

Form PTO-1594 (Rev. 06/04)
OMB Collection 0651-0027 (exp. 6/30/2005)

U.S. DEPARTMENT OF COMMERCE
United States Patent and Trademark Office

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

To the Director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies)/Execution Date(s):

Austin Grant, Inc.

- Individual(s)
- General Partnership
- Corporation-State Florida
- Other _____
- Association
- Limited Partnership

Citizenship (see guidelines) _____

Execution Date(s) July 1, 2004

Additional names of conveying parties attached? Yes No

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other _____
- Merger
- Change of Name

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? Yes No

Name: Village Farms, L.P.

Internal Address: _____

Street Address: 7 Christopher Way

City: Eatontown

State: New Jersey

Country: USA Zip: 07724

- Association Citizenship _____
- General Partnership Citizenship _____
- Limited Partnership Citizenship Delaware
- Corporation Citizenship _____
- Other _____ Citizenship _____

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

2,184,289

Additional sheet(s) attached? Yes No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):

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

Name: Christopher M. Turk, Esquire

Internal Address: Blank Rome LLP

9th Floor

Street Address: One Logan Square

City: Philadelphia

State: PA Zip: 19103-6998

Phone Number: (215) 569-5348

Fax Number: (215) 832-5348

Email Address: turk@blankrome.com

6. Total number of applications and registrations involved:

1

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 40.00

- Authorized to be charged by credit card
- Authorized to be charged to deposit account
- Enclosed

8. Payment Information:

a. Credit Card Last 4 Numbers _____
Expiration Date _____

b. Deposit Account Number 02-2555

Authorized User Name Jeremy T. Adler

9. Signature:



Signature

October 6, 2004

Date

Christopher M. Turk
Name of Person Signing

Total number of pages including cover sheet, attachments, and document:

10

Documents to be recorded (including cover sheet) should be faxed to (703) 306-5995, or mailed to: Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22304-1450

TRADEMARK

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SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this "Security Agreement") is entered into as of 7/1/04, 2004 by and between VILLAGE FARMS, L.P., a Delaware limited partnership with offices located at 7 Christopher Way, Eatontown, New Jersey 07724 ("VFLP"), and AUSTIN GRANT, INC., a Florida corporation, with its principal business office at 3799 Brantley Place, Apopka, Florida 32703 (the "Debtor").

BACKGROUND INFORMATION

A. Debtor has executed on this date a promissory note in the principal amount of Ninety-Five Thousand Dollars (\$95,000) (the "Note"). The Note was issued pursuant to the provisions of that certain Agreement for Sale and Purchase of Business, dated as of even date herewith, by and between VFLP and Debtor (the "Purchase Agreement"). The capitalized terms herein not otherwise defined, shall have the meaning given to such terms in the Purchase Agreement.

B. In consideration for the loan evidenced by the Note, the Debtor desires to grant to VFLP a security interest in the "Collateral" (as hereinafter defined) in accordance with the terms of this Security Agreement (all such debt and the payment obligations under the Purchase Agreement hereinafter being referred to collectively as, the "Debt").

PROVISIONS

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

1. Grant of Security Interest. Debtor hereby grants, pledges and assigns to VFLP a security interest in the assets acquired from VFLP pursuant to the Purchase Agreement, including all tangible personal properties, clientele, equipment, inventory, intellectual properties, trade name and other assets acquired pursuant to the Purchase Agreement, including, without limitation, those assets identified on Exhibit A to the Purchase Agreement, wherever same may be located, together with all substitutions, replacements, additions and accessions therefor or thereto, all negotiable documents relating thereto and all cash and non-cash proceeds thereof including, but not limited to, notes, drafts, checks, instruments, insurance proceeds, indemnity proceeds, warranty and guaranty proceeds (all of the foregoing hereinafter referred to as the "Collateral").

The security interest hereby granted is to secure the prompt and full payment and complete performance of all obligations of Debtor to VFLP under the Note, the Purchase Agreement and this Security Agreement. Notwithstanding anything contained in this Agreement to the contrary, and provided that Debtor is not in default under the Note, the Purchase Agreement or this Security Agreement, Debtor may dispose of in any manner any portion of the Collateral and have and retain the proceeds from any such disposition to Debtor's exclusive use and benefit, so long as such disposition will not materially and adversely affect the operation of Debtor's business.

2. General Covenants. Debtor represents, warrants and covenants to and for the benefit of VFLP as follows:

(a) Except for the security interest granted hereby, (i) Debtor is the sole owner of the Collateral free from any and all liens, security interests, encumbrances, claims and other adverse interests, and (ii) no security agreement, financing statement, equivalent security or lien instrument or continuation statement covering any of the Collateral has been executed by Debtor, or is on file or of record in any public office.

(b) Debtor shall not create, permit or suffer to exist, and shall take such action as is necessary to remove, any claim to or interest in or lien or encumbrance upon the Collateral, other than the security interest granted hereby, and the Debtor shall defend the right, title and interest of VFLP in, to and under the Collateral against all claims and demands of all persons and entities at any time claiming the same or any interest therein.

(c) Subject to any limitation stated therein or in connection therewith, all information furnished by Debtor concerning the Collateral, is or shall be at the time the same is furnished, accurate, correct and complete in all material respects.

3. Additional Assurances. Debtor shall perform, do, make, execute and deliver all such additional and reasonable further acts, things, deeds, assurances and instruments as VFLP may require to more completely vest in and assure to VFLP its rights hereunder and in, to or under the Collateral.

4. Preservation and Disposition of Collateral.

(a) Except for the security interest granted hereby, Debtor shall keep the Collateral free from any and all liens, security interests, encumbrances, claims and interests. Debtor shall advise VFLP promptly, in writing and in reasonable detail, (i) of any material encumbrance upon or claim asserted against any of the Collateral; (ii) of any material change in the composition of the Collateral; and (iii) of the occurrence of any other event that would have a material effect upon the aggregate value of the Collateral or upon the security interest of VFLP.

(b) Except as provided in Section 1 of this Security Agreement, Debtor shall not sell or otherwise dispose of the Collateral.

(c) Debtor shall not use the Collateral in violation of any statute, ordinance, regulation, rule, decree or order. Debtor shall pay and/or satisfy any charges or levies upon the Collateral or in respect to the income or profits therefrom, except that no such charge need be paid if (i) the validity thereof is being contested in good faith by appropriate proceedings, and (ii) such proceedings do not involve any danger of sale, forfeiture or loss of any Collateral or any interest therein.

(d) Unless Debtor pays the same within ten (10) business days after written demand for such payment by VFLP, VFLP may, at its option, discharge taxes, liens, security interests or other encumbrances at any time levied or placed on the

Collateral and may pay for the maintenance and preservation of the Collateral. Debtor agrees to reimburse VFLP upon demand for any payment made or any expense incurred (including reasonable attorneys' fees) by VFLP pursuant to the foregoing authorization. Should Debtor fail to pay said sum to VFLP upon demand, interest shall accrue thereon, from the date of demand until paid in full, at the highest rate set forth in the Notes.

5. Extensions and Compromises. With respect to any Collateral held by VFLP as security for the Note, Debtor assents to all extensions or postponements of the time of payment thereof or any other indulgence in connection therewith, to each substitution, exchange or release of the Collateral, to the addition or release of any party primarily or secondarily liable therefor, to the acceptance of partial payments thereof and to the settlement, compromise or adjustment thereof, all in such manner and at such time or times as VFLP may deem advisable. VFLP shall have no duty as to the collection or protection of the Collateral or any income therefrom, nor as to the preservation of rights against prior parties, nor as to the preservation of any right pertaining thereto, beyond the safe custody of the Collateral in the possession of VFLP, provided, however, nothing contained in this paragraph 6 shall exculpate VFLP from any liability which would otherwise arise as a result of any action (as distinguished from an omission) constituting gross negligence or willful misconduct of VFLP.

6. Financing Statements. At the request of VFLP, Debtor shall join with VFLP in executing one or more financing statements in form satisfactory to VFLP and shall pay the cost of filing the same in all public offices wherever filing is deemed by VFLP to be necessary or desirable. Debtor hereby agrees that a carbon, photographic or other reproduction of this Security Agreement or of a financing statement shall be sufficient as a financing statement.

7. Default. If Debtor shall fail to make any payment of principal of or interest on the Note or any payment under the Purchase Agreement when due:

(a) VFLP may, pursuant to the terms of the Note, declare the unpaid balance of the Note immediately due and payable and this Security Agreement in default.

(b) VFLP shall have the rights and remedies of a secured party under this Security Agreement, under any other instrument or agreement securing the Note and under the laws of the State of Florida.

8. Miscellaneous Provisions.

(a) All of VFLP's rights and remedies, whether at law or in equity and whether evidenced hereby or by any other agreement, instrument or paper, shall be cumulative and may be exercised singularly or concurrently. The exercise of one or more rights or remedies shall not prejudice or impair the concurrent or subsequent exercise of other rights or remedies.

(b) Any demand upon or written notice to Debtor shall be in writing delivered in person (which delivery shall be acknowledged by written receipt), by facsimile transmission, or by depositing the same in the U.S. mails, postage prepaid,

addressed to Debtor at the address set forth at the beginning of this Security Agreement. Such demand or notice shall be effective upon receipt or upon the refusal by any employee, agent or representative of Debtor to accept delivery thereof.

(c) VFLP shall not be deemed to have waived any of its rights hereunder or under any other agreement, instrument or paper signed by Debtor unless such waiver be in writing and signed by VFLP.

(d) This Security Agreement and all rights and obligations hereunder, including matters of construction, validity and performance, shall be governed by the laws of the State of Florida. The parties hereto agree that any action concerning, relating to or involving this Security Agreement must be venued in Seminole County, Florida, and the parties hereby consent to the jurisdiction of the courts of the State of Florida in Seminole County, Florida.

(e) The provisions hereof shall, as the case may require, bind or inure to the benefit of the respective successors and assigns of Debtor and VFLP.

(f) Any provision of this Security Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

IN WITNESS WHEREOF, Debtor and VFLP have signed this Security Agreement this 1st day of July, 2004.

VILLAGE FARMS, L.P.

By: 

Name: Kenneth S. Hill
Title: Executive VP

AUSTIN GRANT, INC.

By: 

Name: Lucie Grant
Title: President

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EXHIBIT "A"

ation of assets in which a security interest is being assigned from Austin Grant, Inc. to Village Farms, L.P.

List of Assets for Village Farms- Bio-Save Division

1. All assets used in the operation of Bio-Save®, post harvest and bioprotectant and all products created or sold by the same including, ESC 10 and ESC 11.
2. Customer lists
3. All intellectual properties dating back to EcoScience research and development
4. Financial Records for three years, P&L statements
5. Computer and all associated software, printer, phone, fax machine, filing cabinets, and all associated equipment
6. All Bio-Save files located in PA. Greenhouse/warehouse to be stored by Village Farms until removal.
7. All Bio-Save Division products held by Osprey in Sarasota, FL, excluding ESC 1
8. All Bio-Save files located in storage unit in Altamonte Springs, FL
9. US EPA and state registrations,
 - a. 68182-9 Bio-Save 110 Biological Fungicide
 - b. 68182-10 Bio-Save 1000 Biological Fungicide
 - c. 68182-16 ESC-10 Biofungicide Technical
 - d. 68182-17 ESC-11 Biofungicide Technical
 - e. 68182-18 Bio-Save 10 LP

PATENTS AND TRADEMARKS

The patent for ESC-10 (Bio-Save 10 LP and Bio-Save 1000):

United States Patent Number 5,554,368, issued September 10, 1996, owned by Village Farms, L.P., Title: *Pseudomonas syringae* ATCC 55389 and use thereof for inhibiting microbial decay on fruit.

The patent for ESC-11 (Bio-Save 110):

United States Patent Number 6,017,752, issued January 25, 2000, owned by the United States of America, Licensed to Village Farms, L.P. under license agreement S.N. 07/618,437. Title: Biological control of postharvest diseases of pome fruit with *Pseudomonas syringae* pv. *Lachrymans*.

Bio-Save- registered trademark (official copy and paperwork), # 2,184,289