

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM396193

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	Security Agreement		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Verde Farms, LLC		08/24/2016	Limited Liability Company: DELAWARE
RECEIVING PARTY DATA			
Name:	Massachusetts Business Development Corporation		
Street Address:	500 Edgewater Drive, Suite 555		
City:	Wakefield		
State/Country:	MASSACHUSETTS		
Postal Code:	01880		
Entity Type:	Corporation: MASSACHUSETTS		
Name:	MB Capital Fund IV, LLC		
Street Address:	500 Edgewater Drive, Suite 555		
City:	Wakefield		
State/Country:	MASSACHUSETTS		
Postal Code:	01880		
Entity Type:	Limited Liability Company: MASSACHUSETTS		
PROPERTY NUMBERS Total: 2			
Property Type	Number	Word Mark	
Registration Number:	4958774	VERDE FARMS ORGANIC	
Registration Number:	4958757	VERDE FARMS GRASS-FED	
CORRESPONDENCE DATA			
Fax Number:	8009144240		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>			
Phone:	614-280-3292		
Email:	katie.bundy@wolterskluwer.com		
Correspondent Name:	Katie Bundy		
Address Line 1:	4400 Easton Commons Way Suite 125		
Address Line 2:	CT Corp		
Address Line 4:	Columbus, OHIO 43219		
NAME OF SUBMITTER:	George W. Thibeault		

OP \$65.00 4958774

SIGNATURE:	/George W. Thibeault/
DATE SIGNED:	08/24/2016
Total Attachments: 16 source=TRADEMARK FILING 2016_08_24_12_32_52 (002)#page1.tif source=TRADEMARK FILING 2016_08_24_12_32_52 (002)#page2.tif source=TRADEMARK FILING 2016_08_24_12_32_52 (002)#page3.tif source=TRADEMARK FILING 2016_08_24_12_32_52 (002)#page4.tif source=TRADEMARK FILING 2016_08_24_12_32_52 (002)#page5.tif source=TRADEMARK FILING 2016_08_24_12_32_52 (002)#page6.tif source=TRADEMARK FILING 2016_08_24_12_32_52 (002)#page7.tif source=TRADEMARK FILING 2016_08_24_12_32_52 (002)#page8.tif source=TRADEMARK FILING 2016_08_24_12_32_52 (002)#page9.tif source=TRADEMARK FILING 2016_08_24_12_32_52 (002)#page10.tif source=TRADEMARK FILING 2016_08_24_12_32_52 (002)#page11.tif source=TRADEMARK FILING 2016_08_24_12_32_52 (002)#page12.tif source=TRADEMARK FILING 2016_08_24_12_32_52 (002)#page13.tif source=TRADEMARK FILING 2016_08_24_12_32_52 (002)#page14.tif source=TRADEMARK FILING 2016_08_24_12_32_52 (002)#page15.tif source=TRADEMARK FILING 2016_08_24_12_32_52 (002)#page16.tif	

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement dated August 24, 2016 is executed by and among Verde Farms, LLC, a Delaware limited liability company, having a principal place of business located at 300 Trade Center, Suite 3540, Woburn, Massachusetts 01801 (the "**Debtor**"), and Massachusetts Business Development Corporation, a Massachusetts corporation having offices located at 500 Edgewater Drive, Suite 555, Wakefield, Massachusetts 01880 and MB Capital Fund IV, LLC, a Massachusetts limited liability company having offices located at 500 Edgewater Drive, Suite 555, Wakefield, Massachusetts 01880 (collectively, the "**Lenders**").

RECITALS

A. Pursuant to the terms of that certain Amended and Restated Note Purchase Agreement of even date herewith (as the same may be amended, restated or otherwise modified from time to time, the "**Purchase Agreement**") by and between the Debtor and the Lenders, the Lenders have made certain loan to the Debtor (the "**Loan Facility**"), as evidenced by the Notes, of even date herewith, in the original aggregate principal amount of \$5,000,000, (as the same may be amended, restated or otherwise modified from time to time, the "**Notes**") made by the Debtor payable to the order of the Lenders. Capitalized terms used herein and not defined shall have the meanings ascribed to them in the Purchase Agreement.

B. To induce Lenders to the establish the Loan Facility in favor of Debtor pursuant to the terms of the Purchase Agreement, Debtor desires to grant a security interest to Lenders in all of Debtor's right title and interest, whether presently existing or hereafter acquired in, to and under all of the Collateral (as defined in Section 1 hereof).

C. This Intellectual Property Security Agreement is being granted in addition to, and in conjunction with, that certain Security Agreement of even date granted by the Debtor in favor of the Lenders (as the same may be amended, restated or otherwise modified from time to time, referred to herein as the "**Security Agreement**") and is intended to be read and interpreted in harmony with the Security Agreement. Any conflicts between the provisions of this Agreement and the Security Agreement shall be resolved in favor of (i) the more restrictive provision when considering the obligations of the Debtor, and (ii) the more favorable provision when considering the rights and remedies of the Lenders.

NOW, THEREFORE, in consideration of the premises set forth above, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed as follows:

1. **Security Interest.** As security for the Obligations described in Section 2 hereof, the Debtor hereby grants to the Lenders a security interest in, and pledges and assigns to the Lenders, the property described below, together with any and all accessions, additions and improvements thereto and substitutions and replacements and proceeds thereof (hereinafter referred to collectively as the "**Collateral**");

(a) All of the following property, now owned or hereafter acquired by the Debtor or in which the Debtor now holds or hereafter acquires any interest (collectively, the “**Patents**”): (i) all letters patent of, or rights corresponding thereto, in the United States or in any other country, all registrations and recordings thereof, and all applications for letters patent of, or rights corresponding thereto, in the United States or any other country, including registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country; (ii) all reissues, continuations, continuations-in-part or extensions thereof; (iii) all petty patents, divisionals, and patents of addition; and (iv) all patents to be issued under any such applications, including, without limitation, all of the foregoing set forth on Schedule A attached hereto;

(b) All of the following property, now owned or hereafter acquired by the Debtor in which the Debtor now holds or hereafter acquires any interest (collectively, the “**Copyrights**”): (i) all copyrights, whether registered or unregistered, held pursuant to the laws of the United States, any State thereof, or of any other country; (ii) all registrations, applications and recordings in the United States Copyright Office or in any similar office or agency of the United States, of any State thereof, or of any other country; (iii) all continuations, renewals or extensions thereof; and (iv) all registrations to be issued under any pending applications, including, without limitation, all of the foregoing set forth on Schedule B attached hereto;

(c) All of the following property, now owned or hereafter acquired by the Debtor or in which the Debtor now holds or hereafter acquires any interest (collectively, the “**Trademarks**”): (i) all trademarks (registered, common law or otherwise), tradenames, corporate names, business names, trade styles, service marks, logos, other source or business identifiers (and all goodwill associated therewith), prints and labels on which any of the foregoing have appeared or appear, and designs of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and any applications in connection therewith, including registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, and (ii) all reissues, extensions or renewals thereof, including, without limitation, all of the foregoing set forth on Schedule C attached hereto;

(d) Any Patent license, Copyright license, Trademark license or other license of rights or interests now held or hereafter acquired by the Debtor or in which the Debtor now holds or hereafter acquires any interest and any renewals or extensions thereof, including, without limitation, all of the foregoing set forth on Schedule D attached hereto;

(e) Debtor’s software, source codes, trade secrets and inventions (whether or not patented or patentable);

(f) Debtor’s technical information, procedures, processes, designs, knowledge, and know-how; Debtor’s data bases, models and drawings;

(g) Debtor’s skill, expertise, and experience; Debtor’s websites, world wide web addresses, domain names, URL’s, moral rights, publicity rights, mask works and any other

proprietary, intellectual or industrial proprietary rights of any kind or nature that do not compromise or are not protected by the Patents, Trademarks, Copyrights or Licenses;

(h) Debtor's applications therefor and reissues, extensions, or renewals thereof; and

(i) Debtor's goodwill associated with any of the foregoing, together with Debtor's rights to sue and collect damages for past, present and future infringement of the foregoing and the goodwill associated therewith.

2. Secured Obligations. The security interest hereby granted shall secure the due and punctual payment and performance of the Purchase Agreement and the Notes, including, without limitation all Indebtedness of the Debtor to the Lenders (collectively, the "**Obligations**").

3. Special Warranties and Covenants of the Debtor. The Debtor hereby warrants and covenants to the Lenders that:

(a) The address shown at the beginning of this Agreement is the principal place of business of the Debtor (the "**Premises**"). The Debtor will not, without at least ten (10) days prior written notice to the Lenders, change (i) its principal place of business, (ii) any other place of business, or (iii) the location of any single item or related group of items of Collateral if in case of either (ii) or (iii) above such change of location of Collateral would require the Lenders to file any additional financing statement to perfect their security interests in such Collateral.

(b) Except for the security interest granted hereby, and for Permitted Liens, the Debtor is, and as to the Collateral acquired after the date hereof the Debtor will be, the owner of the Collateral free from any lien, security interest, or encumbrance (other than liens or encumbrances arising by operation of law or the Loan Documents or Permitted Liens), and the Debtor will defend the Collateral against all claims and demands of all other persons. To the best of the Debtor's knowledge and belief, no other financing statement or filing covering any of the Collateral is on file nor will the Debtor knowingly permit any adverse financing statement or filing to be on file in any public office except such filings that evidence the Lenders' security interest in the Collateral and other filings evidencing Permitted Liens.

(c) The Debtor warrants that it is the owner by proper and valid assignment of all of the Collateral, and that, except for sales or dispositions not material in value and not material to the Debtor's business, it will not sell or otherwise dispose of any of the Collateral or any interest therein without the prior written consent of the Lenders such consent not to be unreasonably withheld, delayed, or conditioned.

(d) The Debtor will promptly deliver, in form and substance satisfactory to the Lenders (or if permitted by law, the Lenders may themselves execute and file, and at the Lenders' request, the Debtor will join with the Lenders in executing, in all public offices wherever filing is deemed by the Lenders to be necessary or desirable) such financing statements, filings, certificates and other documents or instruments to enable the Lenders to perfect or from time to time renew the security interests granted hereby, and to perfect or from

time to time renew a security interest in any additional Collateral hereafter acquired by the Debtor or in any replacements or proceeds thereof.

(e) The Debtor does not, and in the absence of prior written notice to the Lenders, the Debtor will not, conduct business under any trade name or name other than its corporate name.

(f) The Schedules hereto are intended to, and Debtor represents the Schedules do include as Collateral, all intellectual property now held by the Debtor, and may be updated from time to time as necessary or at the request of the Lenders to include any hereafter acquired intellectual property. The Debtor will, in addition, from time to time at the request of the Lenders, do, make, execute and deliver all such additional and further acts, things, deeds, assurances and instruments as the Lenders may require more completely to vest or confirm in and assure to the Lenders their rights hereunder and in and to the Collateral.

(g) At its option, the Lenders may discharge taxes (except those contested in good faith), liens, security interests, or other encumbrances (other than those permitted herein) at any time levied or placed on the Collateral, and may pay for and take any other action which they deem appropriate for the maintenance and preservation of the Collateral. The Debtor shall reimburse the Lenders on demand for any payment made, or any expenses incurred, by the Lenders pursuant to this Section 3(g).

(h) The Debtor shall notify the Lenders promptly of all material claims against the Collateral. The Debtor shall not settle any material dispute or claim without the Lenders' consent, not to be unreasonably withheld, delayed, or conditioned, unless such settlement has no adverse impact on the Collateral or the Lenders' security interest therein. Upon the occurrence of any Event of Default (as defined in Section 4 hereof) and while same is continuing, the Lenders may settle or adjust disputes or claims directly with customers or account debtors for amounts and upon terms which they consider reasonably advisable; and where the Debtor receives collateral of any kind or nature by reason of transactions between itself and its customers or account debtors, they will hold the same on the Lenders' behalf, subject to the Lenders' instructions, and as property forming part of the Collateral, except to the extent Debtor disposes of same pursuant to the provisions of the Purchase Agreement.

4. Events of Default. The occurrence of any one or more of the "Events of Default" as defined in the Purchase Agreement shall constitute an Event of Default under this Security Agreement while same is continuing.

5. Remedies. Upon and after the occurrence and during the continuance of an Event of Default, all of the Obligations may, at the option of the Lenders and without demand, notice or legal process of any kind, be declared, and immediately shall become, due and payable.

Upon and after the occurrence and during the continuance of an Event of Default, the Lenders shall have the following additional rights and remedies:

(a) All of the rights and remedies of a secured party under the Uniform Commercial Code or any other applicable law or at equity, all of which rights and remedies shall be cumulative and non-exclusive, to the extent permitted by law, in addition to any other rights

and remedies contained in this Security Agreement or in any document, instrument or agreement evidencing, governing or securing the Obligations.

(b) The right to (i) take possession of the Collateral, without resort to legal process and without prior notice to Debtor, and for that purpose Debtor hereby irrevocably appoints the Lenders their attorney-in-fact to enter upon any premises on which the Collateral or any part thereof may be situated and remove the Collateral therefrom, or (ii) require the Debtor to assemble the Collateral and make it available to Lenders in a place to be designated by the Lenders within 50 miles of Debtor's chief executive office, in its sole discretion. Subject to the provisions of any applicable lease, the Debtor shall make available to the Lenders all premises, locations and facilities necessary for the Lenders' taking possession of the Collateral or for removing or putting the Collateral in saleable form.

(c) The right to sell or otherwise dispose of all or any part of the Collateral by public or private sale or sales. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Lenders will give the Debtor at least ten (10) business days' prior written notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition (which may include, without limitation, a public sale or lease of all or part of the Collateral) is to be made. The Debtor agrees that ten (10) business days is a reasonable time for such notice. The Lenders, their employees, attorneys and agents may bid and become purchasers at any such sale, if public, and may purchase at any private sale any of the Collateral that is of a type customarily sold on a recognized market or which is subject to widely distributed standard price quotations. Any public or private sale shall be free from any right of redemption which the Debtor waives and releases. If there is a deficiency after such sale and the application of the net proceeds from such sale, the Debtor shall be responsible for the same, with interest.

(d) The Lenders shall have the right (and Debtor irrevocably appoints the Lenders as attorney-in-fact for the Debtor for this purpose, such appointment being coupled with an interest and exercisable during the continuance of an Event of Default), without prior notice to Debtor and without resort to legal process, to notify the persons liable for payment of the Accounts (as defined in the Uniform Commercial Code) at any time and direct such persons to make payments directly to the Lenders, and to perform all acts the Debtor could take to collect on the Account, including, but without limitation, the right to notify postal authorities to change the address for delivery, open mail, endorse checks, bring collection suits, and realize upon Collateral securing the Accounts. At the Lenders' request, during the continuance of an Event of Default, all bills and statements sent by the Debtor to the persons liable for payments of the Accounts shall state that they have been assigned to, and are solely payable to, the Lenders, and Debtor shall direct persons liable for the payment of the Accounts to pay directly to the Lenders any sums due or to become due on account thereof.

6. Governmental Approvals. The Lenders acknowledges that in connection with any exercise by the Lenders of their rights hereunder to dispose of or operate under the authorizations, permits and licenses covered hereby, it may be necessary to obtain the prior consent or approval of certain governmental authorities or instrumentalities. Notwithstanding anything to the contrary contained herein or in any security document, neither the Lenders nor the Debtor will take any action pursuant to this Agreement or any of the security documents

which would constitute or result in any assignment of a license, if such assignment of license would require under then existing law, the prior approval of any governmental authority or instrumentality, without first obtaining such approval of such governmental authority or instrumentality. Upon the exercise by the Lenders of any power, right, privilege or remedy pursuant to this Agreement which requires any consent, approval, recording, qualification or authorization of any governmental authority or instrumentality, the Debtor will execute and deliver, or will cause the execution and delivery of, all applications, certificates, instruments and other documents and papers that the Lenders may be required to obtain for such governmental consent, approval, recording, qualification or authorization.

7. Waivers

(a) THE LENDERS AND DEBTOR KNOWINGLY, INTENTIONALLY, VOLUNTARILY AND IRREVOCABLY WAIVE THE RIGHT TO A TRIAL BY JURY IN ANY PROCEEDING HEREAFTER INSTITUTED BY OR AGAINST THE LENDERS OR THE DEBTOR IN RESPECT OF THIS SECURITY AGREEMENT, ANY DOCUMENT, INSTRUMENT OR AGREEMENT EVIDENCING, GOVERNING OR SECURING THE OBLIGATIONS HEREBY SECURED OR THE COLLATERAL (THE “LOAN DOCUMENTS”).

(b) THE DEBTOR HEREBY ACKNOWLEDGES THAT THIS SECURITY AGREEMENT IS PART OF A COMMERCIAL TRANSACTION.

(c) THE DEBTOR WAIVES NOTICE OF NON-PAYMENT, DEMAND, PRESENTMENT, PROTEST OR NOTICE OF PROTEST OF THE COLLATERAL AND ALL OTHER NOTICES (EXCEPT TO THE EXTENT EXPRESSLY PROVIDED FOR HEREIN OR IN THE PURCHASE AGREEMENT), CONSENTS TO ANY RENEWALS OR EXTENSIONS OF TIME OF PAYMENT THEREOF AND GENERALLY WAIVES ANY AND ALL SURETYSHIP DEFENSES AND DEFENSES IN THE NATURE THEREOF.

8. General

(a) No waiver by the Lenders of any failure to pay or perform shall be effective unless in writing nor operate as a waiver of any other failure to pay or perform or of the same failure to pay or perform on a future occasion, nor shall the failure or delay of the Lenders to exercise, or the partial exercise of, any right, power or privilege provided for hereunder in any circumstances preclude the full exercise of such right, power or privilege in the same or similar circumstances in the future or the exercise of any other right or remedy.

(b) This Security Agreement is intended as the final, complete and exclusive statement of the provisions contained in this Security Agreement. No amendment, modification, termination or waiver of any provision of this Security Agreement or consent to any departure by the Debtor therefrom shall, in any event, be effective unless the same shall be in writing and signed by the Lenders and Debtor. Any waiver of, or consent to any departure from, any provision of this Security Agreement shall be effective only in the specific instance of and for the specific purpose for which it is given, and shall not be deemed to extend to similar situations or

to the same situation at a subsequent time. No notice to or demand upon the Debtor shall in any case entitle Debtor to any other or further notice or demand in similar or other circumstances.

(c) The Debtor hereby irrevocably authorizes the Lenders at any time and from time to time to file initial financing statements, continuation statements and amendments thereto and such other filings in such locations and offices as the Lenders shall deem necessary or appropriate to perfect the security interest granted herein, which such initial financing statements and such other filings may (a) indicate the Collateral (i) as all assets of the Debtor or words of similar effect regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the Uniform Commercial Code, or (ii) as being of an equal or lesser scope or with greater detail, and (b) contain any other information required by part 5 of Article 9 of the Uniform Commercial Code for the sufficiency or filing office acceptance of any financing statement or amendment. Without limiting the generality of the foregoing, such other information may include, among other things, (i) whether the Debtor is an organization, the type of organization and any organization identification number issued to the Debtor, and (ii) in the case of a financing statement filed as a fixture filing or indication Collateral as as-extracted collateral or timber to be cut, a sufficient description of real property to which the Collateral relates. The Debtor agrees to furnish such information to the Lenders promptly upon request. The Debtor also ratifies its authorization for the Lenders to have filed any like initial financing statements or amendments thereto if filed prior to the date hereof.

(d) All rights of the Lenders hereunder shall inure to the benefit of its successors and assigns, and all obligations of the Debtor shall bind its successors and assigns. The Lenders shall have the unrestricted right at any time or from time to time, and without the Debtor's consent, to assign all or any portion of its rights and obligations hereunder to one or more banks or other financial institutions (each, an "Assignee"), and the Debtor agrees that it shall execute, or cause to be executed, such documents, including without limitation, amendments hereto and to any other documents executed in connection herewith or pursuant hereto as the Lenders shall deem reasonably necessary to effect the foregoing. Upon the execution and delivery of appropriate assignment documentation, amendments and any other documentation required by the Lenders in connection with such assignment, and the payment by Assignee of the purchase price agreed to by the Lenders and such Assignee, such Assignee shall have all of the rights and obligations of the Lenders hereunder (and under any and all other Loan Documents) to the extent that such rights and obligations have been assigned by the Lenders pursuant to the assignment documentation between the Lenders and such Assignee, and the Lenders shall be released from its obligations hereunder and thereunder to a corresponding extent.

(e) Debtor shall pay to the Lenders on demand any and all costs and expenses, including reasonable attorney's fees (but not including the costs and expenses allocated to the Lenders' internal Legal Department), costs and expenses relating to the appraisal and/or valuation of assets and all costs and expenses incurred or paid by the Lenders in exercising, collecting, establishing, defending, preserving, protecting, or enforcing any of its rights in the Collateral or under any of the Obligations unless such amounts are directly attributable to a claim in which it is finally determined by a court of competent jurisdiction that the Lenders has acted with gross negligence or willful misconduct.

(f) This Agreement and the security interest created hereby shall be governed by and construed in accordance with the laws of The Commonwealth of Massachusetts.

(g) Whenever possible, each provision of this Security Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Security Agreement shall to any extent be held invalid or unenforceable, then only such provision shall be deemed ineffective and the remainder of this Security Agreement shall not be affected.

(h) Upon receipt of an affidavit of an officer of the Lenders as to the loss, theft, destruction or mutilation of this Security Agreement, and, in the case of any such loss, theft, destruction or mutilation, upon cancellation of such Security Agreement, the Debtor shall issue, in lieu thereof, a replacement agreement.

(i) Debtor hereby acknowledges receipt of a full completed copy of this Security Agreement.

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IN WITNESS WHEREOF, the parties have caused this Security Agreement to be executed as a sealed instrument as off the date first above written.

VERDE FARMS, LLC

By: *Dana Ehrlich*
Dana M. Ehrlich, President and Chief
Executive Officer

**MASSACHUSETTS BUSINESS
DEVELOPMENT CORPORATION**

By: _____
Kenneth J. Smith, President

MB CAPITAL FUND IV, LLC
By: Massachusetts Business Development
Corporation, its Manager

By: _____
Thomas A. Wooters, Jr., Managing Director

SCHEDULE A
Patents

None

SCHEDULE B

Copyrights

None

SCHEDULE C

Trademarks

Mark	Date of Filing	Application Serial Number	U.S. Registration Number	Date of Registration	Declaration of Continued Use Due
Verde Farms Organic (logo)	7/21/15	86699451	4,958,774	5/17/16	5/17/22
Verde Farms Grass Fed (logo)	7/14/15	86692195	4,958,757	5/17/16	5/17/22

SCHEDULE D

Licenses

None

IN WITNESS WHEREOF, the parties have caused this Security Agreement to be executed as a sealed instrument as off the date first above written.

VERDE FARMS, LLC

By: _____
Dana M. Ehrlich, President and Chief
Executive Officer

**MASSACHUSETTS BUSINESS
DEVELOPMENT CORPORATION**

By:  _____
Kenneth J. Smith, President

MB CAPITAL FUND IV, LLC
By: Massachusetts Business Development
Corporation, its Manager

By:  _____
Thomas A. Wooters, Jr., Managing Director

Signature Page of Intellectual Property Security Agreement