUBSIDIARIES OF AGRA INC.
LIST OF MARKS AND APPLICATIONS

UNITED STATES

Name of Debtor	Mark	Serial No.	Reg. No.	Reg. Date	Renewal Date
AGRA Foundations, Inc.	COMPACT-O-PILES	180,489	1120711	6/19/1979	6/19/1999

**ANNEX E to
U.S. SECURITY AGREEMENT
FROM SUBSIDIARIES OF AGRA INC.
LIST OF PATENTS AND APPLICATIONS**

UNITED STATES

Name of Debtor	Patent	Patent No.	Issue Date	Expiry
AGRA Birwelco Limited	Anti Lift-Off Flares	4,604,047	3/15/1984	8/4/2003

**ANNEX F to
U.S. SECURITY AGREEMENT
FROM SUBSIDIARIES OF AGRA INC.
LIST OF COPYRIGHTS AND APPLICATIONS**

UNITED STATES

None

CANADA

None

**ANNEX G to
U.S. SECURITY AGREEMENT
FROM SUBSIDIARIES OF AGRA INC.**

**ASSIGNMENT OF SECURITY INTEREST
IN UNITED STATES TRADEMARKS AND PATENTS**

FOR GOOD AND VALUABLE CONSIDERATION, receipt and sufficiency of which are hereby acknowledged, [Name of Debtor], a _____ corporation (the "Debtor") with principal offices at _____ hereby assigns and grants to Canadian Imperial Bank of Commerce, as Administrative Agent, with principal offices at 161 Bay Street, 8th Floor, BCE Place, Toronto, Ontario, M5J 2S8 (the "Assignee"), a security interest in (i) all of Debtor's right, title and interest in and to the United States trademarks, trademark registrations and trademark applications (the "Marks") set forth on Schedule A attached hereto; (ii) all of Debtor's rights, title and interest in and to the United States patents and patent applications (the "Patents") set forth on Schedule B attached, in each case together with (iii) all Proceeds (as such term is defined in the Security Agreement referred to below) and products of the Marks and Patents; (iv) the goodwill of the businesses with which the Marks are associated and (v) all causes of action arising prior to or after the date hereof for infringement of any of the Marks and Patents or unfair competition regarding the same.

THIS ASSIGNMENT is made to secure the satisfactory performance and payment of all the Liabilities of Debtor, as such term is defined in the Security Agreement among Debtor, the other assignors from time to time party thereto and the Assignee, dated as of April 30, 1999 (as amended from time to time, the "Security Agreement").

This Assignment has been granted in conjunction with the security interest granted to the Assignee under the Security Agreement. The rights and remedies of the Assignee with respect to the security interest granted herein are without prejudice to, and are in addition to those set forth in the Security Agreement, all terms and provisions of which are incorporated herein by reference. In the event that any provisions of this Assignment are deemed to conflict with the Security Agreement, the provisions of the Security Agreement shall govern.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of
the _____ day of _____.

[NAME OF DEBTOR], Debtor

By: _____

Name:

Title:

**CANADIAN IMPERIAL BANK OF
COMMERCE, as Administrative Agent,
Assignee**

By: _____

Name:

Title:

STATE OF _____)
) ss.:
COUNTY OF _____)

On this _____ day of _____, 1999, before me personally came
_____ who, being by me duly sworn, did state as follows: that [s]he is
_____ of [Name of Debtor], that [s]he is authorized to execute the foregoing
Assignment on behalf of said corporation and that [s]he did so by authority of the Board
of Directors of said corporation.

Notary Public

STATE OF _____)
) ss.:
COUNTY OF _____)

On this _____ day of _____, 1999, before me personally came
_____ who, being by me duly sworn, did state as follows: that [s]he is
_____ of Canadian Imperial Bank of Commerce, that [s]he is authorized
to execute the foregoing Assignment on behalf of said corporation and that [s]he did so
by authority of the Board of Directors of said corporation.

Notary Public

SCHEDULE A

MARK

REG. NO.

REG. DATE

SCHEDULE B

PATENT

PATENT NO.

PATENT DATE

**ANNEX H to
U.S. SECURITY AGREEMENT
FROM SUBSIDIARIES OF AGRA INC.**

**ASSIGNMENT OF SECURITY INTEREST
IN UNITED STATES COPYRIGHTS**

WHEREAS, [Name of Debtor], a _____ corporation (the "Debtor"), having its chief executive office at _____, _____ is the owner of all right, title and interest in and to the United States copyrights and associated United States copyright registrations and applications for registration set forth in Schedule A attached hereto;

WHEREAS CANADIAN IMPERIAL BANK OF COMMERCE, as Administrative Agent, having its principal offices at 161 Bay Street, 8th Floor, BCE Place, Toronto, Ontario, M5J 2S8 (the "Assignee"), desires to acquire a security interest in said copyrights and copyright registrations and applications therefor; and

WHEREAS, Debtor is willing to assign to the Assignee, and to grant to the Assignee a security interest in and lien upon the copyrights and copyright registrations and applications therefor described above.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and subject to the terms and conditions of the Security Agreement, dated as of April __, 1999, made by Debtor, the other assignors from time to time party thereto and the Assignee (as amended from time to time, the "Security Agreement"), Debtor hereby assigns to the Assignee, and grants to the Assignee a security interest in the copyrights and copyright registrations and applications therefor set forth in Schedule A attached hereto.

This Assignment has been granted in conjunction with the security interest granted to the Assignee under the Security Agreement. The rights and remedies of the Assignee with respect to the security interest granted herein are without prejudice to, and are in addition to those set forth in the Security Agreement, all terms and provisions of which are incorporated herein by reference.

In the event that any provisions of this Assignment are deemed to conflict with the Security Agreement, the provisions of the Security Agreement shall govern.

Executed at _____, the _____ day of _____.

[NAME OF DEBTOR], Debtor

By: _____

Name:

Title:

**CANADIAN IMPERIAL BANK OF
COMMERCE, as Administrative Agent,
Assignee**

By: _____

Name:

Title:

STATE OF _____)
) ss.:
COUNTY OF _____)

On this _____ day of _____, 1999, before me personally came _____ who, being by me duly sworn, did state as follows: that [s]he is _____ of [Name of Debtor], that [s]he is authorized to execute the foregoing Assignment on behalf of said corporation and that [s]he did so by authority of the Board of Directors of said corporation.

Notary Public

SCHEDULE A
U.S. COPYRIGHTS

REGISTRATION
NUMBERS

ANNEX I to
U.S. SECURITY AGREEMENT
FROM SUBSIDIARIES OF AGRA INC.

SUBSIDIARY SHARES

<u>Issuer</u>	<u>Owned By</u>	<u>No. of Shares</u>	<u>Certificate No.</u>	<u>Date Issued</u>
AGRA Foundations, Inc.	National Ventures, Inc.	100 Common	1	8/27/81
		1 Common	2	7/30/92
		10 Common	3	2/23/96
		1 Common	4	3/8/96
AGRA Infrastructure, Inc.	National Ventures, Inc.	4,500 Common	17	11/14/96
AGRA Monenco U.S., Inc.	National Ventures, Inc.	100 Common	1	9/9/98
AGRA Earth & Environmental, Inc.	National Ventures, Inc.	78,653 Common	2	8/1/94
		589,051 Preferred	1P	8/1/94
AGRA Holdings, Inc.	National Ventures, Inc.	100 Common	1	11/6/84
Northern-Monenco AGRA, Inc.	National Ventures, Inc.	6,700 Class "A"	8	10/9/90
		Common Voting	9	7/31/95
		1 Class "A"		
		Common Voting	15	10/9/90
		2,100 Class "B"		
		Common Non-Voting		
AGRA Baymont, Inc.	National Ventures, Inc.	1,100 Common	1	12/24/91

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AGRA Pipeline Professionals, Inc. National Ventures, Inc.

AGRA Birwelco, Inc. National Ventures, Inc.

PCI International, Inc. Birwelco Houston Inc.

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18,650

1/3/96

**ANNEX J TO U.S. SECURITY AGREEMENT
FROM SUBSIDIARIES OF AGRA INC.**

**SUPPLEMENT NO. _____
TO
U.S. SECURITY AGREEMENT**

This Supplement is made as of _____, in favor of Canadian Imperial Bank of Commerce, as Administrative Agent.

WHEREAS:

A. Reference is made to the U.S. Security Agreement dated as of April ____, 1999, from certain Subsidiaries of Agra Inc. in favor of the Administrative Agent for the benefit of the Credit Providers (the "U.S. Security Agreement").

B. Capitalized terms used but not otherwise defined in this Supplement have the respective meanings given to such terms in the U.S. Security Agreement including the definitions of terms incorporated in the Security Agreement by reference to other agreements.

C. Section 10.11 of the U.S. Security Agreement provides that additional Persons may from time to time after the date of the U.S. Security Agreement become Debtors under the U.S. Security Agreement by executing and delivering to the Administrative Agent a supplemental agreement to the U.S. Security Agreement in the form of this Supplement.

D. A condition to the Credit Providers continuing to make certain financial accommodation available to Agra and National Ventures under the Secured Credit Documents is that each of the undersigned (each a "New Debtors") become a Debtor under the U.S. Security Agreement by executing and delivering this Supplement to the Administrative Agent.

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which are acknowledged by each of the New Debtors, each of the New Debtors covenants and agrees with the Administrative Agent for the benefit of the Credit Providers as follows:

1. Each of the New Debtors has received a copy of, and has reviewed, the U.S. Security Agreement and is executing and delivering this Supplement to the Administrative Agent pursuant to Section 10.11 of the U.S. Security Agreement.

2. Effective from and after the date this Supplement is executed and delivered to the Administrative Agent by any one of the New Debtors (and irrespective of whether

this Supplement or the U.S. Security Agreement has been executed and delivered by any other Person):

(a) such New Debtor shall be, and shall be deemed for all purposes to be, a Debtor under the U. S. Security Agreement with the same force and effect, and subject to the same agreements, representations, indemnities, liabilities, obligations and security interests, as if such New Debtor had been an original signatory to the U.S. Security Agreement as a Debtor; and

(b) all Collateral of such New Debtor shall be, and shall be deemed for all purposes to be, "Collateral" of such New Debtor for the purposes of the U.S. Security Agreement and subject to security interests from such New Debtor in accordance with the provisions of the U.S. Security Agreement as security for the due payment and performance of the Liabilities of such New Debtor Person in accordance with the provisions of the U.S. Security Agreement.

In furtherance of the foregoing each New Debtor, as security for the payment and performance of the Liabilities (including the payment of any such Liabilities that would become due but for any automatic stay under the provisions of the *Bankruptcy and Insolvency Act* (Canada), the United States Bankruptcy Code or any analogous provisions of any other applicable law in Canada, the United States of America or any other jurisdiction) of such New Debtor charges and assigns to the Administrative Agent, and grants to the Administrative Agent a continuing security interest in, the Collateral of such New Debtor. Each reference to a Debtor in the U.S. Security Agreement shall be deemed to include each New Debtor. The terms and provisions of the U.S. Security Agreement are incorporated by reference in this Supplement.

3. Each of the New Debtors represents and warrants with respect to itself to the Administrative Agent and the Credit Providers that (a) this Supplement has been duly authorized, executed and delivered by such Debtor and constitutes a legal, valid and binding obligation of such Debtor enforceable against such Debtor in accordance with its terms; and (b) each of the representations and warranties made or deemed to have been made by it under the U.S. Security Agreement as a Debtor are true and correct on the date of this Supplement.

4. Each New Debtor's principal place of business and chief executive office, and the place where it keeps its Books and Records, is at the address specified in Schedule A to this Supplement, and its full legal name, and any other name under which it conducts its business, is specified on the signature page of this Supplement. The location of all other places where such New Debtor presently carries on business or keeps tangible personal property and the location of all jurisdictions in which such New Debtor's account debtors are located, and the location of all real property in which such New Debtor has any right, title and interest are set out in Schedule B to this Supplement. All material Marks, Patents and Copyrights in which each New Debtor has any right, title

or interest (and the nature of such right, title or interest), and all rights of such New Debtor to the use of any material Marks, Patents and Copyrights, are described in Schedule C to this Supplement.

5. Upon this Supplement bearing the signature of any of Person claiming to have authority to bind any New Debtor coming into the possession of the Administrative Agent, and irrespective of whether this Supplement or the U.S. Security Agreement has been executed by any other New Debtor, this Supplement and the Security Agreement will be deemed to be finally and irrevocably executed and delivered by, and be effective and binding on, and enforceable against, such New Debtor free from any promise or condition affecting or limiting the liabilities of such New Debtor and such New Debtor shall be, and shall be deemed for all purposes to be, a Debtor under the U.S. Security Agreement. No statement, representation, agreement or promise by any officer, employee or agent of the Administrative Agent or any Credit Provider, unless expressly set forth in this Supplement, forms any part of this Supplement or has induced any of any New Debtor to enter into this Supplement and the U.S. Security Agreement or in any way affects any of the agreements, obligations or liabilities of any of the New Debtors under the U.S. Security Agreement.

6. This Supplement may be executed in counterparts. Each executed counterpart shall be deemed to be an original and all counterparts taken together shall constitute one and the same Supplement. Delivery of an executed signature page to this Supplement by any New Debtor by facsimile transmission shall be as effective as delivery of a manually executed copy of this Supplement by such New Debtor.

7. This Supplement is a contract made under, and will for all purposes be governed by and interpreted and enforced according to, the laws of the State of New York excluding any conflict of laws rule or principle which might refer these matters to the laws of another jurisdiction.

8. This Supplement and the Security Agreement shall be binding upon each of the New Debtors and the successors of each of the New Debtors. None of the New Debtors shall assign its rights and obligations under this Supplement or the U.S. Security Agreement or any interest in this Supplement or the U.S. Security Agreement without the prior written consent of the Administrative Agent.

IN WITNESS OF WHICH this Supplement has been duly executed and delivered by each of the New Debtors as of the date shown on the first page of this Supplement.

[SIGNATURES OR NEW DEBTORS]

**ANNEX K TO U.S. SECURITY AGREEMENT
FROM SUBSIDIARIES OF AGRA INC.**

Name of Entity

Governing Law

National Ventures, Inc.	Florida
AGRA Foundations, Inc.	Washington
AGRA Infrastructure, Inc.	Arizona
AGRA Monenco U.S., Inc.	Pennsylvania
AGRA Earth & Environmental, Inc.	Arizona
AGRA Holdings, Inc.	Nevada
Northern-Monenco AGRA, Inc.	Texas
AGRA Baymont, Inc.	Florida
AGRA Pipeline Professionals, Inc.	Texas
AGRA Birwelco, Inc.	Nevada
Birwelco Houston Inc.	Texas
PCI International, Inc.	Texas
AGRA Birwelco Limited	Louisiana
AGRA Baymont Limited	Florida

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RECORDED: 06/02/1999

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