



This is the 1<sup>st</sup> Affidavit  
of Mark Grambart in this case  
and was made on January 12, 2015

Province: British Columbia  
Bankruptcy Division  
Vancouver Registry  
Court No. B144740-150025  
Estate No. 11-1946231

**IN THE SUPREME COURT OF BRITISH COLUMBIA  
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE PROPOSAL OF  
CONTECH ENTERPRISES INC.**

**AFFIDAVIT**

I, Mark Grambart, of 115-19 Dallas Road, Victoria, British Columbia, businessman  
SWEAR THAT:

1. I am the President and Chief Executive Officer of Contech Enterprises Inc. (the "Company" or "Contech") and as such have personal knowledge of the facts hereinafter deposed to except where stated to be on information and belief, in which case I verily believe them to be true. I am authorized to make this affidavit on behalf of the Company.
2. Capitalized terms used in this affidavit and not otherwise defined have the same meanings as ascribed to them in the Notice of Application to be filed in this proceeding by the Company seeking a declaration that the Company is the owner of the IP (the "Declaration Notice of Application") as well as the Notice of Application to be filed by the Company and Deloitte Restructuring Inc. (the "Trustee") in its capacity as trustee in bankruptcy of the Company, seeking the Court's approval of the proposal dated December 23, 2014 (the "Proposal") made by the Company to the Affected Creditors (the "Approval Notice of Application").
3. To the best of my knowledge and belief the facts set forth in both of the Declaration Notice of Application and the Approval Notice of Application are true and accurate.

Background

4. Contech was founded in 1987 and is in the business of designing, manufacturing, marketing and selling environmentally-friendly products for the pet and garden industries. The Company operates in Canada and has approximately 30 employees. Through a wholly-owned subsidiary the Company also operates in the U.S. The U.S. subsidiary has approximately 35 employees.
5. Since 2008 Contech has expanded rapidly by acquiring the assets and/or shares of other companies and/or persons. While this was necessary in order for Contech to grow its business, it did result in certain operational and integration-based challenges for the Company and also resulted in the Company taking on significant additional debt which it has struggled to service. Moreover, in conjunction with the various acquisitions, Contech changed its distribution model to also include direct-to-consumer sales, which added significant costs to the acquisition process which were not anticipated. Additionally, for some time now, the Company has experienced cash-flow issues. Those issues have arisen due to the significant debt payments the Company has had to make and, at times, have been exacerbated by the highly seasonal nature of Contech's business.
6. The upshot of the foregoing is that over the last three fiscal years the Company has had aggregate losses of over \$4.5 million.
7. Throughout 2014, the Company made numerous attempts to refinance its business with several institutional lenders, including asset-based lenders and other speciality financiers. One of the speciality financiers approached by Contech was Siena Lending Group LLC ("**Siena**"), which is the "Funder" under the Proposal.
8. The Company and Siena spent much of the fall of 2014 negotiating financing terms and reached agreement in or around early November 2014. Ultimately, however, the refinancing transaction did not complete, primarily due to the fact that the Company, Vegherb and Siena could not agree to terms pursuant to which Vegherb would subordinate its security interest in the Company's assets to that of Siena. Concurrently, the Company was experiencing difficulties with other creditors, including some of its more significant suppliers.

9. When it became apparent that the financing being offered by Siena would not move forward, Contech's management and board of directors began to evaluate the Company's financial position and consider its options. It was evident at that time that, absent additional financing, Contech would be unable to continue to meet its current liabilities, including to its suppliers, and, accordingly, would not be able to carry on business through into the next year.
10. Apart from the foregoing, it was apparent that Contech was simply carrying too much debt. As of December 2014, the Company had secured creditors with claim totalling approximately \$10 million, and unsecured creditors with claims totalling approximately \$4.5 million. Realistically, it was unsustainable for the Company to pay all of its current obligations, let alone continue to service its longer-term debt obligations. Clearly, in order to survive and be competitive, Contech had to undertake a restructuring of its debt.
11. In order to facilitate a restructuring and to be able to present a viable plan to the Affected Creditors, throughout the latter part of the December 2014, the Company, in consultation with its legal advisors, worked diligently to obtain a new funding commitment from Siena and to develop a proposal which it believes to be fair and reasonable and which provides material recovery for the Affected Creditors while also allowing the Company to continue in business for the foreseeable future.

#### The Proposal

12. On December 23, 2014, the Company filed the Proposal with the OSB. The terms of the Proposal are described in detail in the Trustee's Report to Creditors dated December 23, 2014 (the "**Trustee's First Report**"), but in general it provides that Affected Secured Creditors will receive common shares of Contech in exchange for their debt and Unsecured Creditors, other than one Key Supplier, will receive 30 cents for every dollar of their claim over six months.
13. Under the Proposal, the Key Supplier will receive 70 cents for every dollar of its claim over a longer period of time provided they agree to continue to supply product to Contech upon emergence from protection. I have been questioned about this favourable treatment of the Key Supplier by other Unsecured Creditors, and have explained it as follows: the

product supplied by the Key Supplier accounts for approximately 25% of the Company's sales. Without the Key Supplier's commitment to continue to provide product to the Company on an ongoing basis, the Company could not continue to operate and the Proposal could not succeed.

14. The Key Supplier voted in favour of the Proposal and I can advise that the Key Supplier has agreed to continue to supply product to the Company on a go-forward basis on cash-on-shipment payment terms. Going forward, the Company anticipates being able to negotiate more favourable payment terms with the Key Supplier once the Key Supplier obtains some recovery for the amount owing to it by the Company pursuant to the Proposal.
15. The Meeting, which I attended, was held on January 8, 2014. At the Meeting the Affected Creditors voted overwhelmingly in favour of the Proposal. In the Unsecured Creditor Class, the Proposal was approved by 96% in number of the voting Unsecured Creditors holding 99% of the Proven Claims of the voting Unsecured Creditors. In the Affected Secured Creditor Class, the Proposal was approved by 96% in number of the voting Affected Secured Creditors holding 76% of the Proven Claims of the voting Affected Secured Creditors.
16. Only one Affected Secured Creditor - Vegherb - did not vote in favour of the Proposal.
17. I am advised by Contech's legal counsel that in order for the Court to accept the Proposal, it must first determine that the Proposal is fair and reasonable, is calculated to benefit the general body of creditors and is made in good faith.
18. In my opinion, the Proposal is fair and reasonable and is calculated for the general benefit of the creditors as it provides all Affected Creditors with meaningful recoveries and also provides for significantly greater recovery than they would achieve if the Company made an assignment into bankruptcy. Indeed, if this were to occur, the expectation is that the Affected Creditors would recover nothing.
19. I also note that under the Proposal all cash distributions are to be paid within one year of the Effective Date. The Proposal also calls for the Company to issue the Common Shares

to the Affected Secured Creditors and Equity Election Creditors within two weeks of the Effective Date.

20. Attached hereto as **Exhibit "A"** is a copy of the executed term sheet between the Company and Siena. The Company is confident that if the Court approves the Proposal and grants the Orders sought by the Company and the Trustee, Siena will make the new credit facility available to the Company. The funds made available to Contech by Siena which will be used in part to pay out HSBC Bank Canada ("**HSBC**") in full and will enable Contech to fund not only the Proposal but also the operations of the Company going forward.
21. I also believe the Company has acted in good faith in making the Proposal. The Proposal really does provide the only hope for recovery for the Affected Creditors. Moreover Contech has been entirely forthcoming as to its assets and liabilities, as well as its financial issues, and this information has been provided to the Affected Creditors by the Trustee in the Trustee's First Report. I have personally engaged in communications with numerous creditors about the Company's financial situation and the terms of the Proposal and have provided Affected Creditors with as much information as possible
22. I note that the Proposal has the support of the Trustee, and that no allegation has been made that the Company's conduct is subject to censure or is in any way questionable. The Proposal is also supported by Contech's largest secured creditors who are not affected by the Proposal, primarily HSBC and First West Credit Union ("**FWCU**"), as well as by Business Development Bank of Canada.
23. In summary, the Proposal represents the best offer the Company can make to its Affected Creditors while still retaining the support of Siena and ensuring that Contech has sufficient funds to carry on business going forward.
24. As an aside, I am advised by Contech's legal counsel that the application for the approval of the Proposal is proceeding to Court in a shorter time frame than is usual. This is due to the seasonal nature of the Company's business, and the Company's urgent need to place

orders for products with suppliers by the start of February in order to ensure it has sufficient product in stock for the start of the spring gardening season.

25. The Company's funding needs are known to Siena, and it is a term of the Loan Agreement that it closes before January 31, 2015. Approval and implementation of the Proposal is a pre-condition to the closing of the Loan Agreement, and the credit facilities thereunder being made available to the Company. I note that the Affected Creditors and other stakeholders were advised of the Company's intention to proceed on an expedited basis in the Trustee's First Report. I don't believe that proceeding with the application for approval of the Proposal prejudices any of the Affected Creditors or other stakeholders. Indeed, doing so facilitates the closing of the Loan Agreement and the implementation of the Proposal.

#### Ownership of the IP

26. I understand that Vegherb plans to attend at the application for the approval of the Proposal and object to the declaration being sought by the Company that it is the owner of the IP. The issue as to ownership or, more specifically, Contech's and Vegherb's rights to and interests in the IP is not novel; it has been the subject of discussions for some months now.
27. Siena has advised the Company that it would have serious reservations about advancing funds to the Company if the IP is determined not to be an asset of the Company as Siena views the IP as an essential component of the Company's business and it is an asset Siena requires as part of its security package. Accordingly, if the Court does not find that the Company is the owner of the IP, it is my belief that the Loan Agreement will not close and, accordingly, the Company will not be able to implement the Proposal. The likely result is that the Company will become bankrupt and the Affected Creditors will recover nothing.
28. As noted above, the Company is in the business of designing, manufacturing, marketing and selling environmentally-friendly products for the pet and garden industries. Beginning in 2008, the Company sought to expand its business by acquiring the business

and assets of other companies with a similar focus on environmentally-friendly pet and garden products.

29. The Company was first introduced to Vegherb by David Levine from Aramar Capital at the National Hardware Show in Las Vegas on or around May 2, 2012. At that time, Vegherb was doing business as “Scenery Solutions” and it was engaged primarily in the business of developing, manufacturing, marketing and selling raised garden beds and sandboxes (the “**Business**”). Mr. Levine was in discussions with Vegherb regarding brokering a sale of the **Business**.
30. The Company quickly became interested in acquiring the Business because it had unique patented products (i.e. the raised garden bed and sandbox products) that were sold through large lawn and garden customers in North America such as, among others, Canadian Tire and Home Depot. These were some of the same customers the Company had been selling to for a number of years and, from the Company’s perspective, adding the raised garden bed products to the Company’s product line would allow it to sell more products to its existing customers using its existing marketing and sales chain, as well as allowing it to acquire and/or build its market share with other customers that regularly carried Vegherb’s products but did not carry Contech’s products, such as Lowe’s and Costco.
31. Negotiations for the acquisition of the Business began in or around August 2012, and the Transaction completed in or around February 2013. The Transaction with Vegherb was the seventh acquisition that the Company had carried out since 2008. Four of the prior acquisitions were asset purchases, and in each case the Company had acquired the intellectual property as part of the asset-base it was purchasing. In each of the prior acquisitions the Company and the vendor had documented the deal with a purchase agreement, security agreements and promissory notes, whereby (generally speaking) the vendor agreed to sell its assets, the Company promised to pay for the assets over time, and the Company granted security to the vendor over the assets being sold, including the intellectual property, as security for the payment of the purchase price.

32. In short, the Transaction involved the purchase and sale of the Business, including substantially all of Vegherb's assets (collectively, the "Assets"), which included the IP. To be clear, it would have been of no use to Contech if it were to have acquired the Business without the IP. The IP is what enables Contech to manufacture and sell the products designed by Vegherb. The other Assets consisted of inventory, work in progress, accounts receivable and some office furniture, which were of little value to Contech in relation to its ongoing business. The acquisition of the Assets without the IP would do nothing to assist the Company in growing its business and expanding its market base, which were the overarching objectives of the Company at that time. The foregoing is evidenced by the fact that, under the APA, the portion of the Purchase Price attributable to Vegherb's goodwill, including the IP, is approximately 87% of the Transaction value.
33. The Transaction Documents pursuant to which Contech acquired the Business include the following:
- (a) the APA, a true copy of which is attached hereto as **Exhibit "B"**;
  - (b) the Physical Assets Assignment Agreement, a true copy of which is attached hereto as **Exhibit "C"**;
  - (c) the GSA, a true copy of which is attached hereto as **Exhibit "D"**;
  - (d) the License Agreement, a true copy of which is attached hereto as **Exhibit "E"**;
  - (e) the IP Assignment Agreement, a true copy of which is attached hereto as **Exhibit "F"**;
  - (f) the Promissory Note, a true copy of which is attached hereto as **Exhibit "G"**;
  - (g) the Subordination Agreement, a true copy of which is attached hereto as **Exhibit "H"**;
  - (h) the HSBC Subordination Agreement, a true copy of which is attached hereto as **Exhibit "I"**;




34. Attached hereto as **Exhibit "J"** is a true copy of a British Columbia Personal Property Registry search of Contech performed on November 28, 2014, which evidences the filing of a financing statement in favour of Vegherb against Contech on February 22, 2013 under Base Registration No. 203231H.
35. The aspects of the Vegherb Transaction which are now at issue - specifically, the transfer of the IP via the License Agreement and the IP Assignment Agreement - were, in the Company's experience, unique to the Transaction, which was structured in this manner at the request of Vegherb. As I recall, about mid-way through the Transaction negotiations Vegherb and its legal counsel advised the Company that it wanted the IP carved out of the APA and the transfer of the IP dealt with under the License Agreement and the IP Assignment Agreement. I recall being told that Vegherb wanted to structure the deal this way in order to ensure that if Contech failed to make payments under the Promissory Note, Vegherb could take back the IP, which all parties acknowledged was the asset with the most value. I don't recall that the Company raising any specific objections to this as we understood that Vegherb wanted security to ensure it received the Deferred Cash Payment.
36. To my mind, there is no doubt that it was always the parties' intention that the IP would be transferred to Contech when the Deferred Cash Payment was paid in full. There were, in the meantime, no restrictions on Contech's use of the IP and, other than \$1.00 to be paid under the License Agreement, no other conditions on Contech's acquisition of the IP.
37. I understood at all times that title to the IP would not be transferred to Contech until the Deferred Cash Payment was paid. Nevertheless, for reasons unknown to me, two of the 10 patents to have been acquired by Contech from Vegherb, and the only trademark to be acquired, are presently registered in Contech's name. Attached hereto collectively as **Exhibit "K"** are true copies of the search results for the patents and the trademark. Attached hereto as **Exhibit "L"** is a true copy of a due diligence chart summarizing these search results.

38. Following the closing of the APA, Contech made the first three payments of the Deferred Cash Payments. Contech failed to make the payment due on October 30, 2014.
39. By letter dated October 31, 2014, a true copy of which is attached hereto as **Exhibit "M"**, counsel for Vegherb confirmed that Contech failed to pay the payment due on October 30, 2014, and accordingly Vegherb advised Contech that the Licence Agreement was terminated.
40. Contech subsequently cured the missed payment default by delivering payment to Vegherb on or around November 6, 2014.
41. By letters dated November 7, 2014, true copies of which are attached hereto as **Exhibits "N"** and **"O"**, counsel for Vegherb advised each of HSBC and FWCU of Contech's alleged default, that all amounts payable under the Promissory Note were then due and that Vegherb would be commencing proceedings against Contech in the Supreme Court of New York in and for the County of Westchester. Although I am aware that the letters caused both HSBC and FWCU concern, it was understood that, pursuant to the Subordination Agreement, Vegherb could not initiate realization proceedings until December 27, 2014. Contech filed the Proposal with the Office of the Superintendent of Bankruptcy on December 23, 2014.
42. I am also aware that both HSBC and FWCU had no objection to Vegherb retaining the payment made by Contech on November 6, 2014, so long as Vegherb executed an assignment and postponement agreement with Siena, as Vegherb was contractually obligated to do. As Vegherb refused to do so, both HSBC and FWCU were of the view that the November 6, 2014 payment by Contech was made contrary to the terms of the Subordination Agreement and the HSBC Subordination Agreement. Accordingly, Vegherb subsequently returned the payment to Contech and it was deposited to Contech's account with HSBC.
43. It is my belief that Vegherb's opposition to the Proposal and its earlier opposition to the refinancing with Siena is primarily due to the fact that Vegherb believes it can benefit if the Company is forced into bankruptcy and its assets are liquidated as this would allow

Vegherb to potentially re-acquire the Business and the Assets as well as Contech's other assets, at a reduced price. I can think of no other reason for Vegherb's opposition to the Proposal, as it is my understanding that in a liquidation scenario it will recover nothing in respect of its claims against Contech.

SWORN BEFORE ME at Vancouver,  
British Columbia, on January 12<sup>th</sup>,  
2015.

  
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A Commissioner for taking Affidavits for  
British Columbia

  
\_\_\_\_\_  
MARK GRAMBART

SCOTT W. FARQUHAR  
*Barrister & Solicitor*  
PEARLMAN ♦ LINDHOLM  
201 - 19 DALLAS ROAD  
VICTORIA, BC V8V 5A6  
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This is Exhibit <sup>A</sup> ..... referred to in the  
affidavit of Mark Grambart.....  
made before me on this 12.....  
day of January..... 20 15.....  
~~.....~~  
A Commissioner for taking  
Affidavits for British Columbia



December 22, 2014

Mr. Mark Grambart  
President & CEO  
Contech Enterprises, Inc.  
19 Dallas Road  
Victoria, BC V8V 5A6 Canada

Re: Term Sheet

Dear Mr. Grambart:

On behalf of Siena Lending Group LLC ("Siena"), I am pleased to provide Contech Enterprises, Inc., a British Columbia corporation (the "Company") with this Term Sheet regarding a senior secured revolving credit facility of up to U.S.\$4,000,000 (the "Credit Facility") with an accordion feature of up to U.S.\$2,000,000 ("Accordion"). All such loans would be made solely in, and repayable solely in, U.S. Dollars. The Credit Facility would be to refinance certain indebtedness owed by Company to HSBC Bank Canada pursuant to the facility letter dated July 5, 2011 and to provide additional working capital for Company, all as outlined in this Term Sheet. This Term Sheet supersedes and replaces all prior verbal and written discussions, proposals and term sheets between Company (or any of its affiliates) and Siena with respect to the matters described herein, including without limitation the Term Sheet dated as of September 2, 2011 (the "Original Term Sheet") between Company and Siena. This Term Sheet is an expression of interest in pursuing the Credit Facility on the terms and conditions described in this Term Sheet, but in no way whatsoever is a commitment to lend or make or an offer to enter into all or any portion the Credit Facility, and does not in any way obligate Siena to close all or any portion of the Credit Facility or fund any of the loans thereunder or any other loans. Except as expressly provided herein, the Term Sheet is non-binding. For discussion purposes only, the following is a description of certain of the currently contemplated terms of the Credit Facility should the Credit Facility be consummated.

#### CREDIT FACILITY / PARTIES

**Credit Facility/Accordion:** Up to U.S.\$4,000,000 (the "Total Credit Facility Amount") consisting of senior secured revolving loans in the principal amount of up to U.S.\$4,000,000 ("Revolving Loans"), subject to the approval of Siena and various other conditions, Company may request that the Total Credit Facility Amount be increased by up to U.S. \$2,000,000 in the aggregate from time to time. Borrower would be required to pay an Accordion Fee of \$7,500 per each such \$500,000 increase.

**Borrower:** Company.

**Guarantors:** Each direct and indirect subsidiary of Borrower (Siena understands that the sole existing direct or indirect subsidiary of Borrower is ConTech, Inc., a Washington corporation) would be required to jointly and severally guaranty all of the obligations of Borrower under the Credit Facility. Mark Grambart, David Radick and potentially others would be required to provide validity guarantees. Additionally, Mark Grambart and Denman Island Chocolates would each be required to guaranty \$175,000 of principal of the obligations of

Borrower under the Credit Facility.

**Lender:** Siena Lending Group LLC

**Term:** Three (3) years from the Closing Date.

**Borrowing Base Availability:** Revolving Loans would not be permitted to exceed at any time the lesser of (i) the Total Credit Facility Amount and (ii) U.S. Dollar Equivalent of the sum of:

- a) 85% of the U.S. Dollar Equivalent of eligible accounts receivable of Borrower; *provided*, that if Dilution exceeds 3%, Siena may, at its option (A) reduce such advance rate by the number of full or partial percentage points comprising such excess or (B) establish a Reserve on account of such excess; plus
- b) The lesser of the U.S. Dollar Equivalent of (i) the lesser of (x) 65% of eligible inventory of Borrower at the lower of cost or market, and (y) 85% of the net orderly liquidation value of such eligible inventory (or if less, U.S.\$300,000 with respect to raw materials inventory), and (ii) U.S.\$2,500,000 (or U.S.\$1,500,000 during the period from November 1st to December 31st of each year); provided, during the period from January 1st to October 31st of each year in no event would such overall sublimit on advances set forth in this clause (ii) exceed 100% of the amount set forth in clause (a) above, less any Reserves established against Accounts (including, without limitation, any Dilution Reserve); less
- c) Reserves from time to time established by Siena in its sole discretion against the Total Credit Facility Amount and/or the borrowing base.

Eligible accounts receivable would exclude, without limitation, poor credits, accounts that remain unpaid 90 days (or with the approval of Siena in its sole discretion, 120 days with respect to eligible accounts that are on payment terms of net 60 days or net 90 days) or more after the original invoice date or 60 days or more after the original due date; cross-age; intercompany, contra, or affiliated receivables; receivables owing from account debtors located outside of the United States or Canada (subject to certain exceptions set forth by Siena in its sole discretion for account debtors located in the United Kingdom); progress billings; excessive concentration accounts in amounts to be determined; and accounts, or portions of accounts, otherwise deemed as unacceptable for lending purposes by Siena in its sole discretion.

Eligible inventory would exclude, without limitation, raw materials (excluding unpackaged finished goods, unopened containers of resin, and uncut coils of steel up to U.S.\$300,000), work-in-process or subassemblies; obsolete or slow moving; damaged, contaminated, discontinued or rejected inventory; in-transit; fabricated parts; consigned; supplies and packaging; inventory located outside the United States and Canada; inventory purchased or manufactured pursuant to a license agreement; and inventory otherwise deemed unacceptable by Siena for lending purposes in its sole discretion.

## INTEREST AND FEES

- Interest Rate:** Revolving Loans at a rate equivalent to U.S. Prime Rate plus 3.00% per annum, with a US. Prime Rate floor of 3.25% (provided that during the period from November 1st to December 31st of each year, portions of the outstanding Revolving Loans that are outstanding on any day in excess of the amount of the Borrowing Base (calculated without giving effect to any Eligible Inventory) would be subject to a an interest rate of 5.00% per annum in excess of the Base Rate). Default rate of interest for all outstanding Revolving Loans would be 3% higher than the rate otherwise payable.
- Closing Fee:** U.S.\$37,500, fully earned on the Closing Date and payable on the Closing Date.
- Facility Fee:** U.S.\$100,000, fully earned on the Closing Date and payable as follows: U.S.\$50,000 on the first anniversary and U.S.\$50,000 on the second anniversary, of the Closing Date.
- Collateral Monitoring Fee:** U.S.\$90,000, fully earned on the Closing Date and payable in equal monthly installments of U.S.\$2,500 over the term of the Credit Facility.
- Unused Line Fee:** A fee of 0.75% per annum, payable at the end of each month, computed on the difference between (A) the Total Credit Facility Amount and (B) the average daily Revolving Loan balance during such month.
- Early Termination:** An early termination fee of 2.00% of the Total Credit Facility Amount in year one, 1.00% of the Total Credit Facility Amount in year two, and 0.50% of the Total Credit Facility Amount thereafter.

## CERTAIN OTHER TERMS

- Collateral:** All loans and other obligations under the Credit Facility would be required to be secured by first priority perfected security interests and liens on all of (i) Borrower's and each of its direct and indirect subsidiaries' present and future assets, and (ii) the outstanding stock and other equity interests issued by each direct and indirect subsidiary of Borrower. Without limitation those assets include: all accounts, inventory, equipment, intellectual property, documents, instruments, chattel paper, letter of credit rights, investment property, real property, and all proceeds and products thereof.
- Loan Documentation:** The Credit Facility would be evidenced by a loan agreement and Borrower would be required to execute and deliver, or cause to be executed and delivered, all other loan documents, collateral documents, cash dominion agreements, intercreditor agreements, certificates, opinions and other documents (collectively with the loan agreement, "Loan Documents") as may be required by Siena in connection with the Credit Facility, in each case in form and substance satisfactory to Siena. Among other things, such loan agreement would be required to contain such warranties, covenants, events of default, and conditions as are normally contained in documents relating to similar credit facilities or are otherwise required by Siena.
- Expenses/ Indemnification:** Borrower hereby agrees to pay all out of pocket fees, costs and expenses ("Expenses") incurred by Siena in connection with the potential Credit Facility, including without limitation; all legal (for greater certainty to include, without limitation, all legal fees in conjunction with the potential Credit Facility and the Bankruptcy Proceedings as defined below), collateral examination, underwriting, appraisal and search and recording fees, costs and expenses whether or not the potential Credit Facility is approved or closes. All

Expenses, whether or not covered by the Deposit (defined below), are to be paid by Borrower promptly upon demand by Siena.

Without limitation of the preceding paragraph, Borrower hereby agrees to indemnify, pay and hold harmless each of Siena and its affiliates, along with each of their respective officers, directors, employees, attorneys, agents and representatives (collectively, the "Indemnitees") from and against any and all suits, actions, proceedings, claims, damages, losses, liabilities and expenses (including, without limitation, attorneys' fees and disbursements and other costs of investigation or defense, including, without limitation, those incurred upon any appeal) which may be instituted or asserted against or incurred by any such Indemnitee in connection with or arising out of the transactions contemplated in this Term Sheet and any actions or failures to act in connection therewith (collectively, "Indemnified Liabilities"); provided, that Borrower shall not be liable for any indemnification to an Indemnitee to the extent that any such suit, action, proceeding, claim, damage, loss, liability or expense results solely from such Indemnitee's gross negligence or willful misconduct, as finally determined by a court of competent jurisdiction.

**Good Faith  
Deposit:**

Upon execution of this Term Sheet by Borrower, Borrower shall provide Siena with an initial good faith deposit in the amount of \$50,000 (it is hereby understood and agreed by Borrower that all deposits provided by or on behalf of Borrower in connection with the Original Term Sheet have already been used by Siena to reimburse Expenses incurred by Siena in connection therewith and such deposits have been exhausted and are not refundable). This initial deposit, along with any other deposit, shall be used to reimburse Siena for Expenses. Siena may require additional deposits from Borrower with respect to anticipated Expenses (the initial deposit, plus any such additional deposits, are collectively referred to as the "Deposit"). The Deposit shall be accounted for as follows:

1. If the Credit Facility is not approved by Siena (subject to item 3 below), any amount remaining in the Deposit after applying all Expenses shall be returned to Borrower.
2. If the Credit Facility closes, any amount remaining after applying all Expenses to the Deposit would be applied to the Facility Fee.
3. The Deposit shall be retained by Siena if:
  - i. The Credit Facility does not close due to an action or inaction by Borrower or any Guarantor or any of their respective affiliates or representatives including the failure to obtain the Approval Order, as defined below;
  - ii. During the course of conducting our due diligence and underwriting it becomes apparent that material disclosures or omissions were made by or on behalf of Borrower, any Guarantor or any of their respective affiliates that adversely affected the credit approval; or
  - iii. Borrower elects not to pursue the closing of the Credit Facility.

**Collateral  
Account and  
Lockbox:**

All receipts of Borrower and each Guarantor that is a direct or indirect subsidiary of Borrower would be required to be directly deposited to a separate collateral account (via the use of a lockbox) at a financial institution acceptable to Lender, which such account would be required to be subject to a full dominion blocked account agreement acceptable to Siena. Deposited amounts would be applied to the Revolving Loans on the business day of receipt by Siena in its general account, but for interest calculation purposes credited to the outstanding Revolving Loan balance on the third business day after receipt. Standard money transfer, conversion and/or wire fees would apply.



- Reporting:** Financial and collateral reporting requirements would include, without limitation:
- a) Weekly (or more frequent) reporting of the accounts receivable aging, sales, credit memos, collections and inventory levels.
  - b) Monthly accounts receivable aging, monthly inventory listing, and monthly accounts payable aging together with reconciliations to be submitted electronically to Siena.
  - c) Monthly, internally-prepared, financial statements along with officer's certification of compliance.
  - d) Annual audited consolidated fiscal year-end financial statements prepared by an independent auditor acceptable to Siena, along with management discussion and analysis of results.
  - e) Any other information Siena may request.
- Syndication:** Syndication and/or participation of all or part of the Credit Facility may be done at Lender's sole discretion. Borrower(s) and Guarantor(s) hereby consent and agree that financial, credit, background and reference information obtained may be shared with other lending institutions who desire to participate in the Credit Facility.
- Financial Covenants:** EBITDA and Fixed Charge Coverage covenants to be determined.
- Conditions of Approval and Funding:** Siena's approval of the Credit Facility and initial funding thereof, would include, without limitation, the following conditions, all of which would need to be satisfied in a manner acceptable to Siena in its sole discretion:
1. Completion of Siena's business due diligence (including, without limitation, completion of collateral field exams, appraisals, account verifications, financial review, material contract review, financial and credit information, and background and reference checks with respect to key management personnel and key shareholders of Borrower, and evidence that all assets, including (without limitation) equipment, inventory, and intellectual property used in the business of Borrower and its subsidiaries, is owned by Borrower, and legal due diligence, in each case with result thereof satisfactory to Siena in its sole discretion;
  2. Credit approval by the Siena loan committee;
  3. Satisfactory review and execution and delivery of all Loan Documents pertaining to the Credit Facility;
  4. Minimum opening excess availability of no less than 20% of the Borrowing Base after repaying existing secured debt, trade payables older than 60 days past due (excluding satisfactory payment plan arrangements), closing costs, and any book overdraft;
  5. Siena would need to be satisfied that since August 31, 2013 there has been no material adverse change in any aspect of Borrower's or any of its subsidiaries' business, operations, prospects or condition (financial or otherwise);
  6. The closing date of the Credit Facility (the "Closing Date") would need to occur on or before January 31, 2015;
  7. The approval by the relevant creditors of the Borrower of a proposal to creditors (the "Proposal") to be filed by the Borrower under the Bankruptcy and Insolvency Act, R.S.C. 1985, as amended, which is in form and substance acceptable to Siena, in its sole discretion, and which, among other things, compromises the existing indebtedness of the Borrower to all its creditors other than HSBC (which shall be paid in full from the Revolving Loans at closing), BDC and First West Capital, provided the BDC and First West Capital Indebtedness is subject to terms and conditions and a subordination

- and intercreditor agreement acceptable to Siena in its sole discretion;
8. The approval by the Supreme Court of British Columbia of the Proposal (the "Approval Order") which Approval Order shall be in form and substance satisfactory to Siena in its sole discretion;
  9. The recognition of the Approval Order by the United States Bankruptcy Court pursuant to the provisions of Chapter 15 of the United States Bankruptcy Code, if required by Siena in its sole discretion; and
  10. Such other terms and conditions as may be determined by Siena in its sole discretion.

**Miscellaneous:**

This Term Sheet is an expression of interest only and does not constitute a commitment to lend nor does it describe all of the terms and conditions of the proposed Credit Facility. This Term Sheet is non-binding, except for this Miscellaneous Section and the Sections set forth above entitled "Expenses / Indemnification" and "Good Faith Deposit". The obligations of Borrower under each of such Sections shall be binding on Borrower upon execution by Borrower of this Term Sheet and shall survive termination and/or expiration of this Term Sheet.

This Term Sheet is delivered to Borrower on the condition that the contents of this Term Sheet shall not be disclosed by Borrower, and Borrower hereby agrees not to disclose this Term Sheet, without the prior written approval of Siena, except (i) as may be required by law and (ii) on a confidential and "need to know" basis, to Borrower's directors, officers, employees, and advisors.

**WAIVER OF JURY TRIAL/GOVERNING LAW/CONSENT TO JURISDICTION.** IF THIS TERM SHEET OR ANY ACT, OMISSION OR EVENT PERTAINING TO THIS TERM SHEET BECOMES THE SUBJECT OF A DISPUTE, EACH OF BORROWER AND SIENA HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. THIS TERM SHEET AND ALL MATTERS AND CLAIMS RELATING HERETO OR THERETO OR ARISING THEREFROM (WHETHER SOUNDING IN CONTRACT LAW, TORT LAW OR OTHERWISE), SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES (EXCEPT SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATION LAW). BORROWER HEREBY CONSENTS TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED WITHIN THE COUNTY OF NEW YORK, BOROUGH OF MANHATTAN, STATE OF NEW YORK OR ANY OTHER COURT SELECTED BY SIENA IN ITS SOLE AND ABSOLUTE DISCRETION FOR SUCH PURPOSE, AND IRREVOCABLY AGREES THAT ALL ACTIONS OR PROCEEDINGS ARISING OUT OF OR RELATING TO THIS TERM SHEET SHALL BE LITIGATED EXCLUSIVELY IN SUCH COURTS. BORROWER EXPRESSLY SUBMITS AND CONSENTS TO THE JURISDICTION OF THE AFORESAID COURTS AND WAIVES ANY DEFENSE OF FORUM NON CONVENIENS.

Borrower authorizes Siena to file UCC-1 financing statements covering the Collateral naming Siena as secured party and Borrower as the debtor, in all appropriate jurisdictions, together with any amendments, modifications and substitutions thereto to secure the obligations of Borrower to Siena.

This Term Sheet may be executed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures hereto were upon the same instrument. Signatures by facsimile or e-mail shall bind the parties hereto to the extent this Term Sheet is binding. Once executed, this Term Sheet may not be amended or modified other than pursuant to a written agreement signed by each of the parties hereto. Neither Siena nor any of the Indemnitees shall be liable on any theory of liability for special, indirect, consequential or punitive damages, arising out of, in connection with, or as a result of, this Term Sheet or any of the transactions

contemplated hereby. There are no intended or implied third party beneficiaries of this Term Sheet (other than the Indemnitees with respect to the Indemnification Section set forth above) and no other person or entity may rely on this Term Sheet. This Term Sheet may not be assigned by Borrower without the prior written consent of Siena.


This Term Sheet shall expire on December 24, 2014 if by such date you do not deliver such signature of Borrower along with the Initial Deposit.

*[Signature Page Follows]*

Thank you again for your consideration and we appreciate the opportunity to provide this Term Sheet. We look forward to continuing to work with you and your associates towards establishing a mutually beneficial relationship.

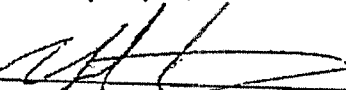
Very truly yours,

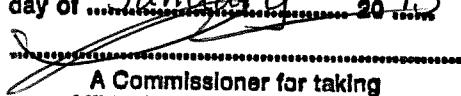
Siena Lending Group LLC

By:   
Name: JASON D. SCHICK  
Title: SR. VICE PRESIDENT

ACCEPTED on this 22 day  
of December, 2014:

Contech Enterprises, Inc.

By:   
Name: Mark Lambert  
Title: President + CEO

This is Exhibit B referred to in the  
affidavit of Mark Grambart  
made before me on this 12  
day of January 2015  
  
A Commissioner for taking  
Affidavits for British Columbia

**ASSET PURCHASE AGREEMENT**

THIS AGREEMENT dated for reference as of February 22<sup>nd</sup>, 2013,

BY AND BETWEEN:

**VEGHERB, LLC (dba Scenery Solutions)**, a limited liability company organized and existing under the laws of the State of New York and having its principal place of business at 222 Grace Church Street, Suite 302, Port Chester, New York 10573

(the "Vendor")

AND:

**CONTECH ENTERPRISES INC.**, a company amalgamated under the laws of the Province of British Columbia, having a place of business at Unit 115, 19 Dallas Road, Victoria, British Columbia, Canada V8V 5A6

(the "Purchaser")

**WHEREAS:**

- A. the Vendor owns and operates the Business (as defined below), and owns or holds under lease or licence (as set out herein) the assets used in connection with the Business; and
- B. the Purchaser wishes to purchase, and the Vendor wishes to sell, the Purchased Assets (as defined below), all on the terms and conditions contained herein,

**NOW THEREFORE THIS AGREEMENT WITNESSES** that in consideration of the premises and of the covenants, agreements, representations and warranties set out below, the parties covenant and agree as follows:

**1. INTERPRETATION**

**1.1 Definitions**

In this Agreement, unless there is something in the subject matter or context inconsistent therewith or unless otherwise specifically provided:

- (a) "Accounts Payable" means the accounts payable in respect of any goods purchased by, or services performed for, the Vendor before the Effective Time in connection with the Business that, in accordance with GAAP applied consistently with prior periods, are shown or should be shown in the books and records of the Vendor as accounts payable;
- (b) "Accounts Receivable" means all accounts receivables and trade accounts owing to the Vendor as of the Effective Time resulting from the sale of goods or services

in connection with or arising out of the Business, which, in accordance with GAAP applied consistently with prior periods, are shown or should be shown in the books and records of the Vendor as accounts receivable, and the full benefit of all security for such accounts, notes or debts;

- (c) **"Affiliate"** means, with respect to any Person:
  - (i) any other Person which directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person; or
  - (ii) any Person which is a general partner in or of any Person described in Section 1.1(c)(i) above,  
and includes any Person in like relation to an Affiliate; provided that a Person shall be deemed to "control" another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise; and the term "controlled" shall have a similar meaning;
- (d) **"Agreement"** means this Asset Purchase Agreement, including its recitals and Schedules, as may be amended and supplemented in writing in accordance with the terms hereof;
- (e) **"Annual Financial Statements"** means the annual financial statements of the Vendor for its most recent four fiscal years, including the fiscal year ended December 31, 2012;
- (f) **"Assets"** means all of the assets of the Vendor, except the Excluded Assets, as more particularly described in Schedule A attached hereto;
- (g) **"Assigned Contracts"** means those contracts, agreements, instruments, leases, indentures, engagements, transactions, warranties, commitments and any other benefits or rights, whether written or oral, listed in Schedule C attached hereto;
- (h) **"Assignment Agreement"** means an assignment agreement in the form attached hereto as Schedule E;
- (i) **"Assumed Obligations"** has the meaning given in Section 2.2;
- (j) **"Bank Line of Credit"** means the credit facility provided to the Vendor by Citibank, N.A., of which the Vendor owes approximately USD\$570,000;
- (k) **"Benefit Plan"** means any pension, retirement, deferred compensation, profit-sharing, registered retirement savings plan, savings, disability, medical, dental, health, life, death benefit, stock option, stock purchase, bonus, incentive, vacation entitlement and pay, termination and severance pay or other employee benefit plan, trust, arrangement, contract, agreement, policy or commitment, whether any of the foregoing is funded or unfunded, or insured or uninsured, and whether

written or oral, formal or informal, which is intended to provide or does in fact provide benefits to any or all employees or former employees of the Vendor, and to which the Vendor is a party or by which the Vendor is bound or with respect to which the Vendor has any liability or potential liability;

- (l) **"Books and Records"** means all title documents, files, ledgers and correspondence, equipment lists, parts lists, price and supplier lists, customer lists, environmental reports previously issued to the Vendor, invoices, receipts, accounts, accounting records and books, machinery inspection records, and all other records and documents of any nature or kind whatsoever, that are in the possession or control of the Vendor and relate to the Business or any of the Assets, provided that: (i) to the extent any of the foregoing are used in the businesses of the Vendor or any of its Affiliates other than the Business, **"Books and Records"** shall refer to extracts or true copies of such documents; and (ii) **"Books and Records"** shall not include any personal tax records of any shareholder of the Vendor or the minute books of the Vendor;
- (m) **"Business"** means the business carried on by the Vendor, being the development, manufacture, marketing and sale of sandboxes and raised bed gardens;
- (n) **"Business Day"** means any day other than a Saturday, Sunday or any statutory holiday in the State of New York or the Province of British Columbia;
- (o) **"Cash"** means all cash and cash equivalents held by or for the accounts of the Vendor as of the Effective Time;
- (p) **"Charter Documents"** means articles, articles of incorporation, memorandum, bylaws or any similar constating document of a corporate entity;
- (q) **"Claim"** shall have the meaning set forth in Section 13.4;
- (r) **"Closing"** means the completion of the purchase and sale of the Purchased Assets contemplated by this Agreement;
- (s) **"Closing Date"** means February 22, 2013;
- (t) **"Closing Time"** means 10:00 a.m. (PST) on the Closing Date, or such other time as may be agreed to in writing by the parties;
- (u) **"Collective Agreement"** means any collective agreement, contract, letter of understanding, letter of intent or other written communication with any union that governs the terms and conditions of employment of any Employees together with any certifications or voluntary recognition of bargaining authority relating to the Employees covered by those agreements, contracts, letters and written communications;



- (v) **"Crayola License Agreement"** means the License Agreement dated October 22, 2012 between Crayola Properties, Inc., having an office at 1100 Church Lane, Easton, PA, 18044, and the Vendor;
- (w) **"Direct Claim"** shall have the meaning set forth in Section 13.4(a);
- (x) **"Effective Time"** means 12:01 a.m. on the Closing Date;
- (y) **"Employees"** means those individuals listed in **Schedule C** attached hereto;
- (z) **"Employment Laws"** means all applicable Laws relating in any way to employment including employment standards, labour relations, workers' compensation, benefit entitlements, pay equity, wages and hours of work, civil rights, occupational health and safety of employees or personal information protection;
- (aa) **"Encumbrances"** means, whether or not registered or registrable or recorded or recordable, and regardless of how created or arising, any and all:
  - (i) mortgages, assignments of rent, liens, encumbrances, adverse claims, charges, executions, title defects, security interests, hypothecs or pledges, whether fixed or floating, against assets or property (whether real, personal, mixed, tangible or intangible), hire-purchase agreements, conditional sales contracts, title retention agreements, equipment trusts or financing leases, or any subordination to any right or claim of others in respect thereof;
  - (ii) claims, interests or estates against or in assets or property (whether real, personal, mixed, tangible or intangible), including, without limitation, easements, rights-of-way, servitudes or other similar rights in property granted to or reserved or taken by any Person, but excluding easements, right-of-ways, servitudes and other similar rights in property for highways and other roads, railways, sewers, drains, water mains and other utilities infrastructure;
  - (iii) options or other rights to acquire, or to acquire any interest in, any assets or property (whether real, personal, mixed, tangible or intangible);
  - (iv) without limiting the generality of the foregoing, other encumbrances of whatsoever nature and kind against assets or property (whether real, personal, mixed, tangible or intangible); and
  - (v) agreements to create, or rights capable of becoming, any of the foregoing;
- (bb) **"Environmental Protection Laws"** means all applicable principles of common law and equity and all applicable federal, state, provincial, municipal and local statutes, codes, ordinances, decrees, rules, regulations and by-laws, and judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, orders,

decisions, rulings, awards, policies, guidelines and other requirements of any Governmental Authority, at any time in force or effect, that relate to the environment, health, occupational health and safety, the transportation of dangerous goods or the manufacture, processing, distribution, use, treatment, storage, disposal, discharge, emission, release, destruction, packaging, containment, transport, handling, clean-up or other remediation or corrective action of any Hazardous Materials;

- (cc) "Escrow Agreement" has the meaning given in Section 3.11(b);
- (dd) "Excluded Assets" means any and all other assets of the Vendor agreed to be "Excluded Assets" by the Vendor and the Purchaser in writing;
- (ee) "Financial Statements" means, collectively, the Annual Financial Statements and the Interim Financial Statements;
- (ff) "GAAP" means generally accepted accounting principles in the United States;
- (gg) "Garden Products" means those Assets normally considered products for sale to customers in connection with the Business;
- (hh) "Garden Sales" means the dollar amount of gross sales revenues by the Purchaser of the Garden Products for a given period, such amount being equal to gross sales of the Garden Products, less any discounts, returns or allowances, calculated on an accrual basis;
- (ii) "General Security Agreement" means a general security agreement in substantially the form of the general security agreement attached hereto as Schedule H;
- (ij) "Governmental Authority" means any domestic or foreign government, whether federal, provincial, state, territorial, local, regional, municipal or other political jurisdiction, and any agency or authority, instrumentality, court, tribunal, board, commission, bureau, arbitrator, arbitration tribunal or other tribunal, or any quasi-governmental or other entity, insofar as it exercises a legislative, judicial, regulatory, administrative, expropriation or taxing power or function of or pertaining to government;
- (kk) "Hazardous Materials" means any contaminants, pollutants, hazardous, corrosive or toxic substances, flammable materials, explosive materials, radioactive materials, microwaves, waste, urea formaldehyde, asbestos materials, hydrocarbon contaminants, noxious substances, compounds known as chlorobiphenyls, deleterious substances, special wastes, dangerous goods or substances and any other substances or materials that are identified or described in, or defined by, any Environmental Protection Law as being substances or materials the storage, manufacture, disposal, treatment, generation, use, transportation or remediation of which, or release of which into or concentration

of which in the environment, is prohibited, controlled, regulated or licensed by any Governmental Authority or under any Environmental Protection Law;

- (ll) **"Indemnified Party"** shall have the meaning set forth in Section 13.4(a);
- (mm) **"Indemnifying Party"** shall have the meaning set forth in Section 13.4(a);
- (nn) **"Intellectual Property"** means all rights, title, interest and benefit of the Vendor in and to any intellectual property, whether registered or unregistered, including, without limitation, all copyrights, patents, patent rights, certification marks, business names, trade names, and industrial designs, applications for any of the foregoing, proprietary manufacturing information, trade secrets and know-how that are owned, licensed to or otherwise held by the Vendor and used in connection with the operation of the Business;
- (oo) **"Interim Financial Statements"** means the financial statements of the Vendor for the interim period from January 1, 2013 to January 31, 2013;
- (pp) **"Inventory"** means all inventories of products manufactured or otherwise held for sale by the Vendor and other consumables held for use in the Business;
- (qq) **"Labour Dispute"** means a strike, lock-out (including a lock-out declared or recommended by an employer's association), a work-to-rule, a slow-down, an overtime ban, a refusal or failure to supply or receive goods or services, a withdrawal of labour, a refusal or failure to perform or provide any labour or service, picketing, a work-stoppage caused in whole or in part by picketing, or any labour-related disruption, whether or not lawful, by or involving one or more Employees, whether in concert or not, or by or involving a union or other group representing one or more Employees;
- (rr) **"Landlord"** means the legal and equitable owner of the Premises;
- (ss) **"Laws"** means all applicable common law and federal, state, provincial, municipal, local and foreign, statutes, codes, ordinances, decrees, rules, regulations and by-laws (including, without limitation, Environmental Protection Laws), and judicial, executive, arbitral, administrative, ministerial, departmental or regulatory judgments, decrees, orders, decisions, rulings, awards, policies, requirements, standards and guidelines, at any time in force or effect;
- (tt) **"Lease"** means the lease for the Premises dated the 25<sup>th</sup> day of February, 2009, as extended and modified, between the Vendor and the Landlord;
- (uu) **"Liquidity Event"** means:
  - (i) a sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions by the Purchaser, of all or substantially all of the assets of the Purchaser for cash or non-cash

- consideration except where such sale, lease, transfer or other disposition is to a wholly-owned subsidiary of the Purchaser;
- (ii) the amalgamation, reorganization or merger of the Purchaser with another Person or any acquisition or sale of securities of the Purchaser or any arrangement pursuant to which the holders of voting securities of the Purchaser immediately prior to the transaction hold, immediately after such transaction, directly or indirectly, less than a majority of the voting power to elect directors of the Purchaser; or
  - (iii) an initial public offering of securities of the Purchaser on a recognized stock exchange;
- (vv) **"Loss" or "Losses"** means any loss, cost, damage, liability, claim, demand, prosecution, fine, penalty, assessment, or damages available at law or in equity or expense (including reasonable costs, fees and expenses of legal counsel);
  - (ww) **"Material Adverse Change"** means any one or more changes, events or occurrences which either individually or in the aggregate are material and adverse to the value of the Assets; provided, however, that a Material Adverse Change shall not be considered to have occurred if such changes or effects are the result of the transactions described in this Agreement or the taking of any action contemplated by this Agreement;
  - (xx) **"Net Working Capital"** means (i) the aggregate sum of the value of Inventory, Pre-paid Expenses and Accounts Receivable, less (ii) the value of the Accounts Payables;
  - (yy) **"Non-Solicitation and Non-Competition Agreement"** means a non-solicitation and non-competition agreement substantially in the form attached hereto as Schedule G;
  - (zz) **"Notice of Claim"** shall have the meaning set forth in Section 13.4;
  - (aaa) **"Permits"** means permits, licences, registrations, consents, authorizations, approvals, privileges, waivers, exemptions, orders, certificates, rulings, agreements and other concessions from, of or with any Governmental Authority required to carry on the Business as now being carried on, and to hold, operate and use the Assets as now being held, operated and used, by the Vendor;
  - (bbb) **"Permitted Encumbrances"** means in respect of the Vendor, any one or more of the following:
    - (i) liens for Taxes or governmental charges or assessments which are not yet payable;
    - (ii) the right reserved to or vested in any Governmental Authority by any statutory provision or by the terms of any Permit of the Vendor, to

terminate any Permit, or to require annual or other payments as a condition of their continuance;

- (iii) statutory liens of landlords and liens of carriers, warehousemen, builders, mechanics, material men and other similar Persons and other liens, imposed by applicable Law, including liens in favour of a public utility, incurred in the ordinary course of business for sums not yet delinquent or which are being contested in good faith;
  - (iv) reservations in any original land grant relating to any real property or interest therein and statutory exceptions to title;
  - (v) easements, rights of way, servitudes, or other similar rights in land including, rights of way and servitudes for highways or other roads, railways, sewers, drains, gas and oil pipelines, gas or water mains, electric light, power, telephone, cable television conduits, poles, wires or cables, none of which either individually or in the aggregate have a material adverse effect on the operation of the Business; and
  - (vi) zoning laws and other land use restrictions;
- (ccc) "**Person**" means an individual, legal personal representative, corporation, body corporate, firm, partnership, trust, trustee, syndicate, joint venture, unincorporated organization or Governmental Authority;
  - (ddd) "**Pre-paid Expenses**" means the pre-paid expenses of the Business as at the Effective Time;
  - (eee) "**Premises**" means the premises leased by the Vendor and used to operate the Business, as more particularly described in **Schedule D** attached hereto, and includes all leasehold improvements affixed or appurtenant thereto;
  - (fff) "**Promissory Note**" means a promissory note in substantially the form attached hereto as **Schedule F**;
  - (ggg) "**Privacy Law**" means Laws relating to privacy and the collection, use and disclosure of personal information including the *Personal Information Protection and Electronic Documents Act (Canada)*, the *Personal Information Protection Act (British Columbia)* and any comparable and applicable federal, state or provincial Laws;
  - (hhh) "**Purchase Price**" means the purchase price for the Purchased Assets, as set out in Section 3.1;
  - (iii) "**Purchased Assets**" means the Assets, other than the Intellectual Property;
  - (jjj) "**Shares**" means common shares in the capital of the Purchaser;

- (kkk) **"Short-Term Loan"** means the monies borrowed by the Vendor from certain parties, the aggregate amount of which is approximately USD\$165,000;
- (lll) **"Tax"** or **"Taxes"** includes all taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever imposed by any Governmental Authority, together with all interest, penalties, fines, additions to tax or other additional amounts imposed in respect thereof, including those levied on, or measured by, or referred to as income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, ad valorem, use, value-added, excise, stamp, withholding, business, franchising, property (both real and personal), payroll, employee withholding, employment, occupation, health, social service, environmental, alternative, add-on, minimum, education, and social security taxes, all surtaxes, all customs duties and import and export taxes, all license, franchise and registration fees and taxes, all unemployment or employment insurance, workers' compensation, health insurance, Canada and other government pension plan premiums, and other obligations of the same or of a similar nature of any of the foregoing;
- (mmm) **"Third Party Claim"** shall have the meaning set forth in Section 13.4(a); and
- (nnn) **"Transferred Information"** means all personal information, as that term is defined in the applicable Privacy Law to be disclosed or conveyed to the Purchaser or any of their respective agents or representatives by or on behalf of the Vendor as a result of or in conjunction with compliance with the terms of this Agreement, and includes all such personal information disclosed to any of such Persons during the period leading up to and including the Closing.

## 1.2 Gender, Number and Other Terms

In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa, words importing gender include all genders, "or" is not exclusive and "including" is not limiting, whether or not non-limiting language (such as "without limitation") is used with reference thereto.

## 1.3 Headings and Table of Contents

The inclusion of headings in this Agreement is for convenience only and shall not affect the construction or interpretation of this Agreement.

## 1.4 Statutes

Except where otherwise expressly provided, any reference to a statute includes and is a reference to such statute and to the regulations made pursuant to it, with all amendments thereto and in force from time to time, and to any statute or regulations that may be passed which supplement or supersede such statute or such regulations.

**1.5 No Strict Construction**

The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any Person.

**1.6 Meaning of Knowledge**

Any reference to the "knowledge of the Vendor" or the "awareness of the Vendor" (or words to like effect) shall be deemed to include actual knowledge of Anthony Topping. Any reference to the "knowledge of the Purchaser" (or words to like effect) shall be deemed to refer to the actual knowledge of Mark Grambart.

**1.7 Currency**

Except where otherwise expressly provided, all monetary amounts in this Agreement are stated in the lawful currency of the United States of America.

**1.8 Schedules**

The following are the Schedules which are attached to and form part of this Agreement:

- Schedule A - List of Assets
- Schedule B - Allocation of Purchase Price
- Schedule C - Disclosure Schedule (Vendor)
- Schedule C1 - Disclosure Schedule (Purchaser)
- Schedule D - Description of Premises
- Schedule E - Form of Assignment Agreement
- Schedule F - Form of Promissory Note
- Schedule G - Form of Non-Solicitation and Non-Competition Agreement
- Schedule H - Form of General Security Agreement

**1.9 Cross-References**

Except where otherwise expressly provided, a reference in this Agreement to a designated Section, subsection, paragraph or other subdivision or to a Schedule is to the designated Section, subsection, paragraph or other subdivision of, or Schedule to, this Agreement.

**1.10 Accounting Terms**

Except where otherwise expressly provided, any accounting term not otherwise defined in this Agreement has the meaning assigned to it in accordance with GAAP applied on a basis consistent with that of prior periods.

**1.11 References to Whole Agreement**

Except where otherwise expressly provided, the words "herein", "hereof", "hereby" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section, subsection, paragraph or other subdivision or Schedule.

**2. PURCHASE AND SALE OF ASSETS**

**2.1 Purchase and Sale of Purchased Assets**

The Vendor hereby sells, assigns and transfers to the Purchaser and the Purchaser hereby purchases from the Vendor, all of the Vendor's right, title and interest in and to the Purchased Assets, effective as of and from the Effective Time, free and clear of all Encumbrances other than Permitted Encumbrances, for the Purchase Price and in accordance with and subject to the terms and conditions set forth in this Agreement.

**2.2 Assumed Obligations**

On the terms and subject to the conditions contained in this Agreement, at the Closing the Purchaser will assume the following obligations and liabilities of the Vendor in relation to the Business (the "Assumed Obligations"), which are to be assumed, observed, performed or paid by the Purchaser without duplication:

- (a) Accounts Payable incurred prior to Closing;
- (b) all liabilities arising after the Effective Time under all Assigned Contracts; and
- (c) all liabilities and expenses arising after the Effective Time under and/or in connection with the Lease;
- (d) Employees' salaries and benefits accruing after the Closing Date; and
- (e) any and all liabilities and/or obligations to the Vendor's customers or suppliers, accruing during time periods after the Closing Date.

For greater certainty, the Purchaser will not assume and is not responsible for the Short Term Loan and any liabilities, debts or obligations of the Vendor, whether current, future, absolute or contingent, and whether or not relating to the Assets, save and except for the Assumed Obligations.

**2.3 Vendor's Obligations and Liabilities**

The Vendor shall be responsible for the observance and performance of all obligations and payment of all liabilities relating to the Business and the Assets, other than the Assumed Obligations, and, without limiting the generality of the foregoing, the Vendor shall be responsible for the following to the extent



they arise in respect of, or relate to, any period before the Effective Time (whether imposed on the Purchaser as a successor or otherwise):

- (a) all Taxes accrued and payable in connection with the Business;
- (b) all liabilities related to the employment by the Vendor of any individual, including the Employees, or related to the engagement by the Vendor of any Person as a contractor, including all liabilities for payroll, including salary, bonus and other compensation, premiums and other amounts owing in respect of Benefit Plans, or for severance pay; and
- (c) any actions, suits, petitions, or proceedings related to the Business or Assets arising prior to the Effective Time.

### 3. PURCHASE PRICE

#### 3.1 Purchase Price

The purchase price (the "Purchase Price") for the Purchased Assets shall be Four Million Four Hundred and Thirty Eight Thousand Seven Hundred and Fifty Dollars (\$4,438,750), subject to adjustment as provided below.

#### 3.2 Payment of Purchase Price

The Purchaser shall pay the Purchase Price at Closing as follows:

- (a) to the Vendor, the issuance by the Purchaser of a Promissory Note in favour of the Vendor and representing the principal amount of Two Million Three Hundred and One Thousand Six Hundred and Fifty Dollars (\$2,301,650.00), which is to be paid as follows:
  - (i) on or before June 15, 2013, Five Hundred and Fifty One Thousand Six Hundred and Fifty Dollars (\$551,650.00) to be paid to or on behalf of the Vendor to:
    - (A) John Topping, the amount of \$76,312.50 (representing a principal amount of \$75,000, plus interest for 3.5 months at an annual rate of 6%);
    - (B) Amy Schwartz, the amount of \$50,875.00 (representing a principal amount of \$50,000, plus interest for 3.5 months at an annual rate of 6%);
    - (C) Matt Murphy, the amount of \$152,625.00 (representing a principal amount of \$150,000, plus interest for 3.5 months at an annual rate of 6%);
    - (D) Edward Kaplan, the amount of \$270,000;

- (E) the Vendor, any remainder;
  - (ii) on or before September 30, 2013, Fifty Thousand Dollars (\$50,000);
  - (iii) on or before April 1, 2014, Two Hundred Thousand Dollars (\$200,000);
  - (iv) within 60 days of August 31, 2014, Three Hundred Thousand Dollars (\$300,000) [(\$4,000,000 - Garden Sales by Purchaser and/or its subsidiaries and/or affiliates during its fiscal year ending August 2014) x 75 ÷ 1,000];
  - (v) within 60 days of August 31, 2015, Three Hundred Thousand Dollars (\$300,000), [(\$4,000,000 - Garden Sales by Purchaser and/or its subsidiaries and/or affiliates during its fiscal year ending August 2015) x 75 ÷ 1,000];
  - (vi) within 60 days of August 31, 2016, Three Hundred Thousand Dollars (\$300,000), [(\$4,000,000 - Garden Sales by Purchaser and/or its subsidiaries and/or affiliates during its fiscal year ending August 2016) x 75 ÷ 1,000];
  - (vii) within 60 days of August 31, 2017, Three Hundred Thousand Dollars (\$300,000), [(\$4,000,000 - Garden Sales by Purchaser and/or its subsidiaries and/or affiliates during its fiscal year ending August 2017) x 75 ÷ 1,000];
  - (viii) within 60 days of August 31, 2018, Three Hundred Thousand Dollars (\$300,000), [(\$4,000,000 - Garden Sales by Purchaser and/or its subsidiaries and/or affiliates during its fiscal year ending August 2018) x 75 ÷ 1,000];
- there shall be no deductions from payments in Section 3.2(a)(iv) to and including (viii), unless Garden Sales by Purchaser and/or Purchaser's subsidiaries and/or affiliates are less than CDN \$4,000,000 during Purchaser's fiscal year;
- (b) to or on behalf of the Vendor, the aggregate amount of Eight Hundred and Fifty Seven Thousand One Hundred Dollars (\$857,100.00), as follows:
    - (i) to Citibank, N.A. (\$569,120.49), an amount representing the principal of the Bank Line of Credit and all accrued and unpaid interest thereon outstanding as of the Effective Time;
    - (ii) to Matt Murphy, Forty Thousand Dollars (\$40,000); and
    - (iii) to the Vendor, any remainder; and
  - (c) to the Vendor, the issuance of 4,000,000 Shares, having a value of CAD\$0.32 per Share.

Immediately upon receipt of the payment referred to in Section 3.2(a)(i), the Vendor shall deliver the amounts listed in such Section to each of John Topping, Amy Schwartz, Matt Murphy and Edward Kaplan, respectively.

### **3.3 Allocation of Purchase Price**

The Purchase Price shall be allocated by the parties among the Purchased Assets as set out in Schedule B attached hereto. The Vendor and the Purchaser shall file their respective tax returns in accordance with such allocation.

### **3.4 Accounts Receivable Adjustment**

- (a) From and after the Closing Date, the Purchaser shall use its commercial best efforts to collect all Accounts Receivable. If, by February 28, 2014 and subject to Section 3.4(c), there are any Accounts Receivable that were outstanding as at the Effective Time that have not been collected in the normal course of business, the Purchase Price shall be reduced on a dollar-for-dollar basis by an amount equal to the amount paid by the Purchaser for such Accounts Receivable, and the Purchaser shall: (i) reduce the next payment(s) owing on the Promissory Note by an amount equal to 50% of such reduction; (ii) reduce the last payment(s) owing on the Promissory Note by an amount equal to 50% of such reduction; (iii) and notify the Vendor by March 15, 2014 of such reduction.
- (b) Upon notifying the Vendor of any such reduction and at the request of the Vendor, the Purchaser shall immediately execute such assignments, bills of sale, and/or other documents or instruments reasonably required by the Vendor to transfer all right, title, and interest in and to such Accounts Receivable back to the Vendor or its designee. After such assignment, the Purchaser shall, immediately upon receipt, deliver to the Vendor any cash or other property received by the Purchaser with respect to any of the Accounts Receivable transferred back to the Vendor, and the Vendor shall have the right to use any and all efforts to collect such Accounts Receivable.
- (c) No such adjustment shall be made unless the aggregate amount of the uncollected Accounts Receivable on February 28, 2014 is equal to or greater than \$20,000, and the maximum allowable reduction to the Purchase Price in connection with uncollected Accounts Receivable shall be \$100,000.

### **3.5 Inventory Adjustment**

- (a) From and after the Closing Date, the Purchaser and its subsidiaries and affiliates shall use its/their commercial best efforts to sell all Inventory acquired by the Purchaser as of the Effective Time. Items in Inventory shall be sold prior to selling products of the same type obtained from vendors and/or anywhere else. If, by August 31, 2014 and subject to Section 3.5(c), there is any Inventory that has not been sold in the normal course of business, the Purchase Price will be reduced on a dollar-for-dollar basis by an amount equal to the amount paid by the Purchaser for such unsold Inventory, and the Purchaser shall: (i) reduce the next

payment(s) owing on the Promissory Note by an amount equal to 50% of such reduction; (ii) reduce the last payment(s) owing on the Promissory Note by an amount equal to 50% of such reduction; and (iii) notify the Vendor by September 15, 2014 of such reduction.

- (b) Upon notifying the Vendor of any such reduction, the Purchaser shall provide the Vendor with a written account describing such unsold Inventory. At the request of the Vendor, the Purchaser shall immediately execute such assignments, bills of sale, and/or other documents or instruments reasonably requested by the Vendor to transfer all right, title, and interest in and to such unsold Inventory back to the Vendor or its designee, and the Purchaser shall, as soon as practicable thereafter, deliver to the Vendor such unsold Inventory to the Vendor or its designee. After the adjustments to the Purchase Price and any assignments and deliveries contemplated in this Section are completed, the Purchaser shall have the right to donate any Inventory remaining in its possession.
- (c) No such adjustment shall be made unless the aggregate amount of the unsold Inventory on August 31, 2014 is equal to or greater than \$20,000, and the maximum allowable reduction to the Purchase Price in connection with unsold Inventory shall be \$100,000.

### 3.6

#### Sales Returns Adjustment

- (a) In the event that a customer, who purchased Garden Product(s) prior to the Closing Date, returns such Garden Product(s) to the Purchaser after the Closing Date, the Purchase Price shall be reduced on a dollar-for-dollar basis by an amount equal to the net value of such returned item, being the face value of the returned Garden Product(s), plus any such reasonable costs incurred by the Purchaser in its effort to refurbish and resell such Garden Product(s), less the amount received from a customer who purchases such returned and refurbished Garden Product(s), and the Purchaser shall: (i) reduce the next payment(s) owing on the Promissory Note by an amount equal to 50% of such reduction; (ii) reduce the last payment(s) owing on the Promissory Note by an amount equal to 50% of such reduction; and (iii) notify the Vendor of such reduction.
- (b) Upon notifying the Vendor of any such reduction, the Purchaser shall provide the Vendor with a written account describing such returned Garden Products.
- (c) No such adjustment shall be made unless the aggregate amount of a reduction from returned Garden Product(s) on August 31, 2014 is equal to or greater than \$20,000, and the maximum allowable reduction to the Purchase Price in connection with returned Garden Product(s) shall be \$100,000.

### 3.7

#### Crayola Adjustment

- (a) General. From and after the Closing Date, in the event that any of the minimum volumes of sales are not met or exceeded, as contemplated in the Crayola License Agreement, an amount equal to any and all fees contemplated to be paid to

Crayola Properties Inc. as a result of missing such sales volumes shall be deducted on a dollar-for-dollar basis from the Purchase Price, and the Purchaser shall: (i) reduce the next payment(s) owing on the Promissory Note by an amount equal to 50% of such reduction; (ii) reduce the last payment(s) owing on the Promissory Note by an amount equal to 50% of such reduction; and (iii) notify the Vendor of such reduction.

- (b) Crayola Set-off. Notwithstanding anything to the contrary in this Section 3.7, in the event that (x) the volumes of such sales do not generate revenues sufficient to pay for the Minimum Guaranty (as defined in the Crayola License Agreement) amount for 2013 or 2014 or both such years, and (y) the volumes of such sales generate revenues that exceed the Minimum Guaranty amount and Royalty (as defined in the Crayola License Agreement) payable for 2014 or 2015 or both such years, such excess(es) in the later years may be set off against any such deficiency(ies) in the earlier years.
- (c) No such adjustment shall be made unless the aggregate amount of a reduction, from such missed sales volumes and as may be set off, on August 31, 2016 is equal to or greater than \$20,000, and the maximum allowable reduction to the Purchase Price in connection with such reduction shall be \$100,000.

This Section 3.7 is subject to the Crayola License Agreement being assigned to the Purchaser. If the Crayola License Agreement is not assigned, no adjustment will be made to the Purchase Price.

**3.8 Intentionally Omitted**

**3.9 Liquidity Event**

Immediately prior to the occurrence of a Liquidity Event, the Purchaser shall pay to the Vendor the entire unpaid balance of the Purchase Price.

**3.10 Acceleration of Payment on Default**

In the event that the Purchaser fails to pay when due an amount owed pursuant to Section 3.2(a) and such failure continues for five Business Days, any and all of the remaining portions of the Purchase Price as evidenced by the Promissory Note issued by the Purchaser in favour of the Vendor in connection therewith shall become immediately due and payable.

**3.11 Option to Purchase Shares**

- (a) The Purchaser hereby grants to the Vendor, an option (the "Option") for the Vendor, in its sole discretion and at any time during the month of December 2020 to sell to the Purchaser or its designee up to 4,000,000 Shares held by the Vendor or its designee at the time such option is exercised, less any Shares previously sold by the Vendor or its designee after Closing and before December 1<sup>st</sup>, 2020, and the Purchaser or its designee shall purchase such Shares at \$0.32 per share and deliver payment as follows:

- (i) a maximum of \$100,000 on January 15, 2021;
  - (ii) a maximum of \$100,000 on the 15<sup>th</sup> of the calendar month following each calendar quarter thereafter until payment for such Shares is delivered in full.
- (b) Pursuant to the terms of an escrow agreement (the “**Escrow Agreement**”) in a form acceptable to each of the Purchaser and the Vendor, each acting reasonably, and as evidence for the payments by the Purchaser to the Vendor that may be required pursuant to the Option, the Purchaser shall deliver, to the Escrow Agent (as defined in the **Escrow Agreement**), a promissory note in favour of the Vendor for such payments, as well as a general security agreement pursuant to which the Purchaser shall grant a security interest in its all of its present and after-acquired property at the time such general security interest is released from escrow, all in accordance with the **Escrow Agreement**.

### **3.12 Right to Buy Back Assets on Default**

In the event that (i) the Purchaser fails to pay when due an amount payable by the Purchaser to the Vendor as contemplated herein; (ii) the Vendor delivers written notice to the Purchaser of such failure to pay, which notice provides for the Purchaser to cure such failure within 10 Business Days of the Purchaser receiving such notice; and (iii) the Purchaser fails to cure such failure as contemplated above, the Vendor may, in its sole discretion, buy back those Assets normally considered fixed assets and acquired by the Purchaser hereunder from the Purchaser for One Dollar (\$1.00), and at the request of the Vendor, the Purchaser shall immediately execute such assignments, bills of sale, and/or other documents or instruments reasonably required by the Vendor to transfer all right, title, and interest in and to such Assets back to the Vendor or its designee.

### **3.13 Transfers of Shares**

In the event that the Vendor, or its permitted successor or assign, wishes to transfer any Shares to a bona fide third party, the Purchaser shall have the right to purchase, or have its nominee purchase, such Shares at a price per Share that is not less than the proposed price that would have been paid by such third party. Upon receipt from Vendor of notice of Vendor’s intention to sell Shares to a bona fide third-party, the Purchaser shall, not later than fifteen (15) calendar days after receipt of said notice, inform Vendor in writing (i) that Purchaser shall purchase Vendor’s Shares on the same terms and conditions as Vendor’s proposed purchaser(s), or (ii) that Purchaser will not be purchasing Vendor’s Shares pursuant to this paragraph 3.13. If Purchaser does not elect to purchase such Shares pursuant to this paragraph 3.13, the Purchaser shall not unreasonably withhold approval of a transfer of such Shares to such third party.

## **4. TAXES**

The Purchaser shall be responsible for and shall pay when due any land transfer taxes, sales taxes, excise taxes, goods and services taxes and similar taxes (but not income taxes of the Vendor) and any registration fees payable in respect of the sale and transfer of the Assets to the Purchaser and sales taxes directly to the applicable Governmental Authority on the purchase by the Purchaser of any portion of the Assets that is subject to such taxes. The parties shall cooperate in good faith to take such steps as may be available to minimise (or eliminate) any such Taxes in accordance with all applicable Laws as may be reasonably requested by either the Purchaser or the Vendor; provided that such steps shall not have a negative financial impact on the other party. The Vendor is responsible for and shall pay all property

taxes, sales taxes, excise taxes, goods and services taxes and similar taxes with respect to the Assets up to the Effective Time.

## **5. REPRESENTATIONS AND WARRANTIES OF THE VENDOR**

Except as set forth in Schedule C, the Vendor represents and warrants to and in favour of the Purchaser as follows and acknowledges and confirms that the Purchaser is relying on these representations and warranties in connection with the execution and delivery of this Agreement and in completing the transactions contemplated by this Agreement:

### **5.1 Corporate Status and Authority**

- (a) **Status of the Vendor:** The Vendor is a company duly organized, validly existing and in good standing under the laws of the State of New York, and has never been dissolved or liquidated or, to the Vendor's knowledge, declared inactive. The Vendor has all requisite power, capacity and authority to carry on the Business as it is now being conducted, to own, lease and operate the Assets now owned, leased and operated by it and to enter into, carry out the transactions contemplated by and duly observe and perform all its obligations contained in this Agreement. The Vendor is duly qualified, licensed and registered, as required, to do business in the State of New York and in any other jurisdiction it does business in and to own, lease and operate the Assets and is in good standing in the State of New York.
- (b) **Due Authorization:** The execution and delivery of this Agreement and all documents, instruments and agreements required to be executed and delivered by the Vendor pursuant to this Agreement, and the completion of the transactions contemplated by this Agreement, have been duly authorized by all necessary action on the part of the Vendor. This Agreement has been duly executed and delivered by the Vendor and constitutes a legal, valid and binding obligation of the Vendor enforceable in accordance with its terms.

### **5.2 Assets**

- (a) **Ownership:** The Vendor is the legal and beneficial owner of, possesses, and has good and marketable title to, the Assets free and clear of any and all Encumbrances, except Permitted Encumbrances. None of the Assets are in the possession of or under the control of any other Person.
- (b) **Rights to Assets:** The Vendor has the exclusive right to possess, use, occupy, rent and dispose of the Assets, subject only to the rights of the other parties to the Assigned Contracts and subject to Permitted Encumbrances.
- (c) **No Rights to Assets:** There is no agreement, contract, option, commitment or other right in favour of, or held by, any Person other than the Purchaser to acquire or lease any of the Assets, other than inventory purchase orders accepted by the Vendor in the ordinary course of business and consistent with past practice, or to possess any of the Assets.

- (d) All Assets Used in Business: The Assets and the Premises constitute all of the material assets and properties that are usually and ordinarily used in connection with, or otherwise necessary to operate the Business. The Assets are, except for ordinary wear and tear, in good condition and repair, and usable in the ordinary course of business.
- (e) Contracts Assignable. Subject to obtaining the consents set forth in Section 5.9(b), the Assigned Contracts are freely assignable to the Purchaser in accordance with the terms of this Agreement.
- (f) Premises. The description of the Premises in Schedule D is a materially accurate description of the Premises used in the conduct of the Business. Subject to Permitted Encumbrances, no Person other than the Vendor occupies or uses any portion of the Premises, and there are no other agreements, options, contracts or commitments to sell, transfer or otherwise dispose of the Vendor's leasehold interest in the Premises except as contemplated by this Agreement. No steps will be taken to assign the Lease for the Premises to the Purchaser.
- (g) Zoning: To Vendor's knowledge, the Premises are zoned to permit the activities carried on by the Vendor in conducting the Business. To the Vendor's knowledge, the Vendor is operating and using the Assets and the Premises, and is conducting the Business in compliance with all applicable land use or zoning by-laws, local planning legislation, development restrictions or plans, building restrictions or codes and any Permitted Encumbrances.
- (h) Inventories: Other than as disclosed in Schedule C, the Inventories do not include any items which are of a quality or quantity not useable or saleable in the ordinary course of business. The levels of Inventories have been maintained at such amounts as have been historically required for the operation of the Business in the ordinary course of business consistent with past practice.
- (i) Intellectual Property:
  - (i) Schedule C contains a complete and accurate list of all Intellectual Property of the Vendor used in the Business, including all licenses and agreements to which the Vendor is a party with respect to Intellectual Property (exclusive of off-the-shelf software licences) and complete and accurate particulars of all registrations or applications for registration of such Intellectual Property;
  - (ii) The Vendor has good and marketable title or rights under license to all of the Intellectual Property, free and clear of all Encumbrances and has not granted any right, title or interest in or to the Intellectual Property to any other Person;
  - (iii) The Intellectual Property of the Vendor includes all of the Intellectual Property used in the conduct of the Business as currently conducted by the Vendor;



- (iv) To the knowledge of the Vendor, the conduct of the Business by the Vendor does not infringe upon any intellectual property right, domestic or foreign, of any Person and the Vendor has not received any notice (whether written or oral) claiming that the conduct of the Business or the Vendor infringes upon the intellectual property rights, domestic or foreign, of any other Person, nor, to the knowledge of Vendor, is there any basis for such assertion; and
- (v) There are no pending or, to the knowledge of the Vendor, threatened, claims or litigation contesting the validity, ownership or right to use, sell, license or dispose of any of the Intellectual Property necessary or required or otherwise used for or in connection with the conduct of the operations of the Business, nor to the knowledge of the Vendor is there any basis for such claim, and, to the knowledge of Vendor, the right of the Vendor to use the Intellectual Property has never been called into question or challenged.

### 5.3

#### **Business Operations**

- (a) **Permits:** Except as set forth on **Schedule C**, there are no Permits necessary to own, operate, or lease any of the Assets utilized by the Vendor in the Business.
- (b) **Compliance with Laws:** The Vendor is, and has been, conducting the Business in compliance, in all material respects, with all Laws applicable to it and the Business, including, without limitation, all applicable Privacy Laws, the US Foreign Corrupt Practices Act, and Laws relating to the export of goods or services from the United States. The Vendor is not a party to, or bound by, any decree, order or arbitration award (or agreement entered into with any administrative, judicial or arbitration proceeding with any Governmental Authority) with respect to or affecting the Assets, the Premises or the Business.
- (c) **Jurisdictions in which Business is Carried On:** Except as set forth in **Schedule C**, the Vendor does not carry on the Business or own or lease any of the Assets in any jurisdiction, other than the State of New York, U.S.A., where the nature of conduct of the Business carried on in, or the nature of those of the Assets situate in, such jurisdiction would require registration, qualification or licensing of the Vendor in such jurisdiction.
- (d) **Insurance:** **Schedule C** sets forth a list of all policies of insurance relating to the Business and for each policy indicates the name of the insurer, the amount of coverage, the type of insurance, and all pending claims under each policy. All such policies remain in full force and effect until the Closing Date.
- (e) **Solvency:** The Vendor is not now insolvent and will not be rendered insolvent by any of the transactions contemplated by this Agreement.

**5.4 Financial**

- (a) **No Liabilities Resulting in Encumbrances:** To the knowledge of the Vendor, there is no indebtedness or liability of any Person which might, by operation of Law or otherwise, now or hereafter constitute an Encumbrance, except a Permitted Encumbrance, upon any of the Assets, and, to the knowledge of the Vendor, there is no indebtedness or liability of any kind whatsoever relating to the Business or any of the Assets in respect of which the Purchaser may become liable on or after the Closing Time, other than the Assumed Obligations.
- (b) **Receivables:** All Accounts Receivable are valid, due and payable and, subject to any reserve for bad debts and assuming good faith prompt collection efforts are made by Purchaser, are fully collectible.
- (c) **Financial Statements:** The Vendor has delivered a true and complete set of the Annual Financial Statements to the Purchaser. Except as set forth in Schedule C, the Financial Statements are not misleading in any material respect and have been prepared in accordance with GAAP applied on a basis consistent with that of previous years (except for such year-end adjustments and notes that may be omitted from the Interim Financial Statements) and are true and correct in every material respect and present fairly the assets, liabilities and financial position of the Vendor as at such respective dates and the results of its operations for the periods ended on such dates.
- (d) **No Material Adverse Change.** To the Vendor's knowledge, since December 31, 2012, except as has been disclosed to the Purchaser in writing, there has not been any Material Adverse Change in the financial position or condition or operations of the Vendor or any damage, loss or other change in circumstances materially affecting the Business or Assets or the Vendor's right or capacity to carry on business, and the Business of the Vendor has been carried on in the ordinary course.

**5.5 Tax Matters**

- (a) **Tax Returns:** The Vendor has duly filed on a timely basis and in the manner prescribed by Law all Tax returns required to be filed by it with the appropriate Governmental Authorities and all such Tax returns are true, correct and complete in all respects.
- (b) **Payment of Taxes:** The Vendor has on a timely basis paid, or made a provision for the payment of, all Taxes which were due and payable prior to the Closing Date and all reassessments, penalties, interest and fines due and payable by or assessed against them.
- (c) **Deductions/Remittances:** All Taxes required by applicable Law to be withheld or collected by the Vendor from employees or former employees, officers and directors have been duly withheld and collected and the Vendor has remitted or will remit such amounts to the appropriate Governmental Authority within the

time prescribed for doing so under applicable Laws. The Vendor has not failed to pay, when due, instalment payments of any Taxes in the form required by the appropriate Tax Laws. Without limiting the foregoing: (i) the Vendor has or will have remitted to the proper Governmental Authority within the time required by applicable Laws, all employment insurance premiums, employers' health taxes and other Taxes payable by it, if any, in respect of the Employees, former employees, officers and directors; and (ii) the Vendor has charged and collected and has remitted or will remit on a timely basis all Taxes as required by Law on any sale, supply or delivery whatsoever, made in relation to the Business.

- (d) **Non-Arm's Length Transactions.** The Vendor has not acquired property from, received services from, disposed of property to, or provided services to any Person with whom it does not deal at arm's length, other than for full fair market value consideration.
- (e) **Liens:** There are no liens for Taxes upon the Vendor or any of the Assets except liens for current Taxes not yet due and payable. None of the Assets are the subject of any trust arising under any Tax Laws.
- (f) **Adverse Proceedings:** There are no actions, suits, proceedings, investigations audits, arbitrations, appeals, notices of objection, assertions or claims pending or, to the knowledge of the Vendor, threatened, against the Vendor in respect of Taxes. There are no matters under discussion between the Vendor and any Governmental Authority relating to Taxes and the Vendor has not received any indication that any Governmental Authority has raised any issues involving Taxes that are currently unresolved. The Vendor is not aware of any contingent liability of the Vendor for Taxes or any grounds that could prompt an assessment or reassessment for Taxes.

## 5.6

### **Employee Matters**

- (a) **Employee Entitlements:** The Purchaser will have no obligation to pay any compensation (including for the purposes of this Section 5.6(a) wages, salaries, vacation pay, overtime, bonuses, commissions, incentive payments, including any compensatory indemnity in lieu of notice of termination and reasonable notice of termination, and other amounts payable to Employees) to any employee, contractor, former employee or former contractor of the Vendor for any time period prior to or at Closing.
- (b) **Workers' Compensation:** There are no fines, notices of reassessment or penalty assessment or any other communications related thereto which the Vendor has received from any Governmental Authority relating to any worker's compensation or occupational health and safety regime or any similar regulatory regime administered by a Governmental Authority that remain unresolved, and there are no assessments relating to such regimes which are unpaid as of the Closing Date.

- (c) **Collective Agreements:** There is no Collective Agreement or other contract or agreement with any union or similar group currently in force with the Vendor or any associated or related company (within the meanings thereof under the applicable labour codes) (whether or not the expiry date of such Collective Agreement or other contract or agreement has passed) and there are no voluntary recognitions relating to and no pending applications for certification, decertification or variance of any bargaining unit of employees of the Vendor, notice of which has been served upon the Vendor or of which the Vendor has knowledge, and there are no current negotiations, agreements or understandings, oral or written, between the Vendor and any union or similar group. To the Vendor's knowledge, there are no current attempts to organize, establish or certify any union or similar group or employee association with respect to any employees of the Vendor or of any contractor or agency with which the Vendor has a contract for the provision of personnel or the services of personnel. To the Vendor's knowledge, no part of the Business has been certified as a unit appropriate for collective bargaining by which the Purchaser will be bound as a result of the purchase of the Business or the Assets.
- (d) **Labour and Employment Disputes:** There are no pending or, to the knowledge of the Vendor, threatened Labour Disputes, charges of unfair labour practice, complaints or applications pursuant to any applicable labour relations legislation, or any threatened or actual complaint or proceeding pursuant to any applicable civil rights Laws or employment standards Laws or any other Employment Laws, by or involving any employee and the Vendor.
- (e) **Employer Associations:** The Vendor is not a member of any employer, management, industry or other trade, labour relations or business association under which it is obligated to contribute to any employee or contractor employee benefit or industry enhancement fund pertaining to the Business, including any pension plan, health benefit plan or other similar employee entitlement plan.
- (f) **Benefit Plans:** The Vendor does not maintain any Benefit Plans other than as set forth in Schedule C, and, after the Effective Time, the Purchaser will have no obligations or liabilities whatsoever in respect of such Benefit Plans.
- (g) **Pension Plans:** The Vendor currently has no, nor has it ever had, a pension plan for any of its employees.
- (h) **Employment Laws:** Except as disclosed in Schedule C, to the knowledge of Vendor, the Vendor is and has at all times been in compliance in all material respects with all applicable Employment Laws and all statutory employee plans, arrangements, policies, programs or practices which it is required to comply for the employees including, without limitation, plans, arrangements, policies or programs or practices administered pursuant to applicable social security, health coverage, workers' compensation, workers' safety and insurance and unemployment insurance legislation. Without limiting the foregoing, and except as set forth in Schedule C:

- (i) The Vendor has verified the employment authorization of all of its employees and of all persons providing contract labour to the Vendor, in accordance with, and to the extent required by, applicable law, including the requirements of the Immigration Reform and Control Act of 1986, as amended, and its implementing regulations. The Vendor has not been subject to a work authorization/Form I-9 audit or other enforcement action, and has not received a "no-match" letter from the Social Security Administration; and
- (ii) Neither the Vendor, nor, to the knowledge of Vendor, any employee leasing company providing contract labour to the Vendor, is now or has ever been an H-1B dependent employer, as that term is described under 20 C.F.R. 655.736.

**5.7 Litigation and Claims**

- (a) Adverse Proceedings: Schedule C contains a complete and accurate listing and description of all current, in progress or pending and, to the knowledge of the Vendor, threatened, actions, claims, demands, lawsuits, assessments, arbitrations, judgments, awards, decrees, orders, injunctions, prosecutions and investigations, or other proceedings, of, by, against, or relating to, the Business, the Assets or the Premises. The Vendor is not aware of any basis for any other action, claim, demand, lawsuit, prosecution, assessment, arbitration, investigation or other proceeding which, if pursued, would have a significant likelihood of having a material adverse effect on any of the Assets or the Premises. There are no current, pending or in progress, nor to the knowledge of the Vendor are there any threatened, actions, claims, demands, lawsuits, assessments, arbitrations, judgments, awards, decrees, orders, injunctions, prosecutions and investigations, or other proceedings, in law or in equity, regarding the transactions contemplated hereby.
- (b) No Seizure: No appropriation, condemnation, expropriation or seizure of any of the Assets is pending or, to the knowledge of the Vendor, has been threatened.

**5.8 Contracts and Commitments**

- (a) Assigned Contracts: Schedule C includes a true and complete list of all Assigned Contracts. The Vendor has performed in all material respects all of the obligations required to be performed by it and is entitled to all benefits under and is not in default or, to the knowledge of the Vendor, alleged to be in default in respect of, any Assigned Contract to which the Vendor is a party or beneficially entitled, subject to, or by which it is otherwise bound. All Assigned Contracts are in full force and effect, and no event, condition or occurrence exists which, after notice or lapse of time or both, could constitute a default by the Vendor (or, to the knowledge of the Vendor, a default by any other party) under any of the foregoing or which would have a materially detrimental effect on the entitlement of the Vendor or the Purchaser to the benefits of such Assigned Contracts. None of the

Assigned Contracts has been amended except as set forth in **Schedule C**. The Vendor has not received any notice of any default, breach or termination of any of the Assigned Contracts or of any fact or circumstance which will, or is likely to, result in such a default, breach or termination. The Vendor has made available to the Purchaser true and complete copies of each written Assigned Contract, including all amendments thereto, and a materially accurate written summary of any oral Assigned Contracts.

- (b) **Forward Commitments:** All outstanding forward commitments by or on behalf of the Vendor for the purchase or sale of inventory has been made in accordance with the established price lists of the Vendor or its suppliers, except as otherwise set forth in **Schedule C**.
- (c) **No Change of Control Provisions:** There is no authorization, approval, consent or order from any Person or registration, declaration, filing or notice with any Person, other than as set forth in **Schedule C** that is required under or pursuant to any of the Assigned Contracts in respect of the execution or delivery by the Vendor of this Agreement, or the completion or performance by the Vendor of any of the transactions contemplated by this Agreement, or the validity or enforceability of this Agreement.
- (d) **Restrictions on Carrying on Business:** Except as set forth in **Schedule C**, the Vendor is not a party to or bound by any contract which would restrict or limit its right to carry on any business or activity or to solicit business from any Person or in any geographical area or otherwise operate the Business as currently operated, and, to the knowledge of the Vendor, is not subject to any Law or requirement of any Governmental Entity that is not of general application to Persons carrying on a business similar to the Business.

## 5.9

### **Effect of Transaction**

- (a) **No Adverse Implications:** Provided all necessary authorizations, approvals, consents and orders from those Persons and registrations, declarations, filings and notices with those Persons, as set forth in **Schedule C**, are obtained or made, neither the execution and delivery of this Agreement nor the completion and performance of the transactions and obligations contemplated by or contained in this Agreement will result in:
  - (i) a violation or breach of any provision of or constitute a default (or an event that with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of or under:
    - (A) the Articles of Organization of the Vendor;
    - (B) any applicable Law; or

- (C) any Assigned Contract or other contract, agreement, or understanding to which the Vendor is a party or by which the Vendor is bound or affected; or
- (ii) the imposition of any Encumbrance upon, or give any Person the right to seize or remove, any of the Assets.
- (b) Approvals: Except as set out in **Schedule C**, there is no authorization, licence, approval, consent, order or any other action of, or any registration, declaration, filing or notice with or to any Governmental Authority or any other Person that is required for the execution or delivery by the Vendor of this Agreement, or the completion or performance by the Vendor of any of the transactions contemplated by this Agreement, or the validity or enforceability of this Agreement against the Vendor.

**5.10 Environmental**

- (a) Hazardous Material: Except as set out in **Schedule C**, no Hazardous Materials used in connection with or generated by the Assets have been or are currently placed, used, stored, treated, manufactured, disposed of, released, discharged, spilled or emitted by the Vendor or, to the knowledge of the Vendor, by any other Person in violation of any Environmental Laws. All Hazardous Materials disposed of, removed, emitted, released, discharged or spilled from or treated by the Vendor on any lands on which the Premises are situate, were and are documented, handled, transported, disposed of and remediated in compliance in all material respects with all Environmental Laws. To the knowledge of the Vendor, no Hazardous Materials are present in excess of applicable limitations under Environmental Laws on any lands on which the Premises are situated.
- (b) Waste Disposal: All of the facilities comprising the Premises that were or are used by the Vendor for the disposal of Hazardous Materials or other waste material used in or generated by the Business or in or on any of the Premises have been and are, to the knowledge of the Vendor, properly permitted and operated in compliance with all Environmental Laws.
- (c) Environmental Agreements: There is no agreement, or, to the knowledge of the Vendor, no governmental order or decree of any kind or consent order, pertaining to the Business relating to any environmental matter, and, to the knowledge of the Vendor, no such agreement or order is necessary for the continued compliance of any of the Assets, or their respective uses, with Environmental Laws. To the knowledge of the Vendor, there is no agreement, governmental order or decree of any kind or consent order pertaining to the Premises relating to any environmental matter, and, to the knowledge of the Vendor, no such agreement or order is necessary for the continued compliance of any of the Premises with Environmental Laws.

- (d) Investigations: Except as set forth in **Schedule C**, there have been no orders or decrees issued or, to the knowledge of the Vendor, threatened and no investigations conducted or taken or, to the knowledge of the Vendor, threatened by any Governmental Authority under or pursuant to any Environmental Laws with respect to the Assets, the Business. Except as set forth in **Schedule C**, to the knowledge of the Vendor, there have been no orders or decrees issued or threatened and no investigations conducted, taken or threatened by any Governmental Authority under or pursuant to any Environmental Laws with respect to the Premises. The Vendor is not aware of any circumstances or events that have any prospect of resulting (i) in any claim, action or other proceeding in connection with the Assets, the Business or the Premises with respect to Hazardous Materials or (ii) in an order or investigation under or pursuant to any Environmental Laws.
- (e) Permits: All permits, licences, approvals, authorizations, consents, registrations or other actions required under Environmental Laws to own or operate the Assets have been obtained and all terms and conditions attached thereto have been duly complied with by the Vendor and all such licences, approvals, authorizations, consents and registrations are in full force and effect and in good standing.
- (f) Underground Storage Tanks: Except as disclosed in **Schedule C**, to the knowledge of the Vendor, there is not now and there has never been an underground storage tank ("UST"), UST system, or component part thereof, present at the lands upon which the Premises are situate.
- (g) Reports: The Vendor has delivered to the Purchaser complete copies of all environmental assessments, environmental compliance audits, environmental investigation reports, asbestos surveys, radon surveys, lead-based paint surveys, and all material assessments, correspondence and documents relating to the environmental condition or compliance statutes of any of the Assets or the Premises which are in the Vendor's possession or under its control.

**5.11 General**

- (a) Fees: The Vendor has not retained, engaged or entered into any contract, agreement or commitment (whether written or oral) with any Person who is or will be entitled to a retention bonus, employee incentive payments or transaction bonuses, broker's commission, finder's fee, investment banker's fee or payment of any kind (other than legal and accounting fees) in connection with the negotiation, execution or performance of this Agreement or introducing the parties to this Agreement to each other.
- (b) Copies of Documents: To the Vendor's knowledge, complete and correct copies of all Assigned Contracts and other material documents referred to in this Agreement or in any Schedule hereto have been made available to the Purchaser (including all amendments thereto).



6. **REPRESENTATIONS AND WARRANTIES RELATING TO SECURITIES**

The Vendor hereby represents and warrants as follows:

6.1 **Accredited Investor**

- (a) The Vendor is (i) an "accredited investor" within the meaning of Rule 501 of Regulation D promulgated under the United States Securities Act of 1933, as amended (the "**Securities Act**"); (ii) aware that the issuance of the Shares (the "**Securities**") to the Vendor is being made in reliance on a private placement exemption from registration under the Securities Act; and (iii) aware that the Vendor is acquiring the Securities for its own account.
- (b) The Vendor is acquiring the Securities as principal for its own account.

6.2 **Shares Not Registered**

Vendor understands and agrees that the Securities are being offered in a transaction not involving any public offering within the meaning of the Securities Act, that such Securities have not been and will not be registered under the Securities Act and that such Securities may be offered, resold, pledged or otherwise transferred only (i) in a transaction not involving a public offering, (ii) pursuant to an exemption from registration under the Securities Act, including by Rule 144 thereunder (if available), (iii) pursuant to an effective registration statement under the Securities Act or (iv) to the Purchaser or one of its subsidiaries, in each of cases (i) through (iv) in accordance with any applicable state and federal securities laws, and that it will notify any subsequent purchaser of its Securities from it of the resale restrictions referred to above, as applicable.

6.3 **Legend**

Vendor understands that, unless sold pursuant to an applicable registration statement that has been declared effective under the Securities Act or in compliance with Rule 144 thereunder (if available), the Purchaser may require that the certificates representing the Securities bear a legend or other restriction substantially to the following effect (it being agreed that if the Securities are not certificated, other appropriate restrictions shall be implemented to give effect to the following):

"THIS SECURITY WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND THIS SECURITY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. THE HOLDER OF THIS SECURITY AGREES (INCLUDING FOR THE BENEFIT OF THE PURCHASER) THAT (A) THIS SECURITY MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (I) IN A TRANSACTION NOT INVOLVING A PUBLIC OFFERING, (II) PURSUANT TO ANY OTHER EXEMPTION FROM THE REGISTRATION

REQUIREMENTS OF THE SECURITIES ACT, INCLUDING RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), (III) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, OR (IV) TO THE PURCHASER OR ANY OF ITS SUBSIDIARIES, IN EACH OF CASES (I) THROUGH (IV) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS INCLUDING THOSE OF ANY STATE OF THE UNITED STATES, AND (B) THE HOLDER WILL NOTIFY ANY SUBSEQUENT PURCHASER OF THIS SECURITY FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN (A) ABOVE.”

**6.4 Vendor Can Bear Risk**

The Vendor: (i) is able to fend for itself in the transactions contemplated by this Agreement; (ii) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its prospective investment in the Securities; and (iii) has the ability to bear the economic risks of its prospective investment and can afford the complete loss of such investment.

**6.5 Own Due Diligence**

Vendor acknowledges that (i) it has conducted its own investigation of the Purchaser and the terms of the Securities to its satisfaction, (ii) it has had access to such financial and other information as it deems necessary to make its decision to acquire the Securities and (iii) has been offered the opportunity to conduct such review and analysis of the business, assets, condition, operations and prospects of the Purchaser and its subsidiaries and to ask questions of the Purchaser and received answers thereto, each as it deemed necessary in connection with the decision to acquire the Securities.

**7. REPRESENTATIONS AND WARRANTIES OF THE PURCHASER**

The Purchaser represents and warrants to the Vendor as follows and acknowledges and confirms that the Vendor is relying on these representations and warranties in connection with its execution and delivery of this Agreement and in completing the transactions contemplated by this Agreement:

**7.1 Status and Authority**

- (a) Status of the Purchaser: The Purchaser is a company validly existing under the laws of its jurisdiction of amalgamation, is in good standing with respect to the filing of annual returns under such laws and has never been dissolved, liquidated or, to the Purchaser's knowledge, declared inactive. The Purchaser has the requisite corporate power, capacity and authority to (i) enter into, carry out the transactions contemplated by, and duly observe and perform all its obligations contained in this Agreement, (ii) carry on its business as it is now being conducted and (iii) to own, lease and operate its assets now owned, leased and operated by it. The Purchaser is duly qualified, licensed and registered, as applicable, to do business in the Province of British Columbia and in any other jurisdiction it does business in and to own, lease and operate its assets and is in good standing in the Province of British Columbia.

- (b) **Due Authorization:** The execution and delivery of this Agreement and all documents, instruments and agreements required to be executed and delivered by the Purchaser pursuant to this Agreement, and the completion of the transactions contemplated by this Agreement, have been duly authorized by all necessary corporate action on the part of the Purchaser, and this Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser enforceable in accordance with its terms.
- (c) **No Contravention:** Neither the execution and delivery of, nor the completion and performance of the transactions and obligations contemplated by or contained in, this Agreement will result in a breach of or default under, or be contrary to, any of the provisions of the Charter Documents of the Purchaser or any material contract to which the Purchaser is a party.

**7.2 Business Operations**

- (a) **Compliance with Laws:** The Purchaser is, and has been, conducting its business in compliance, in all material respects, with all Laws applicable to it and its business. The Purchaser is not a party to, or bound by, any decree, order or arbitration award (or agreement entered into with any administrative, judicial or arbitration proceeding with any Governmental Authority) with respect to or affecting its assets or its business.
- (b) **Jurisdictions in which Business is Carried On:** The Purchaser does not carry on business or own or lease any assets in any jurisdiction where the nature of conduct of its business carried on in, or the nature of those of its assets situate in, such jurisdiction would require registration, qualification or licensing of the Purchaser in such jurisdiction.
- (c) **Solvency:** The Purchaser is not now insolvent and will not be rendered insolvent by any of the transactions contemplated by this Agreement.

**7.3 Assets**

- (a) **Ownership:** The Purchaser is the legal and beneficial owner of, possesses, and has good and marketable title to, its assets and none of such assets are in the possession of or under the control of any other Person.
- (b) **Intellectual Property:**
  - (i) The Purchaser has good and marketable title or rights under license to all of the intellectual property used by it, free and clear of all Encumbrances and has not granted any right, title or interest in or to such intellectual property to any other Person;
  - (ii) To the knowledge of the Purchaser, the conduct by the Purchaser of its business does not infringe upon any intellectual property right, domestic or foreign, of any Person and the Purchaser has not received any notice

(whether written or oral) claiming that the conduct of the business of the Purchaser or the Purchaser infringes upon the intellectual property rights, domestic or foreign, of any other Person, nor, to the knowledge of the Purchaser, is there any basis for such assertion; and

- (iii) There are no pending or, to the knowledge of the Purchaser, threatened, claims or litigation against Purchaser and/or against any Affiliate of Purchaser, except as set forth on Schedule C1.

7.4

**Financial**

- (a) **Financial Statements:** The Purchaser has made available a true and complete set of the financial statements of the Purchaser for the fiscal year ending August 31, 2012, which financial statements are not misleading in any material respect and have been prepared in accordance with Canadian accounting standards for private enterprises applied on a basis consistent with that of previous years and are true and correct in every material respect and present fairly the assets, liabilities and financial position of the Purchaser as at such respective dates and the results of its operations for the periods ended on such dates.
- (b) **No Material Adverse Change.** To the Purchaser's knowledge, since August 31, 2012, except as disclosed in Schedule C1, there has not been any Material Adverse Change in the financial position or condition or operations of the Purchaser or any damage, loss or other change in circumstances materially affecting the business or assets of the Purchaser or the Purchaser's right or capacity to carry on business, and the business of the Purchaser has been carried on in the ordinary course.
- (c) **Fulfilment of Future Obligations:** The Purchaser has the financial resources to fulfill its obligations under this Agreement, including without limitation, the payment in full of the Purchase Price as and when required under the terms of this Agreement.

7.5

**Tax Matters**

- (a) **Tax Returns:** Except as disclosed Schedule C1, the Purchaser has duly filed on a timely basis and in the manner prescribed by Law all Tax returns required to be filed by it with the appropriate Governmental Authorities and all such Tax returns are true, correct and complete in all respects.
- (b) **Payment of Taxes:** The Purchaser has on a timely basis paid, or made a provision for the payment of, all Taxes which were due and payable by the Purchaser prior to the Closing Date and all reassessments, penalties, interest and fines due and payable by or assessed against it.
- (c) **Deductions/Remittances:** All Taxes required by applicable Law to be withheld or collected by the Purchaser from employees or former employees, officers and directors have been duly withheld and collected and the Purchaser has remitted or

will remit such amounts to the appropriate Governmental Authority within the time prescribed for doing so under applicable Laws. The Purchaser has not failed to pay, when due, instalment payments of any Taxes in the form required by the appropriate Tax Laws. Without limiting the foregoing: (i) the Purchaser has or will have remitted to the proper Governmental Authority within the time required by applicable Laws, all employment insurance premiums, employers' health taxes and other Taxes payable by it, if any, in respect of the Employees, former employees, officers and directors; and (ii) the Purchaser has charged and collected and has remitted or will remit on a timely basis all Taxes as required by Law on any sale, supply or delivery whatsoever, made in relation to its business.

- (d) **Non-Arm's Length Transactions.** The Purchaser has not acquired property from, received services from, disposed of property to, or provided services to any Person with whom it does not deal at arm's length, other than for full fair market value consideration.
- (e) **Liens:** There are no liens for Taxes upon the Purchaser or any of its assets except liens for current Taxes not yet due and payable. None of its assets are the subject of any trust arising under any Tax Laws.
- (f) **Adverse Proceedings:** There are no actions, suits, proceedings, investigations audits, arbitrations, appeals, notices of objection, assertions or claims pending or, to the knowledge of the Purchaser, threatened against the Purchaser and/or against any Affiliate of Purchaser, except as set forth on **Schedule C1**. There are no matters under discussion between the Purchaser and any Governmental Authority relating to Taxes and the Purchaser has not received any indication that any Governmental Authority has raised any issues involving Taxes that are currently unresolved. The Purchaser is not aware of any contingent liability of the Purchaser for Taxes or any grounds that could prompt an assessment or reassessment for Taxes.

#### **7.6 Restrictions on Carrying on Business**

The Purchaser is not a party to or bound by any contract which would restrict or limit its right to carry on any business or activity or to solicit business from any Person or in any geographical area or otherwise operate its business as currently operated, and, to the knowledge of the Purchaser, is not subject to any Law or requirement of any Governmental Entity that is not of general application to Persons carrying on a business similar to its business.

#### **7.7 Litigation**

- (a) **No Legal Proceedings:** There is no, nor has there ever been, any litigation or proceeding, in law or in equity, and there are no proceedings or governmental investigations before any commission or other administrative authority pending, or to the Purchaser's knowledge, threatened in writing against the Purchaser regarding the transactions contemplated hereby or against any Affiliate of the Purchaser.

- (b) **Conformity with Law; Litigation:** The Purchaser has not violated any applicable Law or order of any Governmental Authority, and there are no legal, quasi-judicial or administrative proceedings of any kind or nature now pending or, to the knowledge of the Purchaser, expressly threatened before any court or administrative body specifically involving the Purchaser or Affiliate of Purchaser or any of its/their properties except as set forth in **Schedule C1**.

**7.8 Effect of Transaction**

- (a) **No Adverse Implications:** Provided all necessary authorizations, approvals, consents, orders, registrations, declarations, filings and notices are obtained or made, neither the execution and delivery of this Agreement nor the completion and performance by the Purchaser of the transactions and obligations contemplated by or contained in this Agreement will result in:
  - (i) a violation or breach of any provision of or constitute a default (or an event that with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of or under,
    - (A) the Charter Documents of the Purchaser;
    - (B) any applicable Law; or
    - (C) any other contract, agreement, or understanding to which the Purchaser is a party or by which the Purchaser is bound or affected; or
  - (ii) the imposition of any Encumbrance upon, or give any Person the right to seize or remove, any of the Purchaser's assets.
- (b) **Approvals:** Except for approval by the board of directors of the Purchaser, there is no authorization, licence, approval, consent, order or any other action of, or any registration, declaration, filing or notice with or to any Governmental Authority or any other Person that is required for the execution or delivery by the Purchaser of this Agreement, or the completion or performance by the Purchaser of any of the transactions contemplated by this Agreement, or the validity or enforceability of this Agreement against the Purchaser.

**7.9 Share Capital**

- (a) **Capital Structure.** The authorized capital of the Purchaser consists of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value, of which 82,452,550 common shares (the "**Outstanding Shares**") are issued and outstanding. All the Outstanding Shares are validly issued, fully paid, and non-assessable. Except as disclosed in **Schedule C1**, there are no outstanding subscriptions, options, rights, warrants, convertible securities, or other agreements or commitments obligating the

Purchaser to issue or to transfer from treasury any additional shares in the capital of the Purchaser.

- (b) Authorized Shares: The Shares issued to the Vendor as contemplated herein shall be issued as fully paid and non-assessable shares in the capital of the Purchaser.

**8. COVENANTS**

**8.1 Change of Vendor Name**

The Vendor shall, immediately after the Closing, cease and desist from using any of the trade-marks, trade names and any other marks, names or identifiers used in connection with the Business, and, as soon as practicable after the Closing and if requested in writing by the Purchaser, change its name to any other name agreed to by the Purchaser, acting reasonably.

**8.2 Marketing Support and Spending**

The Purchaser shall use its commercially reasonable best efforts to support and increase Garden Sales, and any and all marketing decisions and direction shall be at the sole discretion of the Purchaser. The Purchaser expects marketing expenses during the first twelve months after Closing to be approximately One Hundred and Fifty Thousand Dollars (\$150,000).

**8.3 Lease**

The Vendor and the Purchaser hereby acknowledge and agree that they shall do such acts and things to assign or to cause the assignment of the Lease to the Purchaser, if Purchaser asks Vendor to do so in writing. In the event that an assignment of the Lease to the Purchaser is not forthcoming or is otherwise not practicable, the Vendor and the Purchaser agree to cause all such payments of rent and other amounts owing under the Lease to be paid to the Landlord; provided that, all such payments accrued after the Closing Date and payable shall be funded by the Purchaser. Purchaser shall indemnify and hold Vendor harmless as and for all expenses, including reasonable legal fees, incurred by Vendor in connection with the Premises after the Closing Date.

**8.4 Financial Statements**

For so long as any portion of the Purchase Price is payable to the Vendor, the Purchaser shall deliver management prepared quarterly financial statements to the Vendor on a timely basis.

**8.5 Notice upon Delivery of Payment**

Upon delivery by the Purchaser of the payment to be made pursuant to Section 3.2(a)(i), the Purchaser shall deliver to each of Matt Murphy, Edward Kaplan, Amy Schwartz and John Topping written notice that such payment has been made.

**8.6 Use of Frame-it-All Brand**

The Purchaser shall use the Frame-it-All brand on a commercially reasonable best efforts basis so as to encourage increased sales of such products marketed with such brand.

**8.7 Assignment of Crayola License Agreement**

In the event that the Crayola Assignment Agreement is not assigned to the Purchaser at or before Closing, each of the Vendor and the Purchaser hereby covenant and agree to use their commercially reasonable best efforts to cause for the assignment to the Purchaser of the Crayola License Agreement. Further, in the event the Crayola License Agreement is not assigned, each of the Vendor and the Purchaser hereby agree to cooperate, acting reasonably, to resolve all material issues in connection with such non-assignment.

**8.8 Consulting Agreements**

The Purchaser hereby guarantees the obligations of Contech (U.S.) Inc. under and pursuant to each of the Consulting Agreements.

**9. EMPLOYEES**

The Vendor and the Purchaser hereby agree that, with respect to any employees of the Vendor at the Effective Time, the Vendor will be responsible for all wages, salaries, vacation pay, overtime, bonuses, commissions, incentive payments, including any compensation in lieu of notice of termination and reasonable notice of termination, and other amounts in respect of such employees for periods prior to the Effective Time.

**10. INTENTIONALLY OMITTED**

**11. CLOSING TRANSACTIONS**

**11.1 Time and Place**

The Closing shall take place at the offices of the solicitors of the Vendor at the Closing Time.

**11.2 Vendor's Closing Documents**

At the Closing, the Vendor shall deliver or cause to be delivered the following to the Purchaser:

- (a) **Officer's Certificate:** A certificate of a senior officer, member or director of the Vendor: (i) certifying that the representations and warranties made by the Vendor in this Agreement are true and correct as of the Closing Date; (ii) that has attached thereto copies of the resolutions of the members of the Vendor approving the completion of the transactions contemplated by this Agreement, including without limitation all things and acts to consummate the transactions contemplated herein, as necessary, including without limitation the sale of all or substantially all of the assets of the Vendor, the execution and delivery of this Agreement, and all documents, instruments and agreements required to be executed and delivered by the Vendor pursuant to this Agreement, and certifying that such resolutions are true and correct as of the Closing Date and have not been amended, rescinded or otherwise modified as of the Closing Date; and (iii) that has attached thereto a true and complete copy of the Articles of Organization of the Vendor and certifying same;



- (b) Non-Solicitation and Non-Competition Agreement: The Non-Solicitation and Non-Competition Agreement, duly executed by the Vendor, Anthony Topping and Derek Rawden Lewis;
- (c) Consents: All authorizations, licences, approvals, consents, orders, registrations, declarations, filings and notices referred to in Schedule C;
- (d) Assignment Agreement: The Assignment Agreement, duly executed by the Vendor;
- (e) Consulting Agreements: Consulting Agreements for Anthony Topping and Derek Rawden Lewis, executed by both of them, respectively;
- (f) License Agreement: A license agreement, in a form acceptable to the Vendor and the Purchaser, each acting reasonably, and executed by the Vendor, for the granting of a license in favour of the Purchaser to use the Intellectual Property;
- (g) Escrow Agreement: The Escrow Agreement, duly executed by the Vendor; and
- (h) Additional Documents and Assurances: All other duly executed deeds, bills of sale, conveyances, transfers, assignments, instruments, documents and assurances as may be reasonably required by the Purchaser to effect and evidence the consummation of the transactions contemplated by this Agreement including, without limitation, the transfer of the Assets to the Purchaser, free and clear of all Encumbrances except Permitted Encumbrances, all of which shall be in such form and content as the Purchaser may require, acting reasonably.

### 11.3 Purchaser's Closing Documents

At the Closing, the Purchaser shall deliver or cause to be delivered the following to, or on behalf of, as the case may be, the Vendor:

- (a) Officer's Certificate: A certificate of a senior officer or director of the Purchaser:
  - (i) certifying that the representations and warranties made by the Purchaser in this Agreement are true and correct as of the Closing Date; (ii) that has attached thereto copies of the resolutions of the directors of the Purchaser approving the completion of the transactions contemplated by this Agreement, including without limitation the execution and delivery of this Agreement, and all documents, instruments and agreements required to be executed and delivered by the Purchaser pursuant to this Agreement, and certifying that such resolutions are true and correct as of the Closing Date and have not been amended, rescinded or otherwise modified as of the Closing Date; and (iii) that has attached thereto a true and complete copy of the Charter Documents of the Vendor and certifying same;
- (b) Non-Solicitation and Non-Competition Agreement: The Non-Solicitation and Non-Competition Agreement, duly executed by the Purchaser;

- (c) Assignment Agreement: The Assignment Agreement, duly executed by the Purchaser;
- (d) Purchase Price: The Purchase Price payable in to or to the order of the Vendor on the Closing Date in accordance with Section 3.2(a), including the Promissory Note and cash;
- (e) General Security Agreement: The General Security Agreement, duly executed by the Purchaser;
- (f) Consulting Agreements: A Consulting Agreement for each of Anthony Topping and Derek Rawden Lewis, each duly executed by the Purchaser;
- (g) License Agreement: A license agreement, in a form acceptable to the Vendor and the Purchaser, each acting reasonably, and executed by the Purchaser, for the granting of a license in favour of the Purchaser to use the Intellectual Property;
- (h) Escrow Agreement: The Escrow Agreement, as well as the promissory note and general security agreement that are subject to the Escrow Agreement, each duly executed by the Purchaser; and
- (i) Additional Documents and Assurances: All other duly executed instruments, documents and assurances as may be reasonably required by the Vendor to effect and evidence the consummation of the transactions contemplated by this Agreement.

#### 11.4 Concurrent Delivery

It shall be a condition of the Closing that all matters of payment and the execution and delivery of documents by any party to the others pursuant to the terms of this Agreement shall be concurrent requirements and that nothing will be complete at the Closing until everything required as a condition precedent to the Closing by virtue of the terms of this Agreement has been paid, executed and delivered, as the case may be.

## 12. SURVIVAL OF REPRESENTATIONS AND RECOURSE

### 12.1 Survival

- (a) Survival of the Vendor's Representations: The representations and warranties of the Vendor in or under this Agreement shall survive the completion of the transactions contemplated hereby regardless of any investigations that the Purchaser may make or cause to be made, prior to the Closing, and shall continue in full force and effect for a period of the shorter of: (i) three years from and after the Closing Date; and (ii) one year from discovery by the Purchaser of a breach of a representation or warrant by the Vendor, except with respect to the representations and warranties set forth in Sections 5.1 (Corporate Status and Authority), which shall survive indefinitely, and Section 5.5 (Tax Matters), which shall survive for a period ending 90 days after the later of:

- (i) the last date on which an assessment or reassessment for Taxes under any Law imposing Taxes can be made against the Vendor in respect of the dates or periods covered by such representations and warranties; and
  - (ii) the date at which the period for an appeal from an assessment, reassessment or other determination of such Taxes, or decision of a court or other competent tribunal in respect thereof may be filed has expired and such appeal has not been filed.
- (b) Pending Notice of Claim: The termination of the survival period of the representations and warranties of the Vendor provided in this Section 12.1 shall not affect the rights of the Purchaser in respect of any Claim pursuant to Section 12 made by the Purchaser for which a Notice of Claim has been provided by the Purchaser to the Vendor pursuant to Section 13.4 prior to the expiration of the applicable survival period provided herein.
- (c) Survival of Purchaser's Representations: The representations and warranties of the Purchaser in or under this Agreement shall survive the completion of the transactions contemplated hereby regardless of any investigations the Vendor may make or cause to be made and shall continue in full force and effect for a period of the shorter of: (i) three years from and after the Closing Date; and (ii) one year from discovery by the Vendor of a breach of representation or warranty by the Purchaser, except with respect to the representations and warranties made in Section 7.1 (Status of the Purchaser) and 7.1(a) (Due Authorization), which shall survive indefinitely. The termination of the survival period of the representations and warranties of the Purchaser provided in this Section 12.1(c) shall not affect the rights of the Vendor in respect of any Claim pursuant to Section 12 made by the Vendor for which a Notice of Claim has been provided by the Vendor to the Purchaser pursuant to Section 13.4 prior to the expiration of the applicable survival period provided herein.
- (d) Survival of Covenants: The covenants and agreements contained in this Agreement and in or under any documents, instruments and agreements delivered pursuant to this Agreement shall survive the Closing and, notwithstanding such Closing, shall continue in full force and effect following the Closing Date for the benefit of the other party(s) in accordance with the terms thereof, indefinitely.

**13. INDEMNITIES**

**13.1 Intentionally Omitted**

**13.2 Indemnity by the Purchaser**

Notwithstanding any limitations, required notices or other provisions of this Section 13, so long as there is no written agreement between the Vendor and Aramar Capital Group, LLC of 489 Fifth Avenue, 27th Floor, New York, NY 10017 ("Aramar") and Anthony Topping swears under oath that no oral agreement between the Vendor and Aramar exists, for Aramar to be entitled to any fees payable by the Vendor to Aramar for an introduction, meeting or provision of services in connection with the transactions

contemplated herein, the Purchaser shall indemnify the Vendor for any such fees paid to Aramar and/or for reasonable legal fees and expenses incurred in connection therewith.

**13.3 Intentionally Omitted**

**13.4 Notice of Claim**

- (a) In the event that a party (the "Indemnified Party") shall become aware of any claim, suit, demand, proceeding or other matter in respect of which another party (the "Indemnifying Party") agreed to indemnify the Indemnified Party pursuant to this Agreement (a "Claim"), the Indemnified Party shall promptly give written notice thereof to the Indemnifying Party (a "Notice of Claim"). Such Notice of Claim shall specify whether the Claim arises as a result of a claim by a Person against the Indemnified Party (a "Third Party Claim") or whether the Claim does not so arise (a "Direct Claim"), and shall also specify with reasonable particularity (to the extent that the information is available):
- (i) the factual basis for the Claim; and
  - (ii) the amount of the Claim, if known.

A failure to give prompt written notice as provided in this Section 13.4 shall not affect the rights or obligations of any party except and only to the extent that, as a result of such failure, any party which was entitled to receive such notice was directly prejudiced as a result of such failure, including should it have been deprived of its right to recover any payment under its applicable insurance coverage.

- (b) The obligations of an Indemnifying Party hereunder to indemnify the Indemnified Party in respect of any breach or inaccuracy of any representation, warranty or covenant are subject to and conditional upon the Indemnified Party providing a Notice of Claim to the Indemnifying Party in accordance with Section 13.4(a) on or prior to the expiration of the applicable time period related to such representation and warranty as set out in Section 12.1(a) or Section 12.1(c), as the case may be.
- (c) Except upon written consent of Vendor and Purchaser, any claims to be asserted pursuant to a Notice of Claim shall be commenced in the appropriate forum within one (1) year or the Notice of Claim shall be deemed to be a nullity.

**13.5 Defence of Third Party Claims**

- (a) With respect to any Third Party Claim, the Indemnifying Party shall have the right, at its expense, to participate in or assume control of the negotiation, settlement or defence of the Claim, provided that the Indemnifying Party has acknowledged its liability hereunder for the Claim and any Losses arising therefrom and has furnished such security or other assurances as the Indemnified Party may reasonably request in connection therewith, and provided further that any such negotiation, settlement or defence is conducted in good faith and with

due diligence, and, in such event, the Indemnifying Party shall reimburse the Indemnified Party for all of the Indemnified Party's out-of-pocket expenses as a result of such participation or assumption. If the Indemnifying Party elects to assume such control, the Indemnified Party shall have the right to participate in the negotiation, settlement or defence of such Third Party Claim and to retain counsel to act on its behalf, provided that the fees and disbursements of such counsel shall be paid by the Indemnified Party unless the Indemnifying Party consents to the retention of such counsel or unless the named parties to any action or proceeding include both the Indemnifying Party and the Indemnified Party and representation of both the Indemnifying Party and the Indemnified Party by the same counsel would be inappropriate due to the actual or potential differing interests between them (such as the availability of different defences).

- (b) If the Indemnifying Party, having elected to assume such control, thereafter fails to defend the Third Party Claim within a reasonable time, then the Indemnified Party shall be entitled to assume such control, and the Indemnifying Party shall be bound by the results obtained by the Indemnified Party with respect to such Third Party Claim.
- (c) Notwithstanding the foregoing provisions of this Section 13.4(a), the Indemnified Party shall have the sole and exclusive right to participate in or assume control of the negotiation, settlement or defence of a Third Party Claim if the Third Party Claim seeks any injunctive or other relief (other than monetary damages) against the Indemnified Party, in which case, the Indemnifying Party shall be bound by the results obtained by the Indemnified Party with respect to such Third Party Claim but shall have the right to participate in the negotiations, settlement or defence of such Third Party Claim and to retain counsel to act on its behalf and at its expense.
- (d) If any Third Party Claim is of a nature such that the Indemnified Party is required by applicable Law to make a payment to any Person (a "Third Party") with respect to the Third Party Claim before the completion of settlement negotiations or related legal proceedings, the Indemnified Party may make such payment and the Indemnifying Party shall, forthwith after demand by the Indemnified Party, reimburse the Indemnified Party for such payment.
- (e) If the amount of any Liability of the Indemnified Party under the Third Party Claim in respect of which such a payment was made, as finally determined, is less than the amount that was paid by the Indemnifying Party to the Indemnified Party, the Indemnified Party shall, forthwith after receipt of the difference from the Third Party, pay the amount of such difference to the Indemnifying Party.

### 13.6 Settlement of Claims

- (a) If the Indemnifying Party fails to assume control of the defence of any Third Party Claim (pursuant to Section 13.4(a)), the Indemnified Party shall have the exclusive right to contest, settle or pay the amount claimed. Whether or not the

Indemnifying Party assumes control of the negotiation, settlement or defence of any Third Party Claim, the Indemnified Party shall not settle or pay any Third Party Claim without the written consent of the Indemnifying Party, which consent shall not be unreasonably withheld or delayed. The Indemnified Party and the Indemnifying Party shall consult and co-operate fully with each other on a timely basis with respect to Third Party Claims, and shall keep each other fully advised with respect thereto (including supplying copies of all relevant documentation promptly as it becomes available). The Indemnified Party shall make available to the Indemnifying Party or its representatives, on a timely basis, all documents, records and other materials in the possession of the Indemnified Party which are reasonably required by the Indemnifying Party for its use in connection herewith, all at the cost and expense of the Indemnifying Party.

- (b) If an Indemnifying Party receives a Notice of Claim with respect to any alleged Direct Claim, such Indemnifying Party shall have a period of 30 days in which to dispute such Direct Claim by providing written notice of such dispute to the Indemnified Party. If the Indemnifying Party disputes such alleged Direct Claim and the parties are unable to resolve the dispute within 30 days following the Indemnifying Party's notice of dispute, then the dispute shall be submitted for resolution pursuant to Section 14 below. Notwithstanding anything to the contrary in this Agreement, an Indemnifying Party shall have no obligation pursuant to this Section 12 with respect to any Direct Claim or alleged Direct Claim unless and until the obligation for such Direct Claim is adjudicated and liquidated pursuant to the procedures set forth in Section 14.

13.7

**Indemnity After Tax and Insurance; Consequential Damages**

- (a) For the purposes of computing any amount payable by the Indemnifying Party to the Indemnified Party pursuant to this Section 13 as a result of, or in connection with, any Losses, any Tax relief available to such Indemnified Party in relation to such Losses, as well as any Taxes payable by such Indemnified Party as a result of being so indemnified, shall be taken into account. In addition, the amount payable by the Indemnifying Party to the Indemnified Party pursuant to this Section 13 as a result of, or in connection with, any Losses shall be reduced by any insurance proceeds (other than any proceeds from self-insurance or fronted insurance programs) realized by the Indemnified Party in respect of such Losses, net of any reasonable costs of realizing such insurance proceeds.
- (b) Notwithstanding anything in this Agreement to the contrary, no party to this Agreement shall be liable to any other party to this Agreement pursuant to this Section 13 as a result of, or in connection with, any Losses to the extent that they comprise consequential, incidental or indirect damages (other than consequential, incidental or indirect damages sought by third parties against the Indemnified Party in connection with claims that may be indemnified by the Indemnifying Party under this Agreement).

14. **ARBITRATION**

- (a) Any dispute arising out of or in connection with this Agreement, other than disputes concerning payment to Vendor of the Purchase Price, shall be referred to and finally resolved by binding arbitration conducted in accordance with, and by a single arbitrator appointed pursuant to, the International Commercial Arbitration Rules of Procedure of the British Columbia International Commercial Arbitration Centre then currently in effect. The decision of any arbitrator appointed under this Section with respect to all issues or matters submitted to him or her for resolution shall be conclusive, final and binding on all of the parties hereto. Judgment upon the award rendered by the arbitrator may be entered by any court with appropriate jurisdiction. The place of arbitration shall be Seattle, Washington. The arbitrator shall have the right to award legal fees and costs.
- (b) Notwithstanding anything else stated herein, any dispute concerning and/or arising out of Purchaser's obligation to make payment to Vendor of the Purchase Price shall be adjudicated before the Supreme Court of the State of New York. Venue for said adjudication shall be in Westchester County in the State of New York. The parties hereto consent to the exclusive jurisdiction of the Supreme Court of the State of New York in the County of Westchester for any dispute concerning and/or arising out of Purchaser's obligation to make payment to Vendor of the Purchase Price. Vendor and Purchaser waive personal service of pleadings and agree to accept service of a pleadings by certified mail or overnight courier service in lieu and in place of personal service. The substantive and procedural laws of the State of New York shall control any dispute concerning payment to Vendor of the Purchase Price. The Supreme Court of the State of New York shall be entitled to award legal fees and expenses to the prevailing party.

15. **MISCELLANEOUS**

15.1 **Notices**

All notices, requests and other communications to any party hereunder shall be in writing (including by facsimile transmission or electronic mail) and shall be given:

- (a) If to the Vendor:

222 Grace Church Street  
Suite 302  
Port Chester, NY 10573

Attention: Managing Member

Facsimile No.: (914) 933-0158  
Email: atopping@scenery-solutions.com

With a copy to:

Penn & Associates, LLP  
767 Third Avenue  
New York, NY 10017-2023  
Attention: Craig E. Penn, Esq.

Facsimile No.: (888) 506-3339  
Email: cpenn@cpennlaw.com

(b) If to the Purchaser:

Contech Enterprises Inc.  
Unit 115, 19 Dallas Road,  
Victoria, BC V8V 5A6  
Attention: President

Facsimile No.: (250) 383 2163  
Email: mark.grambart@contech-inc.com

With a copy to:

Fasken Martineau DuMoulin LLP  
2900 – 550 Burrard Street  
Vancouver, BC V6C 0A3  
Attention: Prentice Durbin

Facsimile No.: (604) 631-4986  
Email: pdurbin@fasken.com

(c) If to Matt Murphy:

<@>

Facsimile No.: <@>  
Email: mmurphy@frankmercede.com

(d) If to Edward Kaplan:

1 Doe Drive  
Suffern, NY 10901

Facsimile No.: (845) 906-2853  
Email: ekaplan@cleverbusinessmavens.com

(e) If to John Topping:



4131 Canyon Road  
LaFayette, CA 94549

Facsimile No.: <[redacted]>  
Email: john.topping@gmail.com

(f) If to Amy Schwartz:

4 Beaumont Drive  
New City, NY 10956

Facsimile No.: <[redacted]>  
Email: adschwartz53@gmail.com

All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received on a Business Day in the place of receipt prior to 5:00 p.m. in the place of receipt. Otherwise, any such notice, request or communication shall be deemed not to have been received until the next succeeding Business Day in the place of receipt.

### **15.2 Further Assurances**

Each of the parties shall execute and deliver such further documents and do such further acts and things as may be reasonably required from time to time, either on or after the Closing Date, to carry out the full intent and meaning of this Agreement and to assure to the Purchaser good and valid title to the Assets, free and clear of all Encumbrances other than Permitted Encumbrances and to assure to the Vendor payment of the balance of the Purchase Price and other amounts that may become due to the Vendor hereunder.

### **15.3 Expenses**

Each party shall pay all of its own fees, costs and expenses (including, without limitation, due diligence expenses, fees, costs and expenses of legal counsel, accountants or other representatives and consultants and appraisal fees, costs and expenses) incurred in connection with the negotiation of this Agreement and the other agreements contemplated hereby, the performance of its obligations hereunder and thereunder, and the consummation of the transactions contemplated hereby and thereby.

### **15.4 Announcements**

The Vendor and the Purchaser may on or after the Closing make such announcements or public disclosures concerning the transactions contemplated by this Agreement as they consider appropriate, provided that consent is first obtained from the other party.

### **15.5 Access to Books and Records by Vendor**

For a reasonable amount of time post-Closing, the Purchaser shall, at the reasonable request of the Vendor, provide to the Vendor reasonable access to the Books and Records for the purposes of accounting, audit, tax or litigation matters pertaining to the Vendor, including completion of various adjustment calculations and other matters contemplated by this Agreement, as so far as such matters relate to the operation of the Assets prior to the Closing Date.

**15.6 Enurement**

The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

**15.7 Assignment**

No party may assign its interest in this Agreement without the written consent of the other party, such consent not to be unreasonably withheld.

**15.8 Governing Law and Jurisdiction**

This Agreement shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein, and such governance and interpretation shall be, to the maximum extent possible, consistent with the laws of the State of New York and the federal laws of the United States applicable therein.

**15.9 Counterparts; Third Party Beneficiaries**

This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by the other party hereto. Delivery of a signed counterpart by fax, email or other electronic means shall be considered effective delivery. Except as otherwise specifically set forth herein, no provision of this Agreement is intended to confer upon any Person other than the parties hereto any rights or remedies hereunder.

**15.10 Entire Agreement**

This Agreement and the documents referred to herein contain the complete agreement between the parties hereto and supersede any prior understandings, agreements or representations by or between the parties, written or oral, which may have related to the subject matter hereof in any way.

**15.11 Invalidity**

Each of the provisions contained in this Agreement is distinct and severable and a determination of illegality, invalidity or unenforceability of any such provision or part hereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof, unless as a result of such determination this Agreement would fail in its essential purposes.

**15.12 Waiver and Amendment**

- (a) Except as otherwise provided herein, any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each party to this Agreement, or in the case of a waiver, by the party against whom the waiver is to be effective.
- (b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

**15.13 Schedules C and C1 - Disclosure Schedules**

- (a) Any disclosure under one part of **Schedule C** or **Schedule C1**, as the case may be (each, "**Schedule C**"), will be deemed disclosure under all parts of that respective schedule and this Agreement. Disclosure of any matter in **Schedule C** will not constitute an expression of a view that such matter is material or is required to be disclosed pursuant to this Agreement.
- (b) To the extent any representation or warranty set forth in this Agreement is qualified by the materiality of the matter(s) to which the representation or warranty relates, the inclusion of any matter in **Schedule C** does not constitute a determination by the respective disclosing party that any such matter is material. The disclosure of any information concerning a matter in **Schedule C** does not imply that any other, undisclosed matter that has a greater significance or value is material.

*[Signatures on following page.]*



**SCHEDULE "A"**  
**LIST OF EXCLUDED ASSETS**

SCHEDULE "B"

ALLOCATION OF PURCHASE PRICE

The parties agree that the estimated allocation of purchase price, below, is subject to revision and the parties will work to finalize the allocation by March 31, 2013.

Cash	(5,443)
Accounts Receivable	771,604
Inventory	1,115,483
Prepays and undeposited funds	21,232
Tooling	144,520
Office Equipment and furniture	28,000
Goodwill and other Intangibles	3,867,692
Accounts Payable	<u>(1,504,338)</u>
Total Purchase Price	<u>4,438,750</u>

SCHEDULE "C"

Disclosure Schedule

Section 5.2

NON-SALEABLE INVENTORY effective February 26, 2013:

<u>Reno, NV</u>	<u>Column1</u>	<u>Column2</u>	<u>Column3</u>
<u>PART NUMBER</u>	<u>Cost</u>	<u>QTY</u>	<u>TOTAL</u>
GRE-FIA	\$ 77.52	76	\$ 5,891.52
DGRE8-FIA	\$ 141.59	14	\$ 1,982.26
AQU-FIA	\$ 7.41	284	\$ 2,104.44
			\$ 9,978.22
 <u>Ontario, Canada</u>			
<u>PART NUMBER</u>	<u>Cost</u>	<u>QTY</u>	<u>TOTAL</u>
GRE-FIA	\$ 77.52	20	\$ 1,550.40
 <u>Total (US + Canada)</u>			 <u>\$11,528.62</u>

(Non-saleable inventory located at warehouse fulfillment centers: TechniPak LLC, 380 Parr Blvd., Reno, NV 89512, and Bilsli, 4050A Sladeview Crescent, Mississauga, ON L5L 5Y5.)

**INVENTORY\* effective February 26, 2013**

(Warehouse fulfillment center: TechniPak LLC, 380 Parr Blvd., Reno, NV 89512, USA.)

<b>PART NUMBER</b>	<b>LANDED CA</b>	<b>QTY</b>	<b>TOTAL</b>
CPT-WGT	\$ 3.60	9,232	\$ 33,235.20
CPT-WG-C	\$ 4.16	3,656	\$ 15,208.96
CPT-WG-1INC	\$ 2.88	1,864	\$ 5,368.32
CPT-WG-C-VAL	\$ 3.56	1,246	\$ 4,435.76
CED-1INC	\$ 3.06	1,458	\$ 4,461.48
CED-2INC	\$ 4.61	3,307	\$ 15,245.27
SBX-FNP	\$ 23.77	1,445	\$ 34,347.65
PBK-SM	\$ 25.35	1,077	\$ 27,301.95
SBX-CIR	\$ 51.04	464	\$ 23,682.56
SBX-GNS	\$ 35.95	4,178	\$150,199.10
PBK-LG	\$ 37.25	2,759	\$102,772.75
SJ-2 Retail	\$ 3.36	31,739	\$106,643.04
SJ-2 Bulk	\$ 2.93	0	\$ -
SJ2-1INC	\$ 2.96	5,108	\$ 15,119.68
4-WBJ-2INC	\$ 3.06	697	\$ 2,132.82
4-WBJ-1INC	\$ 2.78	449	\$ 1,248.22
AJ2 Retail	\$ 3.89	4,438	\$ 17,263.82
AJ2-VAL	\$ 3.00	1,083	\$ 3,249.00
CAN-SBC-HEX	\$ 51.88	0	\$ -
CAN-SBC-SQR	\$ 24.89	287	\$ 7,143.43
SBC-HEX	\$ 17.27	388	\$ 6,700.76
SBC-OCT	\$ 22.50	99	\$ 2,227.50
SBC-SQR	\$ 8.52	221	\$ 1,882.92
SBL-HEX	\$ 5.93	360	\$ 2,134.80
SBL-OCT	\$ 7.45	110	\$ 819.50
SBL-SQR	\$ 2.98	84	\$ 250.32
SAB-FIA	\$ 23.76	259	\$ 6,153.84
SAB4-FIA	\$ 22.78	62	\$ 1,412.36
VGW-FIA	\$ 16.16	1,078	\$ 17,420.48
GREP-FIA	\$ 24.75	445	\$ 11,013.75
MSK-FIA	\$ 8.65	840	\$ 7,266.00
SL-1025	\$ 10.69	30	\$ 320.70
SBX-VAL	\$ 19.17	15,344	\$294,144.48
FINSL-111	\$ 0.66	439	\$ 289.74
			\$921,096.16

\*exclusive of non-saleable inventory



**INVENTORY\* effective February 26, 2013**

(Warehouse fulfillment center: Bilsli, 4050A Sladeview Crescent, Mississauga, ON L5L 5Y5, Canada.)

<u>PART NUMBER</u>	<u>Cost</u>	<u>QTY</u>	<u>TOTAL</u>
CPT-WGT	\$ 3.60	2,003	\$ 7,210.80
CPT-WG-C	\$ 4.16	45	\$ 187.20
CPT-WG-1INC	\$ 2.88	2,881	\$ 8,297.28
CPT-WG-C-VAL	\$ 3.56	897	\$ 3,193.32
SBX-FNP	\$ 23.77	300	\$ 7,131.00
PBK-SM	\$ 25.35	201	\$ 5,095.35
SBX-CIR	\$ 51.04	100	\$ 5,104.00
SBX-GNS	\$ 35.95	207	\$ 7,441.65
PBK-LG	\$ 37.25	237	\$ 8,828.25
SJ-2 Retail	\$ 3.36	604	\$ 2,029.44
SJ2-1INC	\$ 2.96	1,091	\$ 3,229.36
4-WBJ-2INC	\$ 3.06	71	\$ 217.26
4-WBJ-1INC	\$ 2.78	55	\$ 152.90
AJ2 Retail	\$ 3.89	363	\$ 1,412.07
AJ2-VAL	\$ 3.00	367	\$ 1,101.00
CAN-SBC-HEX	\$ 51.88	27	\$ 1,400.76
CAN-SBC-SQR	\$ 24.89	23	\$ 572.47
SBC-HEX	\$ 17.27	0	\$ -
SBC-OCT	\$ 22.50	7	\$ 157.50
SBC-SQR	\$ 8.52	0	\$ -
SBL-HEX	\$ 5.93	65	\$ 385.45
SBL-OCT	\$ 7.45	12	\$ 89.40
SBL-SQR	\$ 2.98	135	\$ 402.30
SAB-FIA	\$ 23.76	6	\$ 142.56
SAB4-FIA	\$ 22.78	126	\$ 2,870.28
VGW-FIA	\$ 16.16	117	\$ 1,890.72
GREP-FIA	\$ 24.75	0	\$ -
SBX-DUM8	\$ 26.55	242	\$ 6,425.10
SL-1025	\$ 10.69	4	\$ 42.76
FINSL-111	\$ 0.66	737	\$ 486.42
			\$75,496.60

\*exclusive of non-saleable inventory

**INVENTORY IN TRANSIT**

Joints	\$27,324.00
New Tech - 2/22/12	\$23,660.00
Shang Huei Enterprises Greenhouses	<u>\$93,065.18</u>
Total	\$144,049.18

**INVENTORY SUMMARY**

Nevada	\$921,096.16
Canada	\$75,496.60
In-Transit	<u>\$144,049.18</u>
Total	\$1,140,641.94

5.2(i) Intellectual Property

Trade-mark

Application/Registration No.

1. Veggie Wall

3903615

URLs

Domain Name	Description	Is Transfer Locked?	Status	Expiration Date
<b>frameitall.com</b>	frameitall.com	locked	ACTIVE	6/2/2015
	Private Domain		ACTIVE	3/2/2015
<b>garden-wars.com</b>	garden-wars.com	locked	ACTIVE	7/28/2013
	Private Domain		ACTIVE	7/28/2013
	Domain Expiration Protection		ACTIVE	7/28/2013
	Basic Web Site Forwarding		ACTIVE	7/28/2013
<b>gardentimbers.com</b>	gardentimbers.com	locked	ACTIVE	3/1/2014
	Basic Web Site Forwarding		ACTIVE	3/1/2014
	Private Domain		ACTIVE	1/31/2014
<b>gardenwarz.com</b>	gardenwarz.com	locked	ACTIVE	7/28/2013
	Basic Web Site Forwarding		ACTIVE	7/28/2013
	Private Domain		ACTIVE	7/28/2014
	Domain Expiration Protection		ACTIVE	7/28/2013
<b>raisedbed.com</b>	raisedbed.com	locked	ACTIVE	3/1/2014
	Basic Web Site Forwarding		ACTIVE	3/1/2014
	Private Domain		ACTIVE	3/1/2014
<b>raisedbedgarden.com</b>	raisedbedgarden.com	unlocked	ACTIVE	3/1/2014
	Basic Web Site Forwarding		ACTIVE	3/1/2014
	Private Domain		ACTIVE	3/1/2014
<b>scenery-solutions.com</b>	scenery-solutions.com	locked	ACTIVE	12/30/2015
	Private Domain		ACTIVE	3/2/2015

Patents

LE Ref.	OC Attorney	Title	Status	Serial No.	Filing Date	Inventor Names	Patent No.	Issue Date
00049/001629-US0	David Leason	TRELLIS BRACKET	Granted	29/103,738	4/22/1999	JEFFREY R. MARINO	D428,798	8/1/2000
00049/001631-US0	David Leason	RAISED BED BRACKET	Granted	29/103,740	4/22/1999		D422,885	4/18/2000
00049/001633-US0	David Leason	TEE PEE LEG CONNECTOR	Granted	29/105,966	6/3/1999	JEFFREY R. MARINO	D423,626	4/25/2000
00049/001635-CA0	David Leason	RAISED BORDER SYSTEM	Granted	2288583	11/5/1999		2,288,583	1/29/2002
00049/001635-GB0	David Leason	RAISED BORDER SYSTEM	Granted	99308248.6	10/19/1999		1020109	7/19/2000
00049/001635-US0	David Leason	RAISED BORDER SYSTEM	Granted	09/231,099	1/14/1999	Hans Naegerl, Dietmar Kubein-Meese, Caspar Graf Stauffen	6,202,367	3/20/2001
00049/001637-US0	David Leason	GARDEN TRELLIS WALL SYSTEM	Granted	09/229,417	1/12/1999		6,311,428	11/6/2001
00049/002729-US0	Edward Ellis	LIGHTING SYSTEM FOR USE IN RAISED BED GARDENING OR LANDSCAPING	Pending	61/597,005	2/9/2012	Anthony Topping		
00049/003113-US0	David Leason	GROMMET	Pending	29/435,496	10/24/2012	Eric Lam, Anthony Topping		
00049/003114-US0	David Leason	RAISED BORDER BRACKET ARRANGEMENT	Pending	13/673,501	11/9/2012	Anthony Topping		

**Section 5.3**  
**Business Operations**

5.3(d) Insurance

<u>Name of Insurer</u>	<u>Amount of Coverage</u>	<u>Type</u>	<u>Pending Claims</u>
Hartford Casualty Insurance Company ( 2013 Insurance Policy previously provided to Purchaser by Vendor)	\$4,000,000	Workers Comp Auto Liability Med and Property Umbrella	None None None None

**Section 5.6**  
**Employee Matters**

List of Employees.

1. David Cohen. [ Purchaser shall hire David Cohen as an employee for a period of two (2) weeks and provide Mr. Cohen with severance compensation equal to a one (1) – week project completion bonus.]
2. Kathy Sickles. [ Purchaser shall hire Kathy Sickles as an employee for a period of twelve (12) weeks and shall provide Ms. Sickles with severance compensation equal to a four (4) – week project completion bonus.]
3. Lluvia Ramirez. [ Lluvia Ramirez is to remain an employee of Vendor until June 28, 2013 and Vendor shall provide Ms. Ramirez with severance compensation equal to a four (4) – week project completion bonus.]

5.6(f) Benefit Plans

None.

**Section 5.7**  
**Litigation and Claims**

5.7(a) **Adverse Proceedings**

None.

**Section 5.8**  
**Contracts and Commitments**

5.8(a) Assigned Contracts (Copies of the contracts listed below have been provided to Purchaser.)

1. Web Application Development Agreement with Digital Frontiers Media, Inc. dated October 11, 2012.
2. Crayola License Agreement with Crayola Properties, Inc. dated October 22, 2012.
3. Merchandising License Agreement with Bonnie Plants, Inc. dated October 1, 2011.
4. Merchandising License Agreement with Wiley Publishing, Inc. dated March 10, 2010.
5. Fabrica de Artigos de Plasticos Hip Va Ho Tin open line of credit.

5.8(c) No Change of Control Provisions

No consent(s) to assign the contracts listed above have been obtained.

5.8(d) Restrictions on Carrying on Business

None.



**Section 5.9**  
**Effect of Transaction**

5.9(a) No Adverse Implications

None.

5.9(b) Approvals

Consent may be required to use the "Crayola®" trade-dress and proprietary characters, color names, and trademark, the Serpentine design trademark, and the Chevron design trademark. The Vendor has an indirect relationship through its agreement, the Crayola License Agreement dated October 22, 2012, with Crayola Properties, Inc.

Consent may be required to use any of the Trademarks of Bonnie Plants, Inc. The Vendor has an indirect relationship through its agreement, the Merchandising License Agreement dated October 1, 2011, with Bonnie Plants, Inc., to use certain trademarks.

Consent may be required to use the "For Dummies®" trademark, logos, icons, characters, style, design, trade names, trade dress and proprietary structure and format of Wiley Publishing, Inc. The Vendor has an indirect relationship through its agreement, the Merchandising License Agreement dated March 10, 2010, with Wiley Publishing, Inc., to use certain trademarks.

**Section 5.10**  
**Environmental**

5.10(a) Hazardous Material

None.

5.10(d) Investigations

None.

5.10(f) Underground Storage Tanks

Vendor is a tenant in an office building and does not control building facilities or systems. On information and belief, there are and/or were underground storage tanks located at the Premises. Vendor has no direct knowledge and/or control over any underground storage tanks.

**SCHEDULE "D"**

**DESCRIPTION OF PREMISES**

**Property Address**  
222 Grace Church Street  
Suite 302  
Port Chester  
New York 10573

**Lessee**  
VegHerb, LLC d/b/a Scenery  
Solutions

**Lessor**  
The Village of Port Chester

MODIFICATION OF ASSET PURCHASE AGREEMENT

THIS AGREEMENT dated for reference as of February 22nd, 2013,

BY AND BETWEEN:

VEGHERB, LLC (dba Scenery Solutions), a limited liability company organized and existing under the laws of the State of New York and having its principal place of business at 222 Grace Church Street, Suite 302, Port Chester, New York 10573

(the "Vendor")

AND:

CONTECH ENTERPRISES INC., a company amalgamated under the laws of the Province of British Columbia, having a place of business at Unit 115, 19 Dallas Road, Victoria, British Columbia, Canada V8V 5A6

(the "Purchaser")

**W I T N E S S E T H**

**WHEREAS:**

- A. the Vendor owns and operates a business; and
- B. the Purchaser wishes to purchase, and Vendor wishes to sell, the assets of Vendor's business; and
- C. Purchaser and Vendor are entering into an Asset Purchase Agreement dated February 22, 2013 (the "Asset Purchase Agreement") for the sale to Purchaser of the assets of Vendor's business.

**NOW THEREFORE**, in consideration of the promises and mutual covenants set forth herein, and for other good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, Vendor and Purchaser hereby agree as follows:

1. In the event of a conflict between the terms and conditions of this Modification of Asset Purchase Agreement (the "Modification Agreement"), and the terms and conditions of (i) the Asset Purchase Agreement, (ii) documents and/or exhibits incorporated by reference to the Asset Purchase Agreement, and/or (iii) documents executed by Vendor and/or Purchaser as part of their execution of documents pertaining to the Asset Purchase Agreement, the terms and conditions of this Modification Agreement shall govern and control.

2. Supplementing and modifying paragraph 6.1 of the Asset Purchase Agreement, Vendor's representation re being an accredited investor:

- (i) shall not constitute a legal or factual basis for asserting any claim against Vendor,
- (ii) shall not constitute a legal or factual basis for the nonperformance of any obligation(s) by Purchaser under and pursuant to the Asset Purchase Agreement, and
- (iii) shall not constitute a legal or factual basis for asserting any defense against a claim asserted against Purchaser under and pursuant to the Asset Purchase Agreement and/or under and pursuant to any document incorporated in the Asset Purchase Agreement by reference.

AT

3. Purchaser shall use its commercially reasonable best efforts to have its lender, HSBC Bank Canada, substitute a conventional loan subordination agreement in lieu and in place of the Assignment and Postponement agreement (the "Assignment Agreement"), that Purchaser is requiring Vendor to sign at the time of execution of the Asset Purchase Agreement in order for Purchaser to comply with its contractual obligations to HSBC Bank Canada.

4. Unless and until Purchaser substitutes a conventional subordination agreement for the Assignment Agreement:

- (i) Purchaser shall simultaneously provide written authorization from HSBC Bank Canada to Vendor for each payment that Purchaser makes to or on behalf of Vendor in accordance with the terms of the Asset Purchase Agreement and/or any promissory note incorporated therein by reference, and
- (ii) Failure by Purchaser to provide written authorization from HSBC Bank Canada to Vendor with any payment to or on behalf of Vendor shall be treated as a nonpayment.

5. This Modification Agreement shall survive closing.

IN WITNESS WHEREOF the parties have executed this Modification Agreement as of the day and year first above written.

**VEGHERB, LLC**

Per:

  
\_\_\_\_\_  
Authorized Signatory

**CONTECH ENTERPRISES INC.**

Per:

\_\_\_\_\_  
Authorized Signatory

3. Purchaser shall use its commercially reasonable best efforts to have its lender, HSBC Bank Canada, substitute a conventional loan subordination agreement in lieu and in place of the Assignment and Postponement agreement (the "Assignment Agreement"), that Purchaser is requiring Vendor to sign at the time of execution of the Asset Purchase Agreement in order for Purchaser to comply with its contractual obligations to HSBC Bank Canada.

4. Unless and until Purchaser substitutes a conventional subordination agreement for the Assignment Agreement:

(i) Purchaser shall simultaneously provide written authorization from HSBC Bank Canada to Vendor for each payment that Purchaser makes to or on behalf of Vendor in accordance with the terms of the Asset Purchase Agreement and/or any promissory note incorporated therein by reference, and

(ii) Failure by Purchaser to provide written authorization from HSBC Bank Canada to Vendor with any payment to or on behalf of Vendor shall be treated as a nonpayment.

5. This Modification Agreement shall survive closing.

IN WITNESS WHEREOF the parties have executed this Modification Agreement as of the day and year first above written.

**VEGHERB, LLC**

Per:

\_\_\_\_\_  
Authorized Signatory

**CONTECH ENTERPRISES INC.**

Per:

  
\_\_\_\_\_  
Authorized Signatory

This is Exhibit C referred to in the  
affidavit of Mart Grambart  
made before me on this 12  
day of January ~~20~~ 15  
~~.....~~  
A Commissioner for taking  
Affidavits for British Columbia

## ASSIGNMENT AGREEMENT

This Agreement is dated for reference this 22 day of February, 2013.

BETWEEN:

**CONTECH ENTERPRISES INC.**, a company amalgamated under the laws of the Province of British Columbia, having a place of business at Unit 115, 19 Dallas Road, Victoria, British Columbia, Canada V8V 5A6

(the "Company")

AND:

**VEGHERB, LLC (dba Scenery Solutions)**, a limited liability company organized and existing under the laws of the State of New York and having its principal place of business at 222 Grace Church Street, Suite 302, Port Chester, New York 10573

(the "Assignor")

WHEREAS:

- A. The Company has agreed to purchase substantially all of the assets of the Assignor under the terms of an asset purchase agreement dated as the date hereof (the "APA").
- B. The parties wish to enter into an agreement respecting the assignment of the ownership of the Purchased Assets, as defined in the APA, of the Assignor.

NOW THEREFORE IN CONSIDERATION of the premises and the mutual covenants and agreements hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties covenant and agree as follows:

1. **Assignment.** For \$1.00 and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Assignor, the Assignor hereby assigns, sells and transfers to the Company, for the Company's benefit and the benefit of its successors and assigns, all of the Assignor's rights, title and interest in and to the Purchased Assets, including, without limitation, all common law rights and the goodwill associated with the Purchased Assets throughout all countries and jurisdictions, including all applications and registrations in respect thereof, and the right to file further applications for the Purchased Assets and to receive registrations therefor.
2. **Governing Law.** This Agreement shall be governed in all respects by the laws of the Province of British Columbia and the laws of Canada applicable therein and shall be treated in all respects as a British Columbia contract.



3. **Severability.** If any provision of this Agreement is held by a court of law to be illegal, invalid or unenforceable, (i) that provision shall be deemed amended to achieve as nearly as possible the same economic effect as the original provision, and (ii) the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected or impaired thereby.
4. **Waiver; Amendment; Modification.** The waiver by the Company of a term or provision of this Agreement, or of a breach of any provision of this Agreement by the Assignor, shall not be effective unless such waiver is in writing signed by the Company. No waiver by the Company of, or consent by the Company to, a breach by the Assignor, will constitute a waiver of, consent to or excuse of any other or subsequent breach by the Assignor. This Agreement may be amended or modified only with the written consent of both the Assignor and the Company. No oral waiver, amendment or modification shall be effective under any circumstances whatsoever.
5. **Entire Agreement.** This Agreement represents the Assignor's entire understanding with the Company with respect to the subject matter of this Agreement and supersedes all previous understandings, written or oral.
6. **Enurement and Assignment.** This Agreement shall be binding upon and shall enure to the benefit of the parties and their respective heirs, administrators, executors, successors, and permitted assigns. This Agreement shall not be assigned in whole or in part by the Assignor, nor shall the Assignor subcontract any of his duties or obligations hereunder, to any other person, firm or company without the prior written consent of the Company, which consent may be arbitrarily withheld. This Agreement may not be assigned by the Company without Assignor's prior written consent, which shall not be unreasonably withheld, to any Affiliate, as defined in the Business Corporations Act (British Columbia), of the Company.
7. **Counterparts.** This Agreement may be executed in counterpart and may be executed and delivered by facsimile or other electronic means and all such counterparts shall together constitute one and the same agreement.

VEGHERB, LLC

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

(Authorized Signatory)

CONTECH ENTERPRISES, INC.

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

(Authorized Signatory)

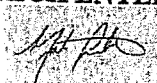
Ant.

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6. **Enurement and Assignment.** This Agreement shall be binding upon and shall enure to the benefit of the parties and their respective heirs, administrators, executors, successors, and permitted assigns. This Agreement shall not be assigned in whole or in part by the Assignor, nor shall the Assignor subcontract any of his duties or obligations hereunder, to any other person, firm or company without the prior written consent of the Company, which consent may be arbitrarily withheld. This Agreement may not be assigned by the Company without Assignor's prior written consent, which shall not be unreasonably withheld, to any Affiliate, as defined in the Business Corporations Act (British Columbia), of the Company.
7. **Counterparts.** This Agreement may be executed in counterpart and may be executed and delivered by facsimile or other electronic means and all such counterparts shall together constitute one and the same agreement.

**VEGHERB, LLC**

Per: \_\_\_\_\_  
(Authorized Signatory)

**CONTECH ENTERPRISES, INC.**

Per:  \_\_\_\_\_  
(Authorized Signatory)

This is Exhibit D referred to in the  
affidavit of Mark Grambart  
made before me on this 12  
day of January 20 15

~~.....~~  
A Commissioner for taking  
Affidavits for British Columbia

GENERAL SECURITY AGREEMENT

THIS SECURITY AGREEMENT made as of the 22 day of February, 2013.

BETWEEN:

CONTECH ENTERPRISES INC., a company amalgamated under the laws of the Province of British Columbia, having a place of business at Unit 115, 19 Dallas Road, Victoria, British Columbia, V8V 5A6

(the "Debtor")

AND:

VEGHERB, LLC (dba Scenery Solutions), a limited liability company organized and existing under the laws of the State of New York and having its principal place of business at 222 Grace Church Street, Port Chester, New York 10573

(the "Secured Party")

FOR VALUE RECEIVED, the Debtor covenants, agrees, warrants, represents, acknowledges, and confirms to and with the Secured Party and creates and grants the mortgages, charges, transfers, assignments, and security interests as follows:

1. Grant of Security Interest. Subject to Section 3, the Debtor hereby grants to the Secured Party a security interest in, all of the Debtor's present and after-acquired personal property, including all inventory, equipment and fixtures, all contracts, accounts and other intangibles, and all investment property, instruments, chattel paper, money and documents of title, and undertaking (collectively, all such property, assets and undertaking is hereinafter referred to as the "**Charged Property**") to secure the payment and performance by the Debtor in respect of the Debtor's obligation to pay the balance of the Purchase Price (as defined in the Asset Purchase Agreement of even date herewith between the Debtor and the Secured Party (the "**Asset Purchase Agreement**") upon the terms and conditions contained in the Asset Purchase Agreement (the "**Secured Obligations**").
2. Debtor's Obligations. The Debtor will not sell, lease or otherwise dispose of any of the Charged Property except that, until default, the Debtor may deal with inventory, accounts and money in the ordinary course of business. The Debtor will not change its name or have any other form of name.
3. Subordinated and Postponed Interest. The Secured Party agrees that the security interest granted to it by the Debtor herein will be subordinate and postponed to any and all existing security granted by the Debtor and any future security interest granted by the Debtor in favour of any financial institution from which the Debtor borrows funds for the purpose of carrying on the business of the Purchaser. The Secured Party will, at the Debtor's request, execute any subordination and postponement agreement with respect to such borrowings as may be reasonably requested by the Debtor in order to evidence such subordination and postponement.

4. Default. The Debtor will be in default under this Agreement if the Debtor fails to make payment or perform any of the Secured Obligations, or if there is a default under any document evidencing any of the Secured Obligations.

5. Remedies. Upon a default hereunder, the Secured Party will have all the rights and remedies of a secured party under the *Personal Property Security Act* (British Columbia), a secured party under Article 9 of the Uniform Commercial Code – Secured Transactions (New York), and of a mortgagee at law or in equity and, in addition, will be entitled to declare payment and performance of all of the Secured Obligations to be immediately due, and will be entitled to appoint any legal person as receiver or receiver and manager (a “Receiver”) of all or any part of the Charged Property. Any Receiver so appointed will have all the rights and remedies of the Secured Party (except the right to appoint a Receiver). Without limiting the rights and remedies referred to above, the Secured Party and any Receiver may, after default, use any or all of the Charged Property in the manner and to the extent it considers commercially reasonable, and may sell, lease or otherwise dispose of the same either for cash or in any manner involving deferred payment. Neither the Secured Party nor any Receiver will be obligated to take any necessary or other steps to preserve rights against others with respect to any investment property, instruments or chattel paper now or hereafter in its possession.

6. Waiver of Statements. The Debtor acknowledges receipt of a copy of this Agreement and waives its right to receive copies of all financing statements, financing change statements and verification statements that may be filed or issued with respect to the security interests created hereby.

7. Enurement. This Agreement shall enure to the benefit of and be binding upon the Parties and their successors and assigns.

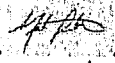
8. Governing Law. This Agreement shall be construed in accordance with and be governed by the laws in force from time to time in the State of New York.

9. Counterparts. This Agreement may be executed in counterpart and may be executed and delivered by facsimile or other electronic means and all such counterparts shall together constitute one and the same agreement.

Dated: February 22, 2013

**CONTECH ENTERPRISES INC.**

**VEGHERB, LLC**

Per:   
Authorized Signatory

Per: \_\_\_\_\_  
Authorized Signatory

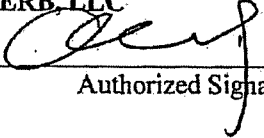
4. Default. The Debtor will be in default under this Agreement if the Debtor fails to make payment or perform any of the Secured Obligations, or if there is a default under any document evidencing any of the Secured Obligations.
5. Remedies. Upon a default hereunder, the Secured Party will have all the rights and remedies of a secured party under the *Personal Property Security Act* (British Columbia), a secured party under Article 9 of the Uniform Commercial Code – Secured Transactions (New York), and of a mortgagee at law or in equity and, in addition, will be entitled to declare payment and performance of all of the Secured Obligations to be immediately due, and will be entitled to appoint any legal person as receiver or receiver and manager (a “Receiver”) of all or any part of the Charged Property. Any Receiver so appointed will have all the rights and remedies of the Secured Party (except the right to appoint a Receiver). Without limiting the rights and remedies referred to above, the Secured Party and any Receiver may, after default, use any or all of the Charged Property in the manner and to the extent it considers commercially reasonable, and may sell, lease or otherwise dispose of the same either for cash or in any manner involving deferred payment. Neither the Secured Party nor any Receiver will be obligated to take any necessary or other steps to preserve rights against others with respect to any investment property, instruments or chattel paper now or hereafter in its possession.
6. Waiver of Statements. The Debtor acknowledges receipt of a copy of this Agreement and waives its right to receive copies of all financing statements, financing change statements and verification statements that may be filed or issued with respect to the security interests created hereby.
7. Enurement. This Agreement shall enure to the benefit of and be binding upon the Parties and their successors and assigns.
8. Governing Law. This Agreement shall be construed in accordance with and be governed by the laws in force from time to time in the State of New York.
9. Counterparts. This Agreement may be executed in counterpart and may be executed and delivered by facsimile or other electronic means and all such counterparts shall together constitute one and the same agreement.

Dated: February 22, 2013

CONTECH ENTERPRISES INC.

Per: \_\_\_\_\_  
Authorized Signatory

VEGHERB, LLC

Per:  \_\_\_\_\_  
Authorized Signatory

AT

This is Exhibit <sup>E</sup> referred to in the  
affidavit of Mart Grambart  
made before me on this 12  
day of January 20 15

~~.....~~  
A Commissioner for taking  
Affidavits for British Columbia

**LICENSE AGREEMENT**

THIS AGREEMENT is made effective as of the 22 day of February, 2013

BETWEEN:

**VEGHERB, LLC (dba Scenery Solutions)**, a limited liability company organized and existing under the laws of the State of New York and having its principal place of business at 222 Grace Church Street, Port Chester, New York 10573

(the "Licensor")

AND:

**CONTECH ENTERPRISES INC.**, a company amalgamated under the laws of the Province of British Columbia, having a place of business at Unit 115, 19 Dallas Road, Victoria, British Columbia, Canada V8V 5A6

(the "Licensee")

**BACKGROUND**

- A. The Licensor and the Licensee have entered into an asset purchase agreement as of the date hereof (the "APA") pursuant to which the Licensee is to purchase the Purchased Assets (as defined in the APA) and is to license the Intellectual Property (as defined in the APA), in each case from the Licensor; and
- B. The Licensor has agreed to grant to the Licensee an exclusive license to use the Intellectual Property worldwide on the terms and conditions set out herein,

NOW THEREFORE, this Agreement witnesses that in consideration of the covenants contained herein, the parties agree as follows:

**1. DEFINITIONS**

- 1.1 Terms not otherwise defined herein have the meaning given in the APA.

**2. LICENSE**

- 2.1 In exchange for \$1.00 and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Licensor, the Licensor hereby grants to the Licensee the right and license under any and all of the Intellectual Property during the term of this Agreement to use, disclose, reproduce, publish, publicly perform, publicly display, develop, make, have made, sell, offer for sale, advertise, market, distribute, supply, import, use, adapt, prepare derivative works of and otherwise exploit the Intellectual Property. The Licensor expressly grants to the Licensee the right to



sublicense to one or more wholly-owned subsidiaries of the Licensor, any and all of the rights licensed to the Licensee pursuant to this Agreement.

**3. TERM AND TERMINATION**

3.1 The term of this Agreement commences on the date hereof and will terminate on the earlier of:

3.1.1 the Licensee fulfilling its obligations in favour of the Licensor with respect to the payments evidenced by the Promissory Note dated of even date herewith and delivered at Closing pursuant to the APA (the "Payments"); or

3.1.2 the Licensee defaulting on its obligations in favour of the Licensor to make the Payments.

**3.2 Effect of Termination.**

3.2.1 Upon the termination of this Agreement in accordance with Section 3.1.1, the Licensor shall transfer to the Licensee the Intellectual Property pursuant to the terms of an Assignment Agreement of even date herewith.

3.2.2 Upon the termination of this Agreement in accordance with Section 3.1.2, the Licensee may continue to exercise the rights granted to it under Section 2.1 in connection with any products made in conjunction with the Intellectual Property that have been manufactured, included in work in process or are called for pursuant to contracts or purchase orders from existing customers of the Licensee as of the date of such termination.

**4. THIRD PARTY INFRINGEMENT**

4.1 If either party becomes aware of any unauthorized use, misappropriation or infringement of the proprietary rights granted to Licensee under this Agreement, the party having such knowledge shall immediately give written notice of the details of the unauthorized use or infringement to the other party. Within 30 days of such notice, both parties shall confer to determine the course of action to be taken with respect to such unauthorized use or infringement. In the event Licensor does not take within 60 days of such notice all reasonable steps and actions necessary to prevent such unauthorized use or infringement from continuing, Licensee shall have the right to take such action as reasonably necessary and appropriate in its own name or the name of Licensor. The parties shall cooperate with each other to the extent reasonably necessary in any legal actions brought pursuant to this provision, including consulting with each other in the conduct of the proceedings as may effect their respective interests. Any damages and other amounts recovered in such proceeding shall be first applied to the reasonable costs and expenses incurred in prosecuting such actions, and any remaining amounts shall be payable to Licensee.

5. **REPRESENTATIONS AND WARRANTIES**

5.1 Licensor represents and warrants that Licensor is the sole owner or licensee of the entire right, title, and interest in and to the Intellectual Property; that it has the right and power to grant the license and other rights granted herein; that there are no other agreements with any third party in conflict with such grant; and that it knows of no prior art or any facts or circumstances that would invalidate any of the Intellectual Property. Licensor further represents and warrants that the use of the Intellectual Property contemplated hereby does not and will not infringe any Intellectual Property Rights of any third party, and that there are no commenced actions against the Licensor for infringement with respect to items embodying the Intellectual Property. Licensor represents and warrants that all information and assistance relating to the Intellectual Property conveyed by it under this Agreement shall be provided with reasonable care and in accordance with industry standards.

6. **GENERAL**

6.1 **Governing Law.** This Agreement shall be governed in all respects by the laws of the Province of British Columbia and the laws of Canada applicable therein and shall be treated in all respects as a British Columbia contract.

6.2 **Severability.** If any provision of this Agreement is held by a court of law to be illegal, invalid or unenforceable, (i) that provision shall be deemed amended to achieve as nearly as possible the same economic effect as the original provision, and (ii) the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected or impaired thereby.

6.3 **Waiver.** The waiver of a term or provision of this Agreement, or of a breach of any provision of this Agreement, shall not be effective unless such waiver is in writing signed by the party making the waiver. No waiver of, or consent to, a breach, will constitute a waiver of, consent to or excuse of any other or subsequent breach. This Agreement may be amended or modified only with the written consent of both the Licensor and the Licensee. No oral waiver, amendment or modification shall be effective under any circumstances whatsoever.

6.4 **Entire Agreement.** This Agreement represents the Licensor's entire understanding with the Licensee with respect to the subject matter of this Agreement and supersedes all previous understandings, written or oral.

6.5 **Enurement and Assignment.** This Agreement shall be binding upon and shall enure to the benefit of the parties and their respective heirs, administrators, executors, successors, and permitted assigns. This Agreement shall not be assigned in whole or in part by the Licensor, nor shall the Licensor subcontract any of his duties or obligations hereunder, to any other person, firm or company without the prior written consent of the Licensee, which consent may be arbitrarily withheld. This Agreement may be assigned by the Licensee to a wholly-owned subsidiary without Licensor's consent.

A.J.

6.6 **Counterparts.** This Agreement may be executed in counterpart and may be executed and delivered by facsimile or other electronic means and all such counterparts shall together constitute one and the same agreement.

**VEGHERB, LLC**

Per:   
Authorized Signatory

**CONTECH ENTERPRISES INC.**

Per: \_\_\_\_\_  
Authorized Signatory


AT

6.6 **Counterparts.** This Agreement may be executed in counterpart and may be executed and delivered by facsimile or other electronic means and all such counterparts shall together constitute one and the same agreement.

**VEGHERB, LLC**

Per: \_\_\_\_\_  
Authorized Signatory

**CONTECH ENTERPRISES INC.**

Per:  \_\_\_\_\_  
Authorized Signatory

This is Exhibit <sup>F</sup>..... referred to in the  
affidavit of Mark Grambert  
made before me on this <sup>12</sup>.....  
day of January 20 15  
.....  
~~.....~~  
A Commissioner for taking  
Affidavits for British Columbia

## ASSIGNMENT AGREEMENT

This Agreement is dated for reference this 22 day of February, 2013.

BETWEEN:

**CONTECH ENTERPRISES INC.**, a company amalgamated under the laws of the Province of British Columbia, having a place of business at Unit 115, 19 Dallas Road, Victoria, British Columbia, Canada V8V 5A6

(the "Company")

AND:

**VEGHERB, LLC (dba Scenery Solutions)**, a limited liability company organized and existing under the laws of the State of New York and having its principal place of business at 222 Grace Church Street, Suite 302, Port Chester, New York 10573

(the "Assignor")

WHEREAS:

- A. Pursuant to the terms of an asset purchase agreement dated as the date hereof (the "APA") by and between the Company and the Assignor, the Company has agreed to license the Intellectual Property from the Assignor pursuant to a license agreement of even date herewith (the "License Agreement");
- B. Pursuant to the terms of the License Agreement, the Company may purchase the Intellectual Property for One Dollar (\$1.00), provided that the Company has fulfilled its obligations in favour of the Assignor with respect to the payments evidenced by the Promissory Note annexed hereto and made a part hereof by reference (the "Promissory Note Payments"); and
- C. the parties wish to enter into an agreement respecting the assignment of the ownership of the Intellectual Property, if, as and when such assignment is to occur.

**NOW THEREFORE IN CONSIDERATION** of the premises and the mutual covenants and agreements hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties covenant and agree as follows:

1. **Assignment.** Subject to the Promissory Note Payments having been received by the Assignor or its permitted successor or assign, for \$1.00 and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Assignor, the Assignor hereby assigns, sells and transfers to the Company, for the Company's benefit and the benefit of its successors and assigns, all of the Assignor's rights, title and interest in and to the Intellectual Property, including, without limitation,

all common law rights and the goodwill associated with the Intellectual Property throughout all countries and jurisdictions, including all applications and registrations in respect thereof, and the right to file further applications for the Intellectual Property and to receive registrations therefor.

2. **Governing Law.** This Agreement shall be governed in all respects by the laws of the Province of British Columbia and the laws of Canada applicable therein and shall be treated in all respects as a British Columbia contract.
3. **Severability.** If any provision of this Agreement is held by a court of law to be illegal, invalid or unenforceable, (i) that provision shall be deemed amended to achieve as nearly as possible the same economic effect as the original provision, and (ii) the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected or impaired thereby.
4. **Waiver; Amendment; Modification.** The waiver by the Company of a term or provision of this Agreement, or of a breach of any provision of this Agreement by the Assignor, shall not be effective unless such waiver is in writing signed by the Company. No waiver by the Company of, or consent by the Company to, a breach by the Assignor, will constitute a waiver of, consent to or excuse of any other or subsequent breach by the Assignor. This Agreement may be amended or modified only with the written consent of both the Assignor and the Company. No oral waiver, amendment or modification shall be effective under any circumstances whatsoever.
5. **Entire Agreement.** This Agreement represents the Assignor's entire understanding with the Company with respect to the subject matter of this Agreement and supersedes all previous understandings, written or oral.
6. **Enurement and Assignment.** This Agreement shall be binding upon and shall enure to the benefit of the parties and their respective heirs, administrators, executors, successors, and permitted assigns. This Agreement shall not be assigned in whole or in part by the Assignor, nor shall the Assignor subcontract any of his duties or obligations hereunder, to any other person, firm or company without the prior written consent of the Company, which consent may not be arbitrarily withheld. This Agreement may not be assigned by the Company to any Affiliate, as defined in the Business Corporations Act (British Columbia), of the Company without Assignor's prior written consent, which shall not be unreasonably withheld.
7. **Defined Terms.** Terms not otherwise defined herein have the meanings given in the APA.

8. **Counterparts.** This Agreement may be executed in counterpart and may be executed and delivered by facsimile or other electronic means and all such counterparts shall together constitute one and the same agreement.

VEGHERB, LLC

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

(Authorized Signatory)

CONTECH ENTERPRISES, INC.

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

(Authorized Signatory)




8. **Counterparts.** This Agreement may be executed in counterpart and may be executed and delivered by facsimile or other electronic means and all such counterparts shall together constitute one and the same agreement.

VEGHERB, LLC

Per: \_\_\_\_\_  
(Authorized Signatory)

CONTECH ENTERPRISES, INC.

Per:  \_\_\_\_\_  
(Authorized Signatory)

This is Exhibit 6 referred to in the  
affidavit of Mark Grambart  
made before me on this 12  
day of January 2015

  
A Commissioner for taking  
Affidavits for British Columbia

## PROMISSORY NOTE

Date of Issue: February 22, 2013  
Port Chester, New York  
Amount: USD \$2,301,650.00

**FOR VALUE RECEIVED**, the undersigned, **CONTECH ENTERPRISES INC.**, a corporation amalgamated under the laws of the Province of British Columbia, Canada, having a principal place of business at Unit 115, 19 Dallas Road, Victoria, British Columbia, Canada, V8V 5A6 (the "Maker"), promises to pay to or to the order of **VEGHERB, LLC**, a limited liability company organized and existing under the laws of the State of New York and having its principal place of business at 222 Grace Church Street, Port Chester, New York 10573 (the "Payee") the principal sum of **Two Million Three Hundred One Thousand Six Hundred Fifty and 00/100 United States Dollars (\$2,301,650.00)** (the "Principal").

The Principal amount of this Promissory Note shall be due and payable in accordance with the following schedule of payments:

### Schedule of Payments:

- (i) \$551,650.00 on or before June 15, 2013;
- (ii) \$50,000.00 on or before September 30, 2013;
- (iii) \$200,000.00 on or before April 1, 2014;
- (iv) \$300,000.00 on or before October 30, 2014;
- (v) \$300,000.00 on or before October 30, 2015;
- (vi) \$300,000.00 on or before October 30, 2016;
- (vii) \$300,000.00 on or before October 30, 2017; and
- (viii) \$300,000.00 on or before October 30, 2018.

1. **Prepayment** - The Maker may prepay in full any and all remaining portion of the outstanding Principal at any time prior to the time a payment is due without bonus or penalty.
2. **Renewal** - The Payee may renew, extend (repeatedly and for any length of time) or modify this Promissory Note so long as such modification is not more onerous on the Maker, from time to time, or release the Maker. The Maker shall be obliged under and pursuant to this Promissory Note until the entire debt evidenced hereby is paid in full, notwithstanding any actions, whether by foreclosure or otherwise, which may be brought to recover any amount payable under this Promissory Note.
3. **Costs and Expenses** - The Maker shall pay the following costs, expenses, and attorney fees paid or incurred by the Payee, or adjudged by a court: (i) all costs of collection and costs, expenses, and attorneys' fees paid or incurred in connection with the collection or enforcement of this Promissory Note, regardless of whether a legal suit is filed; (ii) all costs, expenses, and attorneys' fees paid or incurred in connection with representing the Payee in any bankruptcy, reorganization, receivership, or other proceedings affecting creditors' rights and involving a claim under this Promissory Note; and (iii) all costs of suit and such sum as the a Court may

adjudge as attorneys' fees in any action to enforce payment of this Promissory Note or any part of it.

4. **Payee's Non-Waiver of Rights** - Failure of the Payee to enforce any of its rights or remedies under this Promissory Note shall not constitute a waiver of the rights of the Payee to enforce such rights and remedies thereafter.

5. **Maker's Waivers** - The Maker hereby waives demand and presentment for payment, protest and notice of protest of this Promissory Note.

6. **Transferability** - This Promissory Note may not be assigned or transferred by Payee without Maker's prior written consent. This Promissory Note may not be assigned or transferred by Maker without Payee's prior written consent.

7. **Tax Gross Up** - All payments under this Promissory Note shall be made without defense, setoff or counterclaim, free and clear of and without deduction for any taxes of any nature now or hereafter imposed.

8. **Default** - In the event that Maker fails to pay when due an amount owed under this Promissory Note and such failure continues for five (5) Business Days, any and all of the remaining portion of the Principal shall become immediately due and payable. The outstanding balance of any amount owing under this Promissory Note which is not paid when due shall bear interest at the rate of eight percent (8%) per annum.

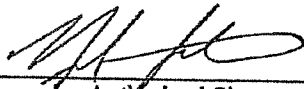
9. **Governing Law** - This Promissory Note and the obligations of the undersigned shall be governed by and construed in accordance with the laws of the State of New York. For purposes of any proceeding involving this Promissory Note or any of the obligations of the undersigned, the undersigned hereby submits to the exclusive jurisdiction of the courts of the State of New York and of the United States having jurisdiction in the State of New York and County of Westchester, and agree not to raise and waive any objection to or defense based upon the venue of any such court and any objection or defense based upon *forum non conveniens*. The undersigned agrees not to bring any action or other proceeding with respect to this Promissory Note or with respect to any of its obligations in any other court unless such courts of the State of New York and of the United States determine that they do not have jurisdiction in the matter.

10. **Amendment** - This Promissory Note may not be amended without the prior written approval of the Payee.

11. **Asset Purchase Agreement** - This Promissory Note is intended to secure payments owed to Payee by Maker in accordance with the terms and conditions of an asset purchase agreement by and between the Maker and Payee of even date herewith.

IN WITNESS WHEREOF the Maker has caused its respective duly authorized signatory to execute and deliver this Promissory Note to the Payee as of the day and year first above written.

CONTECH ENTERPRISES INC.

Per:   
\_\_\_\_\_  
Authorized Signatory  
Name: Mark Grambart  
Title: President

This is Exhibit 4 referred to in the  
affidavit of Mark Grambart  
made before me on this 12  
day of January 20 15

.....  
A Commissioner for taking  
Affidavits for British Columbia

## SUBORDINATION AND STANDSTILL AGREEMENT

THIS AGREEMENT dated for reference February 28, 2013.

### AMONG:

**FIRST WEST CREDIT UNION**, a credit union having an office at 6470 – 201 Street, Langley, British Columbia V2Y 2X4;

("FWC")

### AND:

**VEGHERB, LLC (dba Scenery Solutions)**, a limited liability company organized and existing under the laws of the State of New York and having its principal place of business at 222 Grace Church Street, Suite 302, Port Chester, New York 10573;

(the "Vendor")

### AND:

**CONTECH ENTERPRISES INC.**, a company under the *Business Corporations Act* of British Columbia (BC0889192), having an office at Unit 115 – 19 Dallas Road, Victoria, BC V8V 5A6;

and

**CONTECH (U.S.) INC.**, a corporation incorporated under the laws of the State of Washington (No. 604-368-355), having an office at Unit 115 – 19 Dallas Road, Victoria, BC V8V 5A6

(collectively, the "Borrower")

### WHEREAS:

- A. The Borrower has established certain credit facilities (the "**FWC Credit Facilities**") with FWC under the terms set forth in the FWC Loan Agreement, and the Borrower has granted or may in the future grant certain security to FWC in connection therewith;
- B. The Borrower has also established certain credit facilities (the "**Vendor Credit Facilities**") with the Vendor under the terms set forth in the Vendor Note and the Borrower has granted or may in the future grant certain security to the Vendor in connection therewith; and
- C. The parties hereto have agreed to enter into this Agreement in order to set out the respective priorities of the FWC Security and the Vendor Security.

**IN CONSIDERATION** of the mutual agreements contained in this Agreement, the parties agree as follows:

## 1. DEFINITIONS

In this Agreement, the terms defined in Schedule "A" shall have the meaning attributed to them therein.

## 2. CONSENTS

### 2.1 FWC

FWC consents to and waives any breach by the Borrower of or default under the FWC Security resulting from the creation and issuance of the Vendor Security and to the incurring of the indebtedness secured thereby.

### 2.2 Vendor

The Vendor consents to and waives any breach by the Borrower of or default under the Vendor Security resulting from the creation and issuance of the FWC Security and to the incurring of the indebtedness secured thereby.

## 3. SUBORDINATION

### 3.1 Within the Priority Principal Limit

The Vendor hereby agrees that the Vendor Security, together with all right, title and interest thereunder and the liens, charges and security interests thereof, on the FWC Collateral is hereby postponed and subordinated to the FWC Security, in all respects to the extent of the Priority Principal Limit (as hereinafter defined) plus interest thereon, protective disbursements and related costs and expenses which FWC would be authorized or permitted to charge under the FWC Security as of the date of this Agreement.

The "Priority Principal Limit" means at any time the principal amount of \$1,450,000 less any amount of principal that has been repaid to or cancelled by FWC on account of the non-revolving indebtedness secured by the FWC Security.

### 3.2 Beyond the Priority Principal Limit

Notwithstanding the foregoing, FWC agrees that the FWC Security, together with all right, title and interest thereunder and the liens, charges and security interests thereof, is hereby postponed and subordinated to the Vendor Security to the extent that the principal amount secured by the FWC Security exceeds the Priority Principal Limit.

### 3.3 Exceptions

Notwithstanding anything contained herein to the contrary, the priorities and subordinations and postponements set forth in Section 3.1 shall not apply to:

- (a) any interest payable by the Borrower on account of the FWC Credit Facilities in excess of the interest rates provided in the FWC Loan Agreement as of the date of this Agreement;



- (b) any costs, charges, fees or expenses charged or incurred by FWC which, as of the date of this Agreement, are not provided for as being recoverable under the FWC Security or the FWC Loan Agreement as of the date of this Agreement; or
- (c) any advance or readvance made by FWC in respect of any credit facility or loan other than the FWC Credit Facilities, to the extent that the same may at any time be secured by the FWC Security, in whole or in part.

### **3.4 Applicability of the Subordination**

Subject to Section 3.5, the subordination and postponement contained in this Agreement shall apply in all events and circumstances regardless of:

- (a) the date of execution, attachment, registration, or perfection of any security interest held by FWC or the Vendor;
- (b) the date of any advance or advances made to the Borrower by FWC or the Vendor;
- (c) the date of default by the Borrower under any of the FWC Security and the Vendor Security or the dates of crystallization of any floating charges held by FWC or the Vendor; or
- (d) any priority granted by any principle of law or any statute, including the *Bank Act* (Canada), or any personal property security or like statute.

### **3.5 Exception**

If any part of the FWC Security or the Vendor Security is found to be unenforceable, invalid, unregistered or unperfected against any party other than FWC or the Vendor by a court of competent jurisdiction, and all appeals from any such finding have been heard and determined, or the period for making any such appeal has expired without an appeal being made, then Sections 3.1 to 3.4 inclusive of this Agreement shall not apply to such part of the said security that is unenforceable, invalid, unregistered, or unperfected as against that party.

### **3.6 Proceeds**

Except as provided in Section 5.1 of this Agreement, any Proceeds received by the Borrower, FWC or the Vendor in respect of the collateral charged by the FWC Security shall be dealt with as though such Proceeds were paid or payable as proceeds of realization of the collateral for which they compensate, and all Proceeds received by the Borrower or the Vendor, as the case may be, to the extent of the Priority Principal Limit, shall be held in trust by the Borrower or the Vendor, as the case may be, for FWC in accordance with this Agreement and to that extent will be paid over or otherwise provided to FWC forthwith upon demand.

### **3.7 Access to Collateral**

FWC and the Vendor shall allow each other and their respective agents access at all reasonable times to any property and assets of the Borrower upon which such other party has a charge or security interest to view the same and access to make copies of or extracts from any books of account and all records, ledgers, reports, documents and other writings relating to such property and assets, and shall permit such other party at all reasonable times to remove any property and assets of the Borrower upon which its charge or security interest has priority

under this Agreement from the premises of the Borrower without interference, provided that such other party shall promptly repair any damage caused to the premises by the removal of any such property or assets.

#### **4. COVENANTS OF THE BORROWER**

##### **4.1 Compliance with this Agreement**

The Borrower hereby confirms to and agrees with FWC and the Vendor that, so long as the Borrower remains obligated or indebted to FWC and the Vendor, the Borrower shall hold its assets for FWC and the Vendor in accordance with their respective interests and priorities under this Agreement.

##### **4.2 Release of Information**

Without limiting the generality of Section 4.1, the Borrower hereby specifically consents to the giving of information and notices by FWC and the Vendor to each other as contemplated in this Agreement.

#### **5. STANDSTILL AND PERMITTED PAYMENTS**

##### **5.1 Payments to the Vendor**

Notwithstanding any other provisions of this Agreement, FWC agrees with the Vendor that the Borrower may make payments of principal and interest on account of the Vendor Credit Facilities in accordance with the terms and conditions of the Vendor Note, except that if FWC provides written notice to each of the Vendor and the Borrower confirming that:

- (a) the Borrower is in breach of its financial covenants under the FWC Loan Agreement;
- (b) the making of such payment would cause a breach or Event of Default under the FWC Loan Agreement or the FWC Security;
- (c) FWC is making a demand under the FWC Credit Facilities; or
- (d) there has been an Event of Default under the FWC Loan Agreement or the FWC Security,

then the Borrower will not make, and the Vendor will not accept, any repayment to the Vendor as contemplated in this Section 5.1 unless and until FWC notifies the Vendor and the Borrower in writing that the Borrower may resume such repayments. Any payment received by the Vendor in contravention of this Section 5.1 shall be received in trust for FWC and shall be paid over to FWC forthwith upon receipt, but no such payment shall have the effect of reducing the FWC Credit Facilities until the same is actually received by FWC.

The parties agree that any cash or non-cash payment received by the Vendor and subsequently paid over to FWC pursuant to this Agreement will be deemed to never have been received by the Vendor or applied on account of the Vendor Credit Facilities.

## 5.2 Standstill

Notwithstanding the occurrence of any event of default under the Vendor Security, the Vendor will not take any action against the FWC Collateral or commence any action or other proceedings under the Vendor Security or initiate any bankruptcy or insolvency proceedings against the Borrower, unless or until:

- (a) It has given FWC 60 days written notice of its intention to enforce the Vendor Security;
- (b) it has the prior written consent of FWC to enforce the Vendor Security;
- (c) the Borrower is petitioned or assigned into bankruptcy by a party other than the Vendor;
- (d) there is a stay of proceedings against the Borrower under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* or other similar legislation for the benefit of insolvent debtors; or
- (e) FWC has commenced and not discontinued realization proceedings against the Borrower or the FWC Collateral.

## 5.3 Exception

Notwithstanding the provisions of Section 5.2, the Vendor will be entitled to take any action under the Vendor Security which does not amount to a realization proceeding, including:

- (a) upon the occurrence and during the continuance of a default under the Vendor Security, accelerating the time for payment of any of the monies then owing to it in accordance with the terms of the Vendor Note and making a demand therefor;
- (b) entering the premises of the Borrower to inspect the FWC Collateral and to review, audit and copy all information relating to the FWC Collateral pursuant to the Vendor Security, provided that it does not remove or destroy any such information;
- (c) filing a proof of claim in respect of the Borrower, if a petition in bankruptcy is filed by or against any of the Borrower; and
- (d) participating in any proposal or similar proceeding under the *Companies' Creditors Arrangement Act* (Canada) or the *Bankruptcy and Insolvency Act* (Canada) in respect of any of the Borrower in a manner not inconsistent with this Agreement.

## 6. GENERAL

### 6.1 Information

From time to time and upon request, FWC and the Vendor will advise each other of the particulars of the indebtedness and liability of the Borrower to each, and all security held by each therefor.

## 6.2 Further Assurance

FWC, the Vendor and the Borrower shall from time to time do, perform, execute and deliver all acts, deeds and documents as may be necessary to give full force and effect to the intent of this Agreement, provided, however, that no consent of the Borrower shall be necessary to any amendment of the terms hereof by FWC and the Vendor unless the interests of the Borrower are directly affected thereby. The Vendor appoints FWC, or its solicitors, as the Vendor's agents to make any registrations or filings as may be necessary or desirable with respect to this Agreement, including the registration of any financing change statement at the Personal Property Registry for the province of British Columbia.

## 6.3 Financing Statement

The Borrower waives any right it may have to require FWC or the Vendor to deliver to it a copy of the financing statement, financing change statement or verification statement resulting from a registration of the particulars of this Agreement at the Personal Property Registry for the province of British Columbia.

## 6.4 Notice of Demand

Prior to making any demand on the Borrower for repayment of any funds owed, FWC or the Vendor, as the case may be, shall provide each other 72 hours prior notice of such demand, provided, however, that if the party making the demand determines in good faith that any delay in demanding payment would be prejudicial to it, then such notice need only be given at the time that demand for payment is made, or so soon thereafter as may be reasonably practicable. Neither FWC nor the Vendor shall be liable for any accidental omission to provide notice as required pursuant to this Section 6.4. Notwithstanding anything else stated herein, any failure by Vendor to serve proper notice upon FWC pursuant to this paragraph 6.4 shall not constitute a defence to repayment by Borrower of amounts owed to Vendor.

## 6.5 Notice

Any notice required or permitted to be given pursuant to this Agreement shall be in writing and shall be addressed and delivered to the parties as follows:

- (a) in the case of FWC, addressed as follows:

**FIRST WEST CREDIT UNION**  
6470 201 Street  
Langley, BC V2Y 2X4

Attention: Kristi Miller

Fax No: 604.501.4261

- (b) in the case of the Vendor, addressed as follows:

**VEGHERB, LLC**  
222 Grace Church Street  
Suite 302  
Port Chester, NY 10573

Attention : Managing Member

Fax No: 914.933.0158

with a copy to:

**PENN & ASSOCIATES, LLP**  
767 Third Avenue, Suite 3600  
New York, NY 10017-2023

Attention: Craig E. Penn, Esq.

Fax No: 888.506.3339

Phone: 212.661.5700

cpenn@cpennlaw.com

(c) in the case of the Borrower, addressed as follows:

**CONTECH ENTERPRISES INC.**  
**CONTECH (U.S.) INC.**  
Unit 115 – 19 Dallas Road  
Victoria, BC V8V 5A6

Attention: Mark Grambart, President

Facsimile No.: 250.383.3163

with a copy to:

**FASKEN MARTINEAU DUMOULIN LLP**  
2900 – 550 Burrard Street  
Vancouver, BC V6C 0A3

Attention: Prentice Durbin

Fax No: 604.631.3232

Notices may be transmitted by fax or email or delivered personally and in each case shall be deemed to be received on the day it is so transmitted or delivered, if that day is a business day, or otherwise on the next business day following the transmission or delivery.

#### **6.6 Counterparts**

This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument and shall be effective as of the reference date specified on page one of this Agreement.

#### **6.7 Enurement**

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns, and shall be governed by the laws of British Columbia.

**6.9 Assignment**

Neither FWC nor the Vendor shall sell, transfer, assign or otherwise deal with any of their interests in the FWC Security or the Vendor Security, as the case may be, without first obtaining from the proposed transferee, assignee or chargee an agreement whereby the proposed transferee, assignee or chargee agrees to be bound by the provisions hereof.

**6.10 Extension**

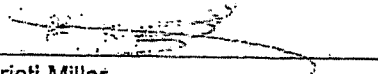
FWC may grant time, renewals, extensions, releases and discharges to, accept compositions from and otherwise deal with the Borrower as FWC may see fit, the whole without notice to the Vendor and without prejudice to or in any way limiting or affecting the agreements on the part of the Vendor set forth in this Agreement.

**6.11 PPSA Registration Particulars**

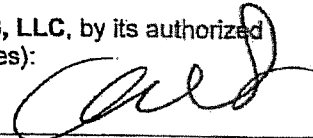
The Vendor authorizes FWC or its agents to complete Schedules "B" and "C" hereto with all appropriate PPSA registration particulars.

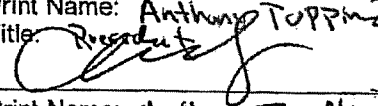
**IN WITNESS WHEREOF** the parties have executed this Agreement as of the day and year first above written.

**FIRST WEST CREDIT UNION**, by its authorized signatory:

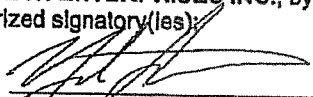
Per:   
\_\_\_\_\_  
Kristi Miller  
Vice President

**VEGHERB, LLC**, by its authorized signatory(ies):

Per:   
\_\_\_\_\_  
Print Name: Anthony Topping  
Title: President

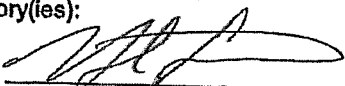
Per:   
\_\_\_\_\_  
Print Name: Anthony Topping  
Title: President

**CONTECH ENTERPRISES INC.**, by its authorized signatory(ies):

Per:   
Print Name: Mark Granbolt  
Title: President

Per: \_\_\_\_\_  
Print Name:  
Title:

**CONTECH (U.S.) INC.**, by its authorized signatory(ies):

Per:   
Print Name: Mark Granbolt  
Title: President

Per: \_\_\_\_\_  
Print Name:  
Title:

## SCHEDULE "A"

Unless otherwise defined in this Agreement, all terms with initial capital letters shall have the meaning ascribed to them in the PPSA.

The following terms shall have the following meanings:

- (a) **"Agreement"** means this subordination and standstill agreement dated for reference February 28, 2013, as the same may be amended, extended, renewed, restated, superseded or replaced and in effect from time to time;
- (b) **"Event of Default"** means a breach of a covenant or other term or condition of the FWC Loan Agreement;
- (c) **"FWC Collateral"** means all of the personal property, assets, effects and undertaking of the Borrower, both present and future, of whatsoever kind and wheresoever situate, and all proceeds and renewals thereof and therefrom, accretions thereto and substitutions therefor;
- (d) **"FWC Loan Agreement"** means the loan agreement between FWC and the Borrower dated for reference February 28, 2013, as may be amended, extended, renewed, restated, superseded or replaced and in effect from time to time;
- (e) **"FWC Security"** means each and every document, instrument or security now or at any time in the future issued or granted to or held by FWC in connection with the FWC Loan Agreement which creates or purports to create a mortgage, charge or security interest upon or in all or any part of the FWC Collateral, including without limiting the generality of the foregoing, the security issued or granted to or held by FWC or which is the subject of or derives its priority from any registration as described in Schedule "B" hereto and any modification, extension, renewal or substitution thereof or therefor in effect from time to time;
- (f) **"PPSA"** means the *Personal Property Security Act* (British Columbia);
- (g) **"Proceeds"** has the same meaning as defined in the PPSA;
- (h) **"Vendor Note"** means the **USD\$2,301,650.00** promissory note issued by Contech Enterprises Inc. to the Vendor in the form attached as Schedule "D" hereto; and
- (i) **"Vendor Security"** means each and every document, instrument or security now or at any time in the future issued or granted to or held by the Vendor in connection with the Vendor Note which creates or purports to create a mortgage, charge or security interest upon or in all or any part of the FWC Collateral, including without limiting the generality of the foregoing, the security issued or granted to or held by the Vendor or which is the subject of or derives its priority from any registration as described in Schedule "C" hereto and any modification, extension, renewal or substitution thereof or therefor in effect from time to time.

Except where the context may otherwise require, all references to the FWC Security, the Vendor Security and the FWC Collateral include where applicable in each case each or any of them separately or any part or parts thereof separately.



**SCHEDULE "B"**

**(FWC Security)**

Any and all security agreements from time to time which are the subject of or derive their priority from the financing statements registered in the British Columbia Personal Property Registry as follows:

<b>Name of Debtor(s)</b>	<b>Registration Date</b>	<b>Base Registration Number</b>
Contech Enterprises Inc. Contech (U.S.) Inc.	February 18, 2013	195617H (British Columbia)
Contech Enterprises Inc. Contech (U.S.) Inc.	February 18, 2013	22634752 (New Brunswick)
Contech Enterprises Inc. Contech (U.S.) Inc.	February 22, 2013	2013-053-0439-9 (State of Washington)

**SCHEDULE "C"****(Vendor Security)**

Any and all security agreements from time to time which are the subject of or derive their priority from the financing statements registered in the British Columbia Personal Property Registry as follows:

<b>Name of Debtor(s)</b>	<b>Registration Date</b>	<b>Base Registration Number</b>
Contech Enterprises Inc.	July 27, 2011	271217G
Contech Enterprises Inc.	January 31, 2012	565779G
Contech Enterprises Inc.	July 25, 2012	867614G
Contech Enterprises Inc.	October 29, 2012	024396H

**SCHEDULE "D"**  
**PROMISSORY NOTE**

## PROMISSORY NOTE

Date of Issue: February 22, 2013  
Port Chester, New York  
Amount: USD \$2,301,650.00

FOR VALUE RECEIVED, the undersigned, CONTECH ENTERPRISES INC., a corporation amalgamated under the laws of the Province of British Columbia, Canada, having a principal place of business at Unit 115, 19 Dallas Road, Victoria, British Columbia, Canada, V8V 5A6 (the "Maker"), promises to pay to or to the order of VEGHERB, LLC, a limited liability company organized and existing under the laws of the State of New York and having its principal place of business at 222 Grace Church Street, Port Chester, New York 10573 (the "Payee") the principal sum of Two Million Three Hundred One Thousand Six Hundred Fifty and 00/100 United States Dollars (\$2,301,650.00) (the "Principal").

The Principal amount of this Promissory Note shall be due and payable in accordance with the following schedule of payments:

### Schedule of Payments:

- (i) \$551,650.00 on or before June 15, 2013;
- (ii) \$50,000.00 on or before September 30, 2013;
- (iii) \$200,000.00 on or before April 1, 2014;
- (iv) \$300,000.00 on or before October 30, 2014;
- (v) \$300,000.00 on or before October 30, 2015;
- (vi) \$300,000.00 on or before October 30, 2016;
- (vii) \$300,000.00 on or before October 30, 2017; and
- (viii) \$300,000.00 on or before October 30, 2018.

1. **Prepayment** - The Maker may prepay in full any and all remaining portion of the outstanding Principal at any time prior to the time a payment is due without bonus or penalty.
2. **Renewal** - The Payee may renew, extend (repeatedly and for any length of time) or modify this Promissory Note so long as such modification is not more onerous on the Maker, from time to time, or release the Maker. The Maker shall be obliged under and pursuant to this Promissory Note until the entire debt evidenced hereby is paid in full, notwithstanding any actions, whether by foreclosure or otherwise, which may be brought to recover any amount payable under this Promissory Note.
3. **Costs and Expenses** - The Maker shall pay the following costs, expenses, and attorney fees paid or incurred by the Payee, or adjudged by a court: (i) all costs of collection and costs, expenses, and attorneys' fees paid or incurred in connection with the collection or enforcement of this Promissory Note, regardless of whether a legal suit is filed; (ii) all costs, expenses, and attorneys' fees paid or incurred in connection with representing the Payee in any bankruptcy, reorganization, receivership, or other proceedings affecting creditors' rights and involving a claim under this Promissory Note; and (iii) all costs of suit and such sum as the a Court may

adjudge as attorneys' fees in any action to enforce payment of this Promissory Note or any part of it.

4. Payee's Non-Waiver of Rights - Failure of the Payee to enforce any of its rights or remedies under this Promissory Note shall not constitute a waiver of the rights of the Payee to enforce such rights and remedies thereafter.

5. Maker's Waivers - The Maker hereby waives demand and presentment for payment, protest and notice of protest of this Promissory Note.

~~6. Transferability - This Promissory Note may not be assigned or transferred by Payee without Maker's prior written consent. This Promissory Note may not be assigned or transferred by Maker without Payee's prior written consent.~~

7. Tax Gross Up - All payments under this Promissory Note shall be made without defense, setoff or counterclaim, free and clear of and without deduction for any taxes of any nature now or hereafter imposed.

8. Default - In the event that Maker fails to pay when due an amount owed under this Promissory Note and such failure continues for five (5) Business Days, any and all of the remaining portion of the Principal shall become immediately due and payable. The outstanding balance of any amount owing under this Promissory Note which is not paid when due shall bear interest at the rate of eight percent (8%) per annum.

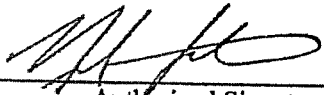
9. Governing Law - This Promissory Note and the obligations of the undersigned shall be governed by and construed in accordance with the laws of the State of New York. For purposes of any proceeding involving this Promissory Note or any of the obligations of the undersigned, the undersigned hereby submits to the exclusive jurisdiction of the courts of the State of New York and of the United States having jurisdiction in the State of New York and County of Westchester, and agree not to raise and waive any objection to or defense based upon the venue of any such court and any objection or defense based upon *forum non conveniens*. The undersigned agrees not to bring any action or other proceeding with respect to this Promissory Note or with respect to any of its obligations in any other court unless such courts of the State of New York and of the United States determine that they do not have jurisdiction in the matter.

10. Amendment - This Promissory Note may not be amended without the prior written approval of the Payee.

11. Asset Purchase Agreement - This Promissory Note is intended to secure payments owed to Payee by Maker in accordance with the terms and conditions of an asset purchase agreement by and between the Maker and Payee of even date herewith.

IN WITNESS WHEREOF the Maker has caused its respective duly authorized signatory to execute and deliver this Promissory Note to the Payee as of the day and year first above written.

CONTECH ENTERPRISES INC.

Per:   
\_\_\_\_\_  
Authorized Signatory  
Name: Mark Grambart  
Title: President

This is Exhibit I referred to in the  
affidavit of Mark Grambart  
made before me on this 12  
day of January 2015

~~.....~~  
A Commissioner for taking  
Affidavits for British Columbia

## SUBORDINATION AND STANDSTILL AGREEMENT

**THIS AGREEMENT** dated for reference February 28, 2013 **AMONG:**

**HSBC BANK CANADA**, a bank having an office at 100-771  
Vernon Avenue, Victoria, BC V8X 5A7;

(“**HSBC**”)

**AND:**

**VEGHERB, LLC**, a limited liability company organized and  
existing under the laws of the State of New York and having its  
principal place of business at 222 Grace Church Street, Suite  
302, Port Chester, New York 10573;

(the “**Vendor**”)

**AND:**

**CONTECH ENTERPRISES INC.**, a company under the *Business  
Corporations Act* of British Columbia (BC0889192), having an  
office at Unit 115 – 19 Dallas Road, Victoria, BC V8V 5A6;

and

**CONTECH (U.S.) INC.**, a corporation incorporated under the laws  
of the State of Washington (No. 604-368-355), having an office at  
Unit 115 – 19 Dallas Road, Victoria, BC V8V 5A6

(collectively, the “**Borrower**”)

### **WHEREAS:**

- A. The Borrower has established certain credit facilities (the “**HSBC Credit Facilities**”) with HSBC under the terms set forth in the HSBC Loan Agreement, and the Borrower has granted or may in the future grant certain security to HSBC in connection therewith;
- B. The Borrower is indebted to the Vendor (the “**Vendor Credit Facilities**”) and the Borrower has granted or may in the future grant certain security to the Lender in connection therewith; and
- C. The parties hereto have agreed to enter into this Agreement in order to set out the respective priorities of the HSBC Security and the Vendor Security.

**IN CONSIDERATION** of the mutual agreements contained in this Agreement, the parties agree as follows:

### **1. DEFINITIONS**

In this Agreement, the terms defined in Schedule “A” shall have the meaning attributed to them therein.

RESTRICTED



## **2. CONSENTS**

### **2.1 HSBC**

HSBC consents to and waives any breach by the Borrower of or default under the HSBC Security resulting from the creation and issuance of the Vendor Security and to the incurring of the indebtedness secured thereby.

### **2.2 The Vendor**

The Vendor consents to and waives any breach by the Borrower of or default under the Vendor Security resulting from the creation and issuance of the HSBC Security and to the incurring of the indebtedness secured thereby.

## **3. SUBORDINATION**

### **3.1 Vendor Subordinates to HSBC**

The Vendor hereby agrees that the Vendor Security, together with all right, title and interest thereunder and the liens, charges and security interests thereof, in the HSBC Collateral is hereby postponed and subordinated to the HSBC Security, in all respects.

### **3.2 Exceptions**

Notwithstanding anything contained herein to the contrary, the priorities and subordinations and postponements set forth in Section 3.1 shall not apply to:

- (a) any interest payable by the Borrower on account of the HSBC Credit Facilities in excess of the interest rates provided in the HSBC Loan Agreement as of the date of this Agreement; or
- (b) any costs, charges, fees or expenses charged or incurred by HSBC which, as of the date of this Agreement, are not provided for as being recoverable under the HSBC Security or the HSBC Loan Agreement as of the date of this Agreement.

### **3.3 Applicability of the Subordination**

Subject to Section 3.4, the subordination and postponement contained in this Agreement shall apply in all events and circumstances regardless of:

- (a) the date of execution, attachment, registration, or perfection of any security interest held by HSBC or the Vendor;
- (b) the date of any advance or advances made to the Borrower by HSBC or the Vendor;
- (c) the date of default by the Borrower under any of the HSBC Security and the Vendor Security or the dates of crystallization of any floating charges held by HSBC or the Vendor; or
- (d) any priority granted by any principle of law or any statute, including the *Bank Act* (Canada), or any personal property security or like statute.

### **3.4 Exception**

If any part of the HSBC Security or the Vendor Security is found to be unenforceable, invalid, unregistered or unperfected against any party other than HSBC or the Vendor by a court of competent jurisdiction, and all appeals from any such finding have been heard and determined, or the period for making any such appeal has expired without an appeal being made, then Sections 3.1 to 3.4 inclusive of this Agreement shall not apply to such part of the said security that is unenforceable, invalid, unregistered, or unperfected as against that party.

### **3.5 Proceeds**

Except as provided in Section 5.1 of this Agreement, any Proceeds received by the Borrower, HSBC or the Vendor in respect of the collateral charged by the HSBC Security shall be dealt with as though such Proceeds were paid or payable as proceeds of realization of the collateral for which they compensate, and all Proceeds received by the Borrower or the Vendor, as the case may be, to the extent of the amounts then owing under or secured by the HSBC Security, shall be held in trust by the Borrower or the Vendor, as the case may be, for HSBC in accordance with this Agreement and to that extent will be paid over or otherwise provided to HSBC forthwith upon demand.

### **3.6 Access to Collateral**

HSBC and the Vendor shall allow each other and their respective agents access at all reasonable times to any property and assets of the Borrower upon which such other party has a charge or security interest to view the same and access to make copies of or extracts from any books of account and all records, ledgers, reports, documents and other writings relating to such property and assets, and shall permit such other party at all reasonable times to remove any property and assets of the Borrower upon which its charge or security interest has priority under this Agreement from the premises of the Borrower without interference, provided that such other party shall promptly repair any damage caused to the premises by the removal of any such property or assets.

## **4. COVENANTS OF THE BORROWER**

### **4.1 Compliance with this Agreement**

The Borrower hereby confirms to and agrees with HSBC and the Vendor that, so long as the Borrower remains obligated or indebted to HSBC and the Vendor, the Borrower shall hold its assets for HSBC and the Vendor in accordance with their respective interests and priorities under this Agreement.

### **4.2 Release of Information**

Without limiting the generality of Section 4.1, the Borrower hereby specifically consents to the giving of information and notices by HSBC and the Vendor to each other as contemplated in this Agreement.

## 5. STANDSTILL AND PERMITTED PAYMENTS

### 5.1 Payments to the Vendor

Notwithstanding any other provisions of this Agreement, HSBC agrees with the Vendor that the Borrower may make periodic payments of principal on account of the Vendor Credit Facilities which the Borrower is expressly obligated to make under the Vendor Note, except that if HSBC provides written notice to each of the Vendor and the Borrower confirming that:

- (a) the Borrower is in breach of its financial covenants under the HSBC Loan Agreement;
- (b) the making of such payment would cause a breach or Event of Default under the HSBC Loan Agreement or the HSBC Security;
- (c) HSBC is making a demand under the HSBC Credit Facilities; or
- (d) there has been an Event of Default under the HSBC Loan Agreement or the HSBC Security,

then the Borrower will not make, and the Vendor will not accept, any repayment to the Vendor as contemplated in this Section 5.1 unless and until HSBC notifies the Vendor and the Borrower in writing that the Borrower may resume such repayments; AND upon receipt of such written notice the Vendor will promptly notify HSBC of all payments received from the Borrower within the immediately preceding 60 days, and will promptly pay over to HSBC on request all such payments which were made while the Borrower was in breach of its financial covenants under the HSBC Loan Agreement or which caused a breach or Event of Default under the HSBC Loan Agreement or the HSBC Security. Without the prior written consent of HSBC the Borrower will not make and the Vendor will not accept any payments in excess of or in addition to the periodic principal payments payable and set forth in the Schedule of Payments under a promissory note dated February 22, 2013 in the amount of \$2,301,650.00 issued by the Borrower to the Vendor, as follows:

- (i) \$551,650.00 on or before June 15, 2013;
- (ii) \$50,000.00 on or before September 30, 2013;
- (iii) \$200,000.00 on or before April 1, 2014;
- (iv) \$300,000.00 on or before October 30, 2014;
- (v) \$300,000.00 on or before October 30, 2015;
- (vi) \$300,000.00 on or before October 30, 2016;
- (vii) \$300,000.00 on or before October 30, 2017;
- (viii) \$300,000.00 on or before October 30, 2018;

Any payment received by the Vendor in contravention of this Section 5.1 shall be received in trust for HSBC and shall be paid over to HSBC forthwith upon receipt, but no such payment shall have the effect of reducing the HSBC Credit Facilities until the same is actually received by HSBC.

The parties agree that any cash or non-cash payment received by the Vendor and subsequently paid over to HSBC pursuant to this Agreement will be deemed to never have been received by the Vendor or applied on account of the Vendor Credit Facilities.

## 5.2 Standstill

Notwithstanding the occurrence of any event of default under the Vendor Security, the Vendor will not take any action against the HSBC Collateral or commence any action or other proceedings under the Vendor Security or initiate any bankruptcy or insolvency proceedings against the Borrower, unless or until:

- (a) it has given HSBC 60 days written notice of its intention to enforce the Vendor Security;
- (b) it has the prior written consent of HSBC to enforce the Vendor Security;
- (c) the Borrower is petitioned or assigned into bankruptcy by a party other than the Vendor;
- (d) there is a stay of proceedings against the Borrower under the *Bankruptcy and Insolvency Act (Canada)*, the *Companies' Creditors Arrangement Act* or other similar legislation in Canada or the United States of America for the benefit of insolvent debtors; or
- (e) HSBC has commenced and not discontinued realization proceedings against the Borrower or the HSBC Collateral.

## 5.3 Exception

Notwithstanding the provisions of Section 5.2, the Vendor will be entitled to take any action under the Vendor Security which does not amount to a realization proceeding, including:

- (a) upon the occurrence and during the continuance of a default under the Vendor Security, accelerating the time for payment of any of the monies then owing to it in accordance with the terms of the Vendor Note and making a demand therefor;
- (b) entering the premises of the Borrower to inspect the HSBC Collateral and to review, audit and copy all information relating to the HSBC Collateral pursuant to the Vendor Security, provided that it does not remove or destroy any such information;
- (c) filing a proof of claim in respect of the Borrower, if a petition or assignment in bankruptcy is filed by or against any of the Borrower; and
- (d) participating in any proposal or similar proceeding under the *Companies' Creditors Arrangement Act (Canada)* or the *Bankruptcy and Insolvency Act (Canada)* in respect of any of the Borrower in a manner not inconsistent with this Agreement.

## 6. GENERAL

### 6.1 Information

From time to time and upon request, HSBC and the Vendor will advise each other of the particulars of the indebtedness and liability of the Borrower to each, and all security held by each therefor.

## 6.2 Further Assurance

HSBC, the Vendor and the Borrower shall from time to time do, perform, execute and deliver all acts, deeds and documents as may be necessary to give full force and effect to the intent of this Agreement, provided, however, that no consent of the Borrower shall be necessary to any amendment of the terms hereof by HSBC and the Vendor unless the interests of the Borrower are directly affected thereby. The Vendor appoints HSBC, or its solicitors, as the Vendor's agents to make any registrations or filings as may be necessary or desirable with respect to this Agreement, including the registration of any financing change statement at the Personal Property Registry for the province of British Columbia.

## 6.3 Financing Statement

The Borrower waives any right it may have to require HSBC or the Vendor to deliver to it a copy of the financing statement, financing change statement or verification statement resulting from a registration of the particulars of this Agreement at the Personal Property Registry for the province of British Columbia.

## 6.4 Notice of Demand

Prior to making any demand on the Borrower for repayment of any funds owed, HSBC or the Vendor, as the case may be, shall provide each other 72 hours prior notice of such demand, provided, however, that if the party making the demand determines in good faith that any delay in demanding payment would be prejudicial to it, then such notice need only be given at the time that demand for payment is made, or so soon thereafter as may be reasonably practicable. Neither HSBC nor the Vendor shall be liable for any accidental omission to provide notice as required pursuant to this Section 6.4. Notwithstanding anything else stated herein, any failure by Vendor to serve proper notice upon HSBC pursuant to this paragraph 6.4 shall not constitute a defence to repayment by Borrower of amounts owed to Vendor.

## 6.5 Notice

Any notice required or permitted to be given pursuant to this Agreement shall be in writing and shall be addressed and delivered to the parties as follows:

- (a) in the case of HSBC, addressed as follows:

**HSBC BANK CANADA**  
100-771 Vernon Avenue  
Victoria, BC V8X 5A7

Attention: Manager Commercial Banking

Fax No: 250 405 7196

- (b) in the case of the Vendor, addressed as follows:

**VEGHERB, LLC**  
222 Grace Church Street Suite 302  
Port Chester, NY 10573

**Attention : Managing Member**

Fax No: 914.933.0158

with a copy to:

**PENN & ASSOCIATES, LLP**  
767 Third Avenue, Suite 3600  
New York, NY 10017-2023

Attention: Craig E. Penn, Esq.

Fax No: 888.506.3339

Phone: 212.661.5700

[cpenn@cpennlaw.com](mailto:cpenn@cpennlaw.com)

(c) in the case of the Borrower, addressed as follows:

**CONTECH ENTERPRISES INC.**  
**CONTECH (U.S.) INC.**  
Unit 115 – 19 Dallas Road  
Victoria, BC V8V 5A6

Attention: Mark Grambart, President

Facsimile No.: 250.383.3163

with a copy to:

**FASKEN MARTINEAU DUMOULIN LLP**  
2900 – 550 Burrard Street  
Vancouver, BC V6C 0A3

Attention: Prentice Durbin

Fax No: 604.631.3232

Notices may be transmitted by fax or email or delivered personally and in each case shall be deemed to be received on the day it is so transmitted or delivered, if that day is a business day, or otherwise on the next business day following the transmission or delivery.

## 6.6 Counterparts

This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument and shall be effective as of the reference date specified on page one of this Agreement.

**6.7 Enurement**

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns, and shall be governed by the laws of British Columbia.

**6.8 Termination**

This Agreement shall terminate upon the earlier of:

- (a) the payment and satisfaction in full of all monies owed by the Borrower to HSBC and the discharge of the HSBC Security and any registrations described in Schedule "B" hereto; and
- (b) the written agreement of HSBC and the Vendor to that effect.

**6.9 Assignment**

Neither HSBC nor the Vendor shall sell, transfer, assign or otherwise deal with any of their interests in the HSBC Security or the Vendor Security, as the case may be, without first obtaining from the proposed transferee, assignee or chargee an agreement whereby the proposed transferee, assignee or chargee agrees to be bound by the provisions hereof.

**6.10 Extension**

HSBC may amend the HSBC Credit Facilities or grant time, renewals, extensions, releases and discharges to, accept compositions from and otherwise deal with the Borrower as HSBC may see fit, the whole without notice to the Vendor and without prejudice to or in any way limiting or affecting the agreements on the part of the Vendor set forth in this Agreement.

**6.11 PPSA Registration Particulars**

The Vendor authorizes HSBC or its agents to complete Schedules "B" and "C" hereto with all appropriate PPSA registration particulars.

**IN WITNESS WHEREOF** the parties have executed this Agreement as of the day and year first above written.


**HSBC BANK CANADA**  
by its authorized signator(ies):

Per: \_\_\_\_\_  
Print Name:  
Title:

Per: \_\_\_\_\_  
Print Name:  
Title:

**VEGHERB, LLC**

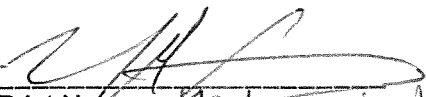
by its authorized signatory(ies):

Per:   
Print Name: Anthony Toppin  
Title: President

Per: \_\_\_\_\_  
Print Name:  
Title:

**CONTECH ENTERPRISES INC.**

by its authorized signatory(ies):

Per:   
Print Name: Mark Garbutt  
Title: President + CEO

Per: \_\_\_\_\_  
Print Name:  
Title:



## SCHEDULE "A"

Unless otherwise defined in this Agreement, all terms with initial capital letters shall have the meaning ascribed to them in the PPSA.

The following terms shall have the following meanings:

- (a) **"Agreement"** means this subordination and standstill agreement dated for reference February 28, 2013, as the same may be amended, extended, renewed, restated, superseded or replaced and in effect from time to time;
- (b) **"Event of Default"** means a breach of a covenant or other term or condition of the HSBC Loan Agreement or the HSBC Security;
- (c) **"HSBC Collateral"** means all of the personal property, assets, effects and undertaking of the Borrower, both present and future, of whatsoever kind and wheresoever situate, and all proceeds and renewals thereof and therefrom, accretions thereto and substitutions therefor;
- (d) **"HSBC Loan Agreement"** means the loan agreement between HSBC and the Borrower dated for reference July 5, 2011 and amended by letter agreements dated September 30, 2011 and February 22, 2013, as the same may be amended, extended, renewed, restated, superseded or replaced and in effect from time to time;
- (e) **"HSBC Security"** means each and every document, instrument or security now or at any time in the future issued or granted to or held by HSBC in connection with the HSBC Loan Agreement which creates or purports to create a mortgage, charge or security interest upon or in all or any part of the HSBC Collateral, including without limiting the generality of the foregoing, the security issued or granted to or held by HSBC which is the subject of or derives its priority from any registration as described in Schedule "B" hereto and any modification, extension, renewal or substitution thereof or therefor in effect from time to time;
- (f) **"PPSA"** means the *Personal Property Security Act* (British Columbia);
- (g) **"Proceeds"** has the same meaning as defined in the PPSA;
- (h) **"Vendor Note"** means the **USD\$2,301,650.00** promissory note issued by Contech Enterprises Inc. to the Vendor in the form attached as Schedule "D" hereto; and
- (i) **"Vendor Security"** means each and every document, instrument or security now or at any time in the future issued or granted to or held by the Vendor in connection with the Vendor Note or any other obligation of the Borrower to the Vendor which creates or purports to create a mortgage, charge or security interest upon or in all or any part of the HSBC Collateral, including without limiting the generality of the foregoing, the security issued or granted to or held by the Vendor or which is the subject of or derives its priority from any registration as described in Schedule "C" hereto (if any) and any modification, extension, renewal or substitution thereof or therefor in effect from time to time.

Except where the context may otherwise require, all references to the HSBC Security, the Vendor Security and the HSBC Collateral include where applicable in each case each or any of them separately or any part or parts thereof separately.

**SCHEDULE "B"**  
**(HSBC Security)**

Any and all security agreements from time to time which are the subject of or derive their priority from the financing statements registered in the British Columbia Personal Property Registry as follows:

<b>Name of Debtor(s)</b>	<b>Registration Date</b>	<b>Base Registration Number</b>
Contech Enterprises Inc	July 20, 2011	259740G

**SCHEDULE "C"**  
**(Vendor Security)**

Any and all security agreements from time to time which are the subject of or derive their priority from the financing statements registered in the British Columbia Personal Property Registry as follows:

<b>Name of Debtor(s)</b>	<b>Registration Date</b>	<b>Base Registration Number</b>
<b>Contech Enterprises Inc.</b>	<b>February 22, 2013</b>	<b>203231H</b>

**SCHEDULE "D"**  
**PROMISSORY NOTES**

**PROMISSORY NOTE**

Date of Issue: February 22, 2013  
Port Chester, New York  
Amount: USD \$2,301,650.00

FOR VALUE RECEIVED, the undersigned, CONTECH ENTERPRISES INC., a corporation amalgamated under the laws of the Province of British Columbia, Canada, having a principal place of business at Unit 115, 19 Dallas Road, Victoria, British Columbia, Canada, V8V 5A6 (the "Maker"), promises to pay to or to the order of VEGHERB, LLC, a limited liability company organized and existing under the laws of the State of New York and having its principal place of business at 222 Grace Church Street, Port Chester, New York 10573 (the "Payee") the principal sum of Two Million Three Hundred One Thousand Six Hundred Fifty and 00/100 United States Dollars (\$2,301,650.00) (the "Principal").

The Principal amount of this Promissory Note shall be due and payable in accordance with the following schedule of payments:

**Schedule of Payments:**

- (i) \$551,650.00 on or before June 15, 2013;
- (ii) \$50,000.00 on or before September 30, 2013;
- (iii) \$200,000.00 on or before April 1, 2014;
- (iv) \$300,000.00 on or before October 30, 2014;
- (v) \$300,000.00 on or before October 30, 2015;
- (vi) \$300,000.00 on or before October 30, 2016;
- (vii) \$300,000.00 on or before October 30, 2017; and
- (viii) \$300,000.00 on or before October 30, 2018.

1. **Prepayment** - The Maker may prepay in full any and all remaining portion of the outstanding Principal at any time prior to the time a payment is due without bonus or penalty.
2. **Renewal** - The Payee may renew, extend (repeatedly and for any length of time) or modify this Promissory Note so long as such modification is not more onerous on the Maker, from time to time, or release the Maker. The Maker shall be obliged under and pursuant to this Promissory Note until the entire debt evidenced hereby is paid in full, notwithstanding any actions, whether by foreclosure or otherwise, which may be brought to recover any amount payable under this Promissory Note.
3. **Costs and Expenses** - The Maker shall pay the following costs, expenses, and attorney fees paid or incurred by the Payee, or adjudged by a court: (i) all costs of collection and costs, expenses, and attorneys' fees paid or incurred in connection with the collection or enforcement of this Promissory Note, regardless of whether a legal suit is filed; (ii) all costs, expenses, and attorneys' fees paid or incurred in connection with representing the Payee in any bankruptcy, reorganization, receivership, or other proceedings affecting creditors' rights and involving a claim under this Promissory Note; and (iii) all costs of suit and such sum as the a Court may

adjudge as attorneys' fees in any action to enforce payment of this Promissory Note or any part of it.

4. **Payee's Non-Waiver of Rights** - Failure of the Payee to enforce any of its rights or remedies under this Promissory Note shall not constitute a waiver of the rights of the Payee to enforce such rights and remedies thereafter.

5. **Maker's Waivers** - The Maker hereby waives demand and presentment for payment, protest and notice of protest of this Promissory Note.

6. **Transferability** - This Promissory Note may not be assigned or transferred by Payee without Maker's prior written consent. This Promissory Note may not be assigned or transferred by Maker without Payee's prior written consent.

7. **Tax Gross Up** - All payments under this Promissory Note shall be made without defense, setoff or counterclaim, free and clear of and without deduction for any taxes of any nature now or hereafter imposed.

8. **Default** - In the event that Maker fails to pay when due an amount owed under this Promissory Note and such failure continues for five (5) Business Days, any and all of the remaining portion of the Principal shall become immediately due and payable. The outstanding balance of any amount owing under this Promissory Note which is not paid when due shall bear interest at the rate of eight percent (8%) per annum.

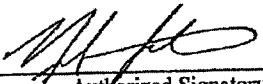
9. **Governing Law** - This Promissory Note and the obligations of the undersigned shall be governed by and construed in accordance with the laws of the State of New York. For purposes of any proceeding involving this Promissory Note or any of the obligations of the undersigned, the undersigned hereby submits to the exclusive jurisdiction of the courts of the State of New York and of the United States having jurisdiction in the State of New York and County of Westchester, and agree not to raise and waive any objection to or defense based upon the venue of any such court and any objection or defense based upon *forum non conveniens*. The undersigned agrees not to bring any action or other proceeding with respect to this Promissory Note or with respect to any of its obligations in any other court unless such courts of the State of New York and of the United States determine that they do not have jurisdiction in the matter.

10. **Amendment** - This Promissory Note may not be amended without the prior written approval of the Payee.

11. **Asset Purchase Agreement** - This Promissory Note is intended to secure payments owed to Payee by Maker in accordance with the terms and conditions of an asset purchase agreement by and between the Maker and Payee of even date herewith.

IN WITNESS WHEREOF the Maker has caused its respective duly authorized signatory to execute and deliver this Promissory Note to the Payee as of the day and year first above written.

CONTECH ENTERPRISES INC.

Per:   
Authorized Signatory  
Name: Mark Grambart  
Title: President

This is Exhibit J referred to in the  
affidavit of Mark Grambart  
made before me on this 12  
day of January 20 15

.....  
A Commissioner for taking  
Affidavits for British Columbia

Lterm: XPSP0050 BC OnLine: PPRS SEARCH RESULT 2014/11/28  
For: PR57536 FASKEN MARTINEAU DUMOULIN LLP 14:06:41

Search Criteria: CONTECH ENTERPRISES INC Index: BUSINESS DEBTOR

\*\*\*\*\* P P S A S E C U R I T Y A G R E E M E N T \*\*\*\*\*

Reg. Date: JAN 17, 1996 Reg. Length: 9 YEARS  
Reg. Time: 14:37:52 Expiry Date: JAN 17, 2028  
Base Reg. #: 6182140 Control #: B1797864

\*\*\* Expiry date includes subsequent registered renewal(s).  
Block#

S0001 Secured Party: BUSINESS DEVELOPMENT BANK OF CANADA  
990 FORT STREET  
VICTORIA BC V8V 3K2

D0001 Base Debtor: CONTECH ELECTRONICS INC  
(Business) 600-1070 DOUGLAS STREET  
VICTORIA B.C. V8W 2C4

Vehicle collateral:

Type	Serial #	Year	Make/Model	MH Reg.#
+++ MV	2B4GH45R2NR571103	1992	DODGE CARAVAN SE	

General collateral:

ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND WITHOUT LIMITATION CROPS, LICENCES AND FIXTURES

Registering

Party: BUSINESS DEVELOPMENT BANK OF CANADA  
LGL DEPT 700 601 HASTINGS ST W  
VANCOUVER BC V6B 5G9

\*\*\* Name/Address Changed on April 22, 1998 to:

Registering

Party: BUSINESS DEVELOPMENT BANK OF CANADA  
LGL DEPT MAIN FLR. 505 BARRARD  
VANCOUVER BC V7X 1V3

\*\*\* Name/Address Changed on December 7, 2000 to:

Registering

Party: BUSINESS DEVELOPMENT BANK OF CANADA  
LGL DEPT PO BOX 6 505 BARRARD  
VANCOUVER BC V7X 1V3

\*\*\* Name/Address Changed on May 23, 2007 to:

Registering

Party: BUSINESS DEVELOPMENT BANK OF CANADA  
LGL DEPT PO BOX 6 505 BARRARD  
VANCOUVER BC V7X 1M3



Search Criteria: CONTECH ENTERPRISES INC

Page: 2

----- P A R T I A L D I S C H A R G E -----

Reg. #: 8144235 Reg. Date: MAR 09, 1999  
 Reg. Time: 08:30:00  
 Control #: C1690716

Base Reg. Type: PPSA SECURITY AGREEMENT  
 Base Reg. #: 6182140 Base Reg. Date: JAN 17, 1996

Vehicle Collateral:  
 Type Serial # Year Make/Model MH Reg.#

\*\* DELETED \*\*

+++ MV 2B4GH45R2NR571103 1992 DODGE CARAVAN SE

Registering

Party: BUSINESS DEVELOPMENT BANK OF CANADA  
 LGL DEPT MAIN FLR. 505 BURRARD  
 VANCOUVER BC V7X 1V3

\*\*\* Name/Address Changed on December 7, 2000 to:

Registering

Party: BUSINESS DEVELOPMENT BANK OF CANADA  
 LGL DEPT PO BOX 6 505 BURRARD  
 VANCOUVER BC V7X 1V3

\*\*\* Name/Address Changed on May 23, 2007 to:

Registering

Party: BUSINESS DEVELOPMENT BANK OF CANADA  
 LGL DEPT PO BOX 6 505 BURRARD  
 VANCOUVER BC V7X 1M3

----- R E N E W A L -----

Reg. #: 8417414 Reg. Date: AUG 13, 1999  
 Reg. Life: 6 YEARS Reg. Time: 12:44:08  
 Control #: C0011534

Base Reg. Type: PPSA SECURITY AGREEMENT  
 Base Reg. #: 6182140 Base Reg. Date: JAN 17, 1996

Registering

Party: MCCONNAN BION O'CONNOR & PETERSON  
 420 880 DOUGLAS STREET  
 VICTORIA BC V8W 2B7

----- A M E N D M E N T / O T H E R C H A N G E -----

Reg. #: 8417827 Reg. Date: AUG 13, 1999  
 Reg. Time: 12:44:08  
 Control #: C0011531

Base Reg. Type: PPSA SECURITY AGREEMENT  
 Base Reg. #: 6182140 Base Reg. Date: JAN 17, 1996

Details Description:

PRIORITY AGREEMENT GRANTING THE SECURED PARTY  
 PRIORITY OVER ROYAL BANK OF CANADA'S INTEREST UNDER BASE

Search Criteria: CONTECH ENTERPRISES INC

Page: 3

Registering

Party: MCCONNAN BION O'CONNOR & PETERSON  
420 880 DOUGLAS STREET  
VICTORIA BC V8W 2B7

----- ADDITION OF COLLATERAL / PROCEEDS -----

Reg. #: 8419983                      Reg. Date: AUG 17, 1999  
Reg. Time: 12:19:37  
Control #: C0011532

Base Reg. Type: PPSA SECURITY AGREEMENT  
Base Reg. #: 6182140              Base Reg. Date: JAN 17, 1996

General collateral:

\*\*\* ADDED \*\*\*

ALL OF THE DEBTOR'S CONTRACTUAL RIGHTS, LICENSES AND ALL OTHER  
CHOSSES IN ACTION OF EVERY KIND WHICH NOW ARE OF WHICH MAY AT ANY TIME  
BE DUE OR OWING TO OR OWNED BY THE DEBTOR AND ALL OTHER INTANGIBLE  
PROPERTY OF THE DEBTOR THAT IS NOT ACCOUNTS, CHATTEL PAPER, INSTRUMENT  
DOCUMENTS OF TITLE, INTELLECTUAL PROPERTY, SECURITIES OR MONEY.

Registering

Party: MCCONNAN BION O'CONNOR & PETERSON  
420 880 DOUGLAS STREET  
VICTORIA BC V8W 2B7

----- R E N E W A L -----

Reg. #: 503514B                      Reg. Date: JAN 27, 2004  
Reg. Life: 12 YEARS              Reg. Time: 08:38:31  
Control #: B5785617

Base Reg. Type: PPSA SECURITY AGREEMENT  
Base Reg. #: 6182140              Base Reg. Date: JAN 17, 1996

Registering

Party: MCCONNAN BION O'CONNOR & PETERSON  
420 880 DOUGLAS STREET  
VICTORIA BC V8W 2B7

----- R E N E W A L -----

Reg. #: 276693C                      Reg. Date: APR 07, 2005  
Reg. Life: 5 YEARS              Reg. Time: 08:23:02  
Control #: B6583876

Base Reg. Type: PPSA SECURITY AGREEMENT  
Base Reg. #: 6182140              Base Reg. Date: JAN 17, 1996

Registering

Party: BUSINESS DEVELOPMENT BANK OF CANADA  
LGL DEPT PO BOX 6 505 BURRARD  
VANCOUVER BC V7X 1V3

\*\*\* Name/Address Changed on May 23, 2007 to:

Contech PPRSSearchResult.txt

Registering

Party: BUSINESS DEVELOPMENT BANK OF CANADA  
LGL DEPT PO BOX 6 505 BARRARD  
VANCOUVER BC V7X 1M3

Continued on Page 4

Search Criteria: CONTECH ENTERPRISES INC

Page: 4

----- A M E N D M E N T / O T H E R C H A N G E -----

Reg. #: 800040E

Reg. Date: JAN 26, 2009

Reg. Time: 16:05:53

Control #: B9183362

Base Reg. Type: PPSA SECURITY AGREEMENT

Base Reg. #: 6182140

Base Reg. Date: JAN 17, 1996

Details Description:

TO RECORD ADDITION OF DEBTOR RESULTING FROM CERTIFICATES  
OF AMALGAMATION NUMBER BC0838779 AND BC0838836

Block#

\*\*\* ADDED \*\*\*

D0002

Bus. Debtor: PHERO TECH INTERNATIONAL INC.  
115 - 19 DALLAS ROAD  
VICTORIA BC V8V 5A6

Registering

Party: BUSINESS DEVELOPMENT BANK OF CANADA  
LGL DEPT PO BOX 6 505 BARRARD  
VANCOUVER BC V7X 1M3

----- A M E N D M E N T / O T H E R C H A N G E -----

Reg. #: 862243E

Reg. Date: MAR 09, 2009

Reg. Time: 14:31:57

Control #: B9247361

Base Reg. Type: PPSA SECURITY AGREEMENT

Base Reg. #: 6182140

Base Reg. Date: JAN 17, 1996

Details Description:

TO RECORD THE NAME CHANGE OF DEBTOR RESULTING FROM  
CERTIFICATE OF NAME CHANGE NO. BC838836

Block#

\*\*\* ADDED \*\*\*

=D0003

Bus. Debtor: CONTECH ENTERPRISES INC.  
115 - 19 DALLAS ROAD  
VICTORIA BC V8V 5A6

Registering

Party: BUSINESS DEVELOPMENT BANK OF CANADA  
LGL DEPT PO BOX 6 505 BARRARD  
VANCOUVER BC V7X 1M3

----- A M E N D M E N T / O T H E R C H A N G E -----

Reg. #: 379921G

Reg. Date: OCT 03, 2011

Reg. Time: 10:10:05

Control #: D0802437

Contech PPRSSearchResult.txt  
Base Reg. Type: PPSA SECURITY AGREEMENT  
Base Reg. #: 6182140 Base Reg. Date: JAN 17, 1996

Details Description:  
SUBORDINATION AGREEMENT IN FAVOUR OF HSBC BANK CANADA  
SECURITY AGREEMENT REGISTERED JULY 20, 2011 AS BASE  
REGISTRATION NUMBER 259740G GRANTING PRIORITY OVER ALL

Continued on Page 5

Search Criteria: CONTECH ENTERPRISES INC Page: 5

PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE BASE  
DEBTOR EXCEPT FIXED ASSETS, FURNITURE AND EQUIPMENT.

Registering  
Party: CREASE HARMAN LLP  
800 - 1070 DOUGLAS STREET  
VICTORIA BC V8W 2S8

\*\*\*\*\* P P S A S E C U R I T Y A G R E E M E N T \*\*\*\*\*

Reg. Date: JAN 28, 2009 Reg. Length: 19 YEARS  
Reg. Time: 13:13:33 Expiry Date: JAN 28, 2028  
Base Reg. #: 803192E Control #: B9186655

Block#

S0001 Secured Party: BUSINESS DEVELOPMENT BANK OF CANADA  
990 FORT STREET  
VICTORIA BC V8V 3K2

D0001 Base Debtor: PHERO TECH INTERNATIONAL INC.  
(Business) 2900, 550 BURRARD STREET  
VANCOUVER BC V6C 0A3

General collateral:  
ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND  
WITHOUT LIMITATION, ALL CROPS, FIXTURES AND LICENCES.

Registering  
Party: BUSINESS DEVELOPMENT BANK OF CANADA  
LGL DEPT PO BOX 6 505 BURRARD  
VANCOUVER BC V7X 1M3

----- A M E N D M E N T / O T H E R C H A N G E -----

Reg. #: 862248E Reg. Date: MAR 09, 2009  
Reg. Time: 14:34:31  
Control #: B9247366  
Base Reg. Type: PPSA SECURITY AGREEMENT  
Base Reg. #: 803192E Base Reg. Date: JAN 28, 2009

Details Description:  
TO RECORD THE NAME CHANGE OF DEBTOR RESULTING FROM  
CERTIFICATE OF CHANGE OF NAME NO. BC0838836

Block#

\*\*\* ADDED \*\*\*  
=D0002 Bus. Debtor: CONTECH ENTERPRISES INC.  
115 - 19 DALLAS ROAD  
VICTORIA BC V8V 5A6

Page 5

Registering

Party: BUSINESS DEVELOPMENT BANK OF CANADA  
LGL DEPT PO BOX 6 505 BARRARD  
VANCOUVER BC V7X 1M3

Continued on Page 6

Search Criteria: CONTECH ENTERPRISES INC

Page: 6

----- A M E N D M E N T / O T H E R C H A N G E -----

Reg. #: 379981G

Reg. Date: OCT 03, 2011

Reg. Time: 10:23:26

Control #: D0802450

Base Reg. Type: PPSA SECURITY AGREEMENT

Base Reg. #: 803192E

Base Reg. Date: JAN 28, 2009

Details Description:

SUBORDINATION AGREEMENT IN FAVOUR OF HSBC BANK CANADA  
SECURITY AGREEMENT REGISTERED JULY 20, 2011 AS BASE  
REGISTRATION NUMBER 259740G GRANTING PRIORITY OVER ALL  
PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE  
BUSINESS DEBTOR CONTECH ENTERPRISES INC.  
EXCEPT FIXED ASSETS, FURNITURE AND EQUIPMENT.

Registering

Party: CREASE HARMAN LLP  
800 -1070 DOUGLAS STREET  
VICTORIA BC V8W 2S8

\*\*\*\*\* P P S A S E C U R I T Y A G R E E M E N T \*\*\*\*\*

Reg. Date: JUL 20, 2011

Reg. Length: 5 YEARS

Reg. Time: 16:00:25

Expiry Date: JUL 20, 2016

Base Reg. #: 259740G

Control #: D0663299

Block#

S0001 Secured Party: HSBC BANK CANADA  
#100 - 771 VERNON AVENUE  
VICTORIA BC V8X 5A7

=D0001 Base Debtor: CONTECH ENTERPRISES INC.  
(Business) 115 - 19 DALLAS ROAD  
VICTORIA BC V8V 5A6

General Collateral:

ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY AND A FLOATING CHARGE  
ON ALL PRESENT AND AFTER ACQUIRED REAL PROPERTY.

Registering

Party: CREASE HARMAN LLP  
800 - 1070 DOUGLAS STREET  
VICTORIA BC V8W 2S8

Contech PPRSSearchResult.txt  
\*\*\*\*\* P P S A S E C U R I T Y A G R E E M E N T \*\*\*\*\*

Reg. Date: JUL 27, 2011 Reg. Length: 2 YEARS  
Reg. Time: 14:35:19 Expiry Date: JUL 27, 2016  
Base Reg. #: 271217G Control #: D0692387

\*\*\* Expiry date includes subsequent registered renewal(s).  
Block#

+++ Secured Party: SALLY HELEN ZAPLATYNSKY  
4805 HEADLAND CLOSE  
WEST VANCOUVER BC V7W 3C2

Continued on Page 7

Search Criteria: CONTECH ENTERPRISES INC

Page: 7

S0002 Secured Party: LAUREL RAYANI  
128 EBERTS STREET  
VICTORIA BC V8S 3H7  
  
+++ Secured Party: FIONA FINLAYSON MANNING  
2050 LORNE TERRACE  
VICTORIA BC V8S 2H8  
  
+++ Secured Party: MARIANNE HOOPER  
207 MARY HILL ROAD  
VICTORIA BC V9C 3Z2  
  
S0005 Secured Party: CARY GREGORY  
1160 BALTIMORE PIKE  
GETTYSBURG PA 17325  
  
S0006 Secured Party: JANET GREGORY  
1160 BALTIMORE PIKE  
GETTYSBURG PA 17325  
  
S0007 Secured Party: JULIEN SELLGREN  
1996 WEST 13TH AVENUE  
VANCOUVER BC V6J 2H6  
  
S0008 Secured Party: JANET SHANNON  
2090 STONEHEWER PLACE  
VICTORIA BC V8S 2Z7  
  
=D0001 Base Debtor: CONTECH ENTERPRISES INC  
(Business) UNIT 115, 19 DALLAS ROAD  
VICTORIA BC V8V 5A6

General Collateral:

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY,  
INCLUDING WITHOUT LIMITATION FIXTURES (AND TERMS USED HEREIN THAT  
ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT OF BRITISH COLUMBIA  
OR THE REGULATIONS MADE THEREUNDER HAVE THOSE DEFINED MEANINGS)

Registering

Party: FASKEN MARTINEAU DUMOULIN LLP  
SUITE 2900, 550 BURREARD STREET  
VANCOUVER BC V6C 0A3

Contech PPRSSearchResult.txt

----- A M E N D M E N T / O T H E R C H A N G E -----

Reg. #: 379832G Reg. Date: OCT 03, 2011  
Reg. Time: 10:05:37  
Control #: D0803399  
Base Reg. Type: PPSA SECURITY AGREEMENT  
Base Reg. #: 271217G Base Reg. Date: JUL 27, 2011

Details Description:  
SUBORDINATION AGREEMENT IN FAVOUR OF HSBC BANK CANADA  
SECURITY AGREEMENT REGISTERED JULY 20, 2011 AS BASE  
REGISTRATION NUMBER 259740G.

Continued on Page 8

Search Criteria: CONTECH ENTERPRISES INC

Page: 8

Registering

Party: CREASE HARMAN LLP  
800 - 1070 DOUGLAS STREET  
VICTORIA BC V8W 2S8

----- R E N E W A L -----

Reg. #: 867601G Reg. Date: JUL 25, 2012  
Reg. Life: 3 YEARS Reg. Time: 15:40:03  
Control #: D1303106  
Base Reg. Type: PPSA SECURITY AGREEMENT  
Base Reg. #: 271217G Base Reg. Date: JUL 27, 2011

Registering

Party: FASKEN MARTINEAU DUMOULIN LLP  
SUITE 2900, 550 BARRARD STREET  
VANCOUVER BC V6C 0A3

----- A M E N D M E N T / O T H E R C H A N G E -----

Reg. #: 886937G Reg. Date: AUG 07, 2012  
Reg. Time: 09:40:58  
Control #: D1322913  
Base Reg. Type: PPSA SECURITY AGREEMENT  
Base Reg. #: 271217G Base Reg. Date: JUL 27, 2011

Details Description:  
DELETE SECURED PARTY

Block#

\*\* DELETED \*\*  
+++ Secured Party: MARIANNE HOOPER  
207 MARY HILL ROAD  
VICTORIA BC V9C 3Z2

Registering

Party: FASKEN MARTINEAU DUMOULIN LLP  
SUITE 2900, 550 BARRARD STREET  
VANCOUVER BC V6C 0A3

Page 8

Contech PPRSSearchResult.txt

----- A M E N D M E N T / O T H E R C H A N G E -----

Reg. #: 956711H Reg. Date: MAY 14, 2014  
Reg. Time: 16:15:42  
Control #: D2419835

Base Reg. Type: PPSA SECURITY AGREEMENT  
Base Reg. #: 271217G Base Reg. Date: JUL 27, 2011

Details Description:  
DELETE SECURED PARTIES

Block#

\*\*\* DELETED \*\*\*  
+++ Secured Party: SALLY HELEN ZAPLATYNSKY  
4805 HEADLAND CLOSE  
WEST VANCOUVER BC V7W 3C2

Continued on Page 9

Search Criteria: CONTECH ENTERPRISES INC

Page: 9

\*\*\* DELETED \*\*\*  
+++ Secured Party: FIONA FINLAYSON MANNING  
2050 LORNE TERRACE  
VICTORIA BC V8S 2H8

Registering  
Party: FASKEN MARTINEAU DUMOULIN LLP  
SUITE 2900, 550 BURRARD STREET  
VANCOUVER BC V6C 0A3

\*\*\*\*\* P P S A S E C U R I T Y A G R E E M E N T \*\*\*\*\*

Reg. Date: DEC 20, 2011 Reg. Length: 5 YEARS  
Reg. Time: 14:31:46 Expiry Date: DEC 20, 2016  
Base Reg. #: 508533G Control #: D0935066

Block# Special Info.: TRUST INDENTURE

S0001 Secured Party: K'(PRIME) TECHNOLOGIES INC.  
105, 90 FREEPORT BLVD NE  
CALGARY AB T4B 2S9

S0002 Secured Party: THE TORONTO-DOMINION BANK  
340 - 5TH AVENUE SW  
CALGARY AB T2P 0L3

+++ Base Debtor: CONTECH ENTERPRISES INC.  
(Business) 7572 PROGRESS WAY  
DELTA BC V4G 1E9

General Collateral:  
LEASE #BC-CI-10012011-QU.2011.0283 REV1  
1 KP-G1088A 5973N GC-MSD TURBO PUMP SYSTEM S/N US1091548  
1 CHEMSTATION S/N FX629-2227F-QE96P-N82N8  
1 PC S/N CAC81500NB



Contech PPRSSearchResult.txt  
1 MONITOR S/N 3CQ9180HRG  
1 KP-G1530A 6890 PLUS GC SYSTEM S/N US00033289  
1 KP-G2913A 7683 ALS INJECTION TOWER S/N CN81648670  
1 KP-G2614A 7683 SAMPLE TRAY S/N CN22721189

Registering

Party: E-SEARCH.CA  
10011 - 170 STREET NW  
EDMONTON AB T5P 4R5

----- A M E N D M E N T / O T H E R C H A N G E -----

Reg. #: 508559G Reg. Date: DEC 20, 2011  
Reg. Time: 14:38:57  
Control #: D0935142

Base Reg. Type: PPSA SECURITY AGREEMENT  
Base Reg. #: 508533G Base Reg. Date: DEC 20, 2011

Block# Details Description:  
TO DELETE DEBTOR D0001 AND ADD A DEBTOR.

Continued on Page 10

Search Criteria: CONTECH ENTERPRISES INC

Page: 10

\*\*\* DELETED \*\*\*  
+++ Bus. Debtor: CONTECH ENTERPRISES INC.  
7572 PROGRESS WAY  
DELTA BC V4G 1E9

\*\*\* ADDED \*\*\*  
=D0002 Bus. Debtor: CONTECH ENTERPRISES INC.  
7572 PROGRESS WAY  
DELTA BC V4G 1E9

Registering

Party: E-SEARCH.CA  
10011 - 170 STREET NW  
EDMONTON AB T5P 4R5

\*\*\*\*\* P P S A S E C U R I T Y A G R E E M E N T \*\*\*\*\*

Reg. Date: JAN 31, 2012 Reg. Length: 2 YEARS  
Reg. Time: 14:52:03 Expiry Date: JAN 31, 2017  
Base Reg. #: 565779G Control #: D0993749

Block# \*\*\* Expiry date includes subsequent registered renewal(s).

+++ Secured Party: BC ADVANTAGE FUNDS (VCC) LTD  
1500 - 885 WEST GEORGIA STREET  
VANCOUVER BC V6C 3E8

S0002 Secured Party: MARK GRAMBART  
3008 OAKDOWNE ROAD  
VICTORIA BC V8R 5N9

+++ Secured Party: DAVID RADICK  
144 WELLINGTON AVENUE

S0004 Secured Party: CARY GREGORY  
1160 BALTIMORE PIKE  
GETTYSBURG PA 17325

S0005 Secured Party: JANET GREGORY  
1160 BALTIMORE PIKE  
GETTYSBURG PA 17325

=D0001 Base Debtor: CONTECH ENTERPRISES INC  
(Business) UNIT 115, 19 DALLAS ROAD  
VICTORIA BC V8V 5A6

General collateral:

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY,  
INCLUDING WITHOUT LIMITATION FIXTURES, AND AN UNCRYSTALLIZED  
FLOATING CHARGE ON LAND (AND TERMS USED HEREIN THAT ARE DEFINED IN  
THE PERSONAL PROPERTY SECURITY ACT OF BRITISH COLUMBIA OR THE  
REGULATIONS MADE THEREUNDER HAVE THOSE DEFINED MEANINGS)

Registering

Party: FASKEN MARTINEAU DUMOULIN LLP  
SUITE 2900, 550 BURRARD STREET  
VANCOUVER BC V6C 0A3

Continued on Page 11

Search Criteria: CONTECH ENTERPRISES INC

Page: 11

----- R E N E W A L -----

Reg. #: 867603G Reg. Date: JUL 25, 2012  
Reg. Life: 3 YEARS Reg. Time: 15:40:46  
Control #: D1303110  
Base Reg. Type: PPSA SECURITY AGREEMENT  
Base Reg. #: 565779G Base Reg. Date: JAN 31, 2012

Registering

Party: FASKEN MARTINEAU DUMOULIN LLP  
SUITE 2900, 550 BURRARD STREET  
VANCOUVER BC V6C 0A3

----- A M E N D M E N T / O T H E R C H A N G E -----

Reg. #: 886965G Reg. Date: AUG 07, 2012  
Reg. Time: 09:43:04  
Control #: D1322931  
Base Reg. Type: PPSA SECURITY AGREEMENT  
Base Reg. #: 565779G Base Reg. Date: JAN 31, 2012

Details Description:  
DELETE SECURED PARTY

Block#

\*\* DELETED \*\*  
+++ Secured Party: BC ADVANTAGE FUNDS (VCC) LTD  
1500 - 885 WEST GEORGIA STREET  
VANCOUVER BC V6C 3E8

Contech PPRSSearchResult.txt

Registering Party: FASKEN MARTINEAU DUMOULIN LLP  
SUITE 2900, 550 BURRARD STREET  
VANCOUVER BC V6C 0A3

----- A M E N D M E N T / O T H E R C H A N G E -----

Reg. #: 307047I Reg. Date: NOV 25, 2014  
Reg. Time: 11:28:33  
Control #: D2778760

Base Reg. Type: PPSA SECURITY AGREEMENT  
Base Reg. #: 565779G Base Reg. Date: JAN 31, 2012

Details Description:  
DELETE SECURED PARTY

Block#

\*\* DELETED \*\*

+++ Secured Party: DAVID RADICK  
144 WELLINGTON AVENUE  
VICTORIA BC V8V 4H7

Registering Party: FASKEN MARTINEAU DUMOULIN LLP  
SUITE 2900, 550 BURRARD STREET  
VANCOUVER BC V6C 0A3

Continued on Page 12

Search Criteria: CONTECH ENTERPRISES INC

Page: 12

\*\*\*\*\* P P S A S E C U R I T Y A G R E E M E N T \*\*\*\*\*

Reg. Date: JUL 25, 2012 Reg. Length: 4 YEARS  
Reg. Time: 15:47:12 Expiry Date: JUL 25, 2016  
Base Reg. #: 867614G Control #: D1303111

Block#

- S0001 Secured Party: BURMAN AND BURMAN CORP  
895 STRANGCREST PLACE  
VICTORIA BC V8Y 1J7
- S0002 Secured Party: MICHAEL BRENNER  
2741 DALLAIRE AVENUE SW  
CALGARY AB T3E 7T1
- S0003 Secured Party: ANDERS TREIBERG  
474 SMELT BAY ROAD, BOX 248  
MANSONS LANDING BC V0P 1K0
- S0004 Secured Party: ELISABETH TREIBERG  
474 SMELT BAY ROAD, BOX 248  
MANSONS LANDING BC V0P 1K0
- S0005 Secured Party: MINZAR HOLDINGS LTD  
1494 DALLAS ROAD  
VICTORIA BC V8S 1A2

Contech PPRSSearchResult.txt  
+++ Secured Party: 0827951 BC LTD  
30140 NICHOLSON ROAD  
ABBOTSFORD BC V4X 2G5

=D0001 Base Debtor: CONTECH ENTERPRISES INC  
(Business) UNIT 115, 19 DALLAS ROAD  
VICTORIA BC V8V 5A6

General Collateral:

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY,  
INCLUDING WITHOUT LIMITATION FIXTURES, AND AN UNCRYSTALLIZED  
FLOATING CHARGE ON LAND (AND TERMS USED HEREIN THAT ARE DEFINED IN  
THE PERSONAL PROPERTY SECURITY ACT OF BRITISH COLUMBIA OR THE  
REGULATIONS MADE THEREUNDER HAVE THOSE DEFINED MEANINGS)

Registering

Party: FASKEN MARTINEAU DUMOULIN LLP  
SUITE 2900, 550 BURRARD STREET  
VANCOUVER BC V6C 0A3

----- A M E N D M E N T / O T H E R C H A N G E -----

Reg. #: 199266H Reg. Date: FEB 20, 2013

Reg. Time: 10:27:34

Control #: D1643089

Base Reg. Type: PPSA SECURITY AGREEMENT

Base Reg. #: 867614G

Base Reg. Date: JUL 25, 2012

Details Description:

CORRECT TYPOGRAPHICAL ERROR IN SECURED PARTY NAME

Block#

Continued on Page 13

Search Criteria: CONTECH ENTERPRISES INC

Page: 13

\*\* DELETED \*\*

+++ Secured Party: 0827951 BC LTD  
30140 NICHOLSON ROAD  
ABBOTSFORD BC V4X 2G5

\*\*\* ADDED \*\*\*

S0007 Secured Party: 0872951 BC LTD  
30140 NICHOLSON ROAD  
ABBOTSFORD BC V4X 2G5

Registering

Party: FASKEN MARTINEAU DUMOULIN LLP  
SUITE 2900, 550 BURRARD STREET  
VANCOUVER BC V6C 0A3

\*\*\*\*\* P P S A S E C U R I T Y A G R E E M E N T \*\*\*\*\*

Reg. Date: OCT 29, 2012

Reg. Time: 09:21:05

Base Reg. #: 024396H

Reg. Length: 2 YEARS

Expiry Date: OCT 29, 2014

Control #: D1463841

\*\*\* This registration has expired.

Block#

S0001 Secured Party: JOSEPH C. FUNG

Page 13

Contech PPRSSearchResult.txt  
1304 BLOOMFIELD AVENUE  
HOBOKEN NJ 07030

=D0001 Base Debtor: CONTECH ENTERPRISES INC  
(Business) #115-19 DALLAS ROAD  
VICTORIA BC V8V 5A6

General collateral:  
ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY,  
INCLUDING WITHOUT LIMITATION FIXTURES (AND TERMS USED HEREIN THAT ARE  
DEFINED IN THE PERSONAL PROPERTY SECURITY ACT OF BRITISH COLUMBIA OR  
THE REGULATIONS MADE THEREUNDER HAVE THOSE DEFINED MEANINGS).

Registering  
Party: FASKEN MARTINEAU DUMOULIN LLP  
SUITE 2900, 550 BARRARD STREET  
VANCOUVER BC V6C 0A3

\*\*\*\*\* P P S A S E C U R I T Y A G R E E M E N T \*\*\*\*\*

Reg. Date: DEC 05, 2012 Reg. Length: 3 YEARS  
Reg. Time: 13:28:08 Expiry Date: DEC 05, 2015  
Base Reg. #: 087855H Control #: D1528841

Block#

S0001 Secured Party: DELL FINANCIAL SERVICES CANADA  
LIMITED  
155 GORDON BAKER RD, STE 501  
NORTH YORK ON M2H 3N5

=D0001 Base Debtor: CONTECH ENTERPRISES INC.  
(Business) STE 11-19 DALLAS RD  
VICTORIA BC V8V5A6

Continued on Page 14

Search Criteria: CONTECH ENTERPRISES INC

Page: 14

General collateral:  
ALL DELL AND NON DELL COMPUTER EQUIPMENT AND PERIPHERALS WHEREVER  
LOCATED HERETOFORE OR HEREAFTER LEASED TO DEBTOR BY SECURED PARTY  
PURSUANT TO AN EQUIPMENT LEASE TOGETHER WITH ALL SUBSTITUTIONS,  
ADDITIONS, ACCESSIONS AND REPLACEMENTS THERETO AND THEREOF NOW AND  
HEREAFTER INSTALLED IN, AFFIXED TO, OR USED IN CONJUNCTION WITH SUCH  
EQUIPMENT AND PROCEEDS THEREOF TOGETHER WITH ALL RENTAL OR INSTALLMENT  
PAYMENTS, INSURANCE PROCEEDS, OTHER PROCEEDS AND PAYMENTS DUE OR TO  
BECOME DUE AND ARISING FROM OR RELATING TO SUCH EQUIPMENT. PROCEEDS:  
ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

Registering  
Party: (REGISTRY=RECOVERY) TM INC.  
1551 THE QUEENSWAY  
TORONTO ON M8Z 1T8

\*\*\*\*\* P P S A S E C U R I T Y A G R E E M E N T \*\*\*\*\*

Reg. Date: JAN 28, 2013 Reg. Length: 4 YEARS  
Reg. Time: 13:16:21 Expiry Date: JAN 28, 2017  
Base Reg. #: 164555H Control #: D1607507

Page 14

Block#

S0001 Secured Party: ROYNAT INC.  
SUITE 1500, 4710 KINGSWAY ST.  
BURNABY BC V5H 4M2

=D0001 Base Debtor: CONTECH ENTERPRISES INC.  
(Business) 115 19 DALLAS RD  
VICTORIA BC V8V5A6

General collateral:

SERVER(S), LICENSE(S), TOGETHER WITH ALL ATTACHMENTS ACCESSORIES  
ACCESSIONS REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS  
THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY  
FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN  
INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR  
LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL

\*\*\*\*\* P P S A S E C U R I T Y A G R E E M E N T \*\*\*\*\*

Reg. Date: FEB 08, 2013 Reg. Length: 3 YEARS  
Reg. Time: 08:18:20 Expiry Date: FEB 08, 2016  
Base Reg. #: 184350H Control #: D1627756

Block#

S0001 Secured Party: DELL FINANCIAL SERVICES CANADA  
LIMITED  
155 GORDON BAKER RD, STE 501  
NORTH YORK ON M2H 3N5

=D0001 Base Debtor: CONTECH ENTERPRISES INC.  
(Business) STE 115-19 DALLAS RD  
VICTORIA BC V8V5A6

Continued on Page 15

Search Criteria: CONTECH ENTERPRISES INC

Page: 15

General collateral:

ALL DELL AND NON DELL COMPUTER EQUIPMENT AND PERIPHERALS WHEREVER  
LOCATED HERETOFORE OR HEREAFTER LEASED TO DEBTOR BY SECURED PARTY  
PURSUANT TO AN EQUIPMENT LEASE TOGETHER WITH ALL SUBSTITUTIONS,  
ADDITIONS, ACCESSIONS AND REPLACEMENTS THERETO AND THEREOF NOW AND  
HEREAFTER INSTALLED IN, AFFIXED TO, OR USED IN CONJUNCTION WITH SUCH  
EQUIPMENT AND PROCEEDS THEREOF TOGETHER WITH ALL RENTAL OR INSTALLMENT  
PAYMENTS, INSURANCE PROCEEDS, OTHER PROCEEDS AND PAYMENTS DUE OR TO  
BECOME DUE AND ARISING FROM OR RELATING TO SUCH EQUIPMENT. PROCEEDS:  
ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

Registering

Party: (REGISTRY=RECOVERY) TM INC.  
1551 THE QUEENSWAY  
TORONTO ON M8Z 1T8

\*\*\*\*\* P P S A S E C U R I T Y A G R E E M E N T \*\*\*\*\*

Contech PPRSSearchResult.txt

Reg. Date: FEB 18, 2013 Reg. Length: 7 YEARS  
Reg. Time: 12:39:19 Expiry Date: FEB 18, 2020  
Base Reg. #: 195617H Control #: D1635644

Block#

S0001 Secured Party: FIRST WEST CREDIT UNION  
6470 201 ST  
LANGLEY BC V2Y 2X4

=D0001 Base Debtor: CONTECH ENTERPRISES INC  
(Business) UNIT 115 - 19 DALLAS RD  
VICTORIA BC V8V 5A6

D0002 Bus. Debtor: CONTECH (U.S.) INC  
UNIT 115 - 19 DALLAS RD  
VICTORIA BC V8V 5A6

General Collateral:

ALL OF THE PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTORS AND EACH OF THEM INCLUDING WITHOUT LIMITATION FIXTURES AND CROPS, AND AN UNCRYSTALLIZED FLOATING CHARGE ON LAND (AND TERMS USED HEREIN THAT ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT OF BRITISH COLUMBIA OR THE REGULATIONS MADE THEREUNDER HAVE THOSE DEFINED MEANINGS).

Registering

Party: MILLER THOMSON LLP  
1000 840 HOWE STREET  
VANCOUVER BC V6Z 2M1

\*\*\*\*\* P P S A S E C U R I T Y A G R E E M E N T \*\*\*\*\*

Reg. Date: FEB 22, 2013 Reg. Length: 6 YEARS  
Reg. Time: 08:40:01 Expiry Date: FEB 22, 2019  
Base Reg. #: 203231H Control #: D1647137

Block#

S0001 Secured Party: VEGHERB, LLC  
222 GRACE CHURCH STREET  
PORT CHESTER NY 10573

Continued on Page 16

Search Criteria: CONTECH ENTERPRISES INC

Page: 16

=D0001 Base Debtor: CONTECH ENTERPRISES INC  
(Business) UNIT 115, 19 DALLAS ROAD  
VICTORIA BC V8V 5A6

General Collateral:

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY, INCLUDING WITHOUT LIMITATION FIXTURES (AND TERMS USED HEREIN THAT ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT OF BRITISH COLUMBIA OR THE REGULATIONS MADE THEREUNDER HAVE THOSE DEFINED MEANINGS)

Registering

Party: FASKEN MARTINEAU DUMOULIN LLP  
SUITE 2900, 550 BURRARD STREET  
VANCOUVER BC V6C 0A3

----- A M E N D M E N T / O T H E R C H A N G E -----

Reg. #: 464123H Reg. Date: JUL 18, 2013  
Reg. Time: 15:39:44  
Control #: D1913266  
Base Reg. Type: PPSA SECURITY AGREEMENT  
Base Reg. #: 203231H Base Reg. Date: FEB 22, 2013

Details Description:

SUBORDINATION AGREEMENT IN FAVOUR OF HSBC BANK CANADA  
SECURITY AGREEMENT REGISTERED JULY 20, 2011 AS BASE  
REGISTRATION NUMBER 259740G.

Registering

Party: CREASE HARMAN LLP  
800 - 1070 DOUGLAS ST. BOX 997  
VICTORIA BC V8W 2S8

\*\*\*\*\* P P S A S E C U R I T Y A G R E E M E N T \*\*\*\*\*

Reg. Date: MAY 02, 2013 Reg. Length: 4 YEARS  
Reg. Time: 08:03:18 Expiry Date: MAY 02, 2017  
Base Reg. #: 324719H Control #: D1771549

Block#

S0001 Secured Party: ROYNAT INC.  
SUITE 1500, 4710 KINGSWAY ST.  
BURNABY BC V5H 4M2

=D0001 Base Debtor: CONTECH ENTERPRISES INC.  
(Business) 19 DALLAS ROAD #115  
VICTORIA BC V8V5A6

General Collateral:

LICENSE (S) TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS  
REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL  
PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND  
OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR  
OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO  
THE COLLATERAL OR PROCEEDS OF THE COLLATERAL

Continued on Page 17

Search Criteria: CONTECH ENTERPRISES INC

Page: 17

\*\*\*\*\* P P S A S E C U R I T Y A G R E E M E N T \*\*\*\*\*

Reg. Date: FEB 07, 2014 Reg. Length: 3 YEARS  
Reg. Time: 06:31:33 Expiry Date: FEB 07, 2017  
Base Reg. #: 790992H Control #: D2250046

Block#

S0001 Secured Party: DELL FINANCIAL SERVICES CANADA  
LIMITED  
155 GORDON BAKER RD, STE 501  
NORTH YORK ON M2H 3N5



Contech PPRSSearchResult.txt

=D0001 Base Debtor: CONTECH ENTERPRISES INC.  
(Business) STE 115-19 DALLAS RD  
VICTORIA BC V8V5A6

General Collateral:

ALL DELL AND NON DELL COMPUTER EQUIPMENT AND PERIPHERALS WHEREVER LOCATED HERETOFORE OR HEREAFTER LEASED TO DEBTOR BY SECURED PARTY PURSUANT TO AN EQUIPMENT LEASE TOGETHER WITH ALL SUBSTITUTIONS, ADDITIONS, ACCESSIONS AND REPLACEMENTS THERETO AND THEREOF NOW AND HEREAFTER INSTALLED IN, AFFIXED TO, OR USED IN CONJUNCTION WITH SUCH EQUIPMENT AND PROCEEDS THEREOF TOGETHER WITH ALL RENTAL OR INSTALLMENT PAYMENTS, INSURANCE PROCEEDS, OTHER PROCEEDS AND PAYMENTS DUE OR TO BECOME DUE AND ARISING FROM OR RELATING TO SUCH EQUIPMENT. PROCEEDS: ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

Registering

Party: (REGISTRY=RECOVERY) TM INC.  
1551 THE QUEENSWAY  
TORONTO ON M8Z 1T8

\*\*\*\*\* P P S A S E C U R I T Y A G R E E M E N T \*\*\*\*\*

Reg. Date: FEB 19, 2014                      Reg. Length: 2 YEARS  
Reg. Time: 15:15:06                        Expiry Date: FEB 19, 2016  
Base Reg. #: 808752H                        Control #: D2268274

Block#

S0001 Secured Party: SADLER FARMS LTD  
4805 HEADLAND CLOSE  
WEST VANCOUVER BC V7W 3C2

+++ Secured Party: DENMAN ISLAND CHOCOLATE LTD  
4321 DENMAN ROAD  
DENMAN ISLAND BC V0R 1T0

S0003 Secured Party: PAUL HOOPER  
207 MARY HILL ROAD  
VICTORIA BC V9C 3Z2

S0004 Secured Party: MARIANNE HOOPER  
207 MARY HILL ROAD  
VICTORIA BC V9C 3Z2

=D0001 Base Debtor: CONTECH ENTERPRISES INC  
(Business) UNIT 115, 19 DALLAS ROAD  
VICTORIA BC V8V 5A6

Continued on Page 18

Search Criteria: CONTECH ENTERPRISES INC

Page: 18

General Collateral:

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY, INCLUDING WITHOUT LIMITATION FIXTURES, AND AN UNCRYSTALLIZED FLOATING CHARGE ON LAND (AND TERMS USED HEREIN THAT ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT OF BRITISH COLUMBIA OR THE REGULATIONS MADE THEREUNDER HAVE THOSE DEFINED MEANINGS)

Registering

Contech PPRSSearchResult.txt  
Party: FASKEN MARTINEAU DUMOULIN LLP  
SUITE 2900, 550 BURRARD STREET  
VANCOUVER BC V6C 0A3

----- A M E N D M E N T / O T H E R C H A N G E -----

Reg. #: 956720H Reg. Date: MAY 14, 2014  
Reg. Time: 16:18:38  
Control #: D2419843

Base Reg. Type: PPSA SECURITY AGREEMENT  
Base Reg. #: 808752H Base Reg. Date: FEB 19, 2014

Details Description:  
DELETE SECURED PARTY

Block#

\*\* DELETED \*\*

+++ Secured Party: DENMAN ISLAND CHOCOLATE LTD  
4321 DENMAN ROAD  
DENMAN ISLAND BC V0R 1T0

Registering

Party: FASKEN MARTINEAU DUMOULIN LLP  
SUITE 2900, 550 BURRARD STREET  
VANCOUVER BC V6C 0A3

----- A M E N D M E N T / O T H E R C H A N G E -----

Reg. #: 314228I Reg. Date: NOV 28, 2014  
Reg. Time: 11:46:56  
Control #: D2786128

Base Reg. Type: PPSA SECURITY AGREEMENT  
Base Reg. #: 808752H Base Reg. Date: FEB 19, 2014

Details Description:  
ADD SECURED PARTIES

Block#

\*\*\* ADDED \*\*\*

S0005 Secured Party: BC ADVANTAGE FUND (VCC) LTD  
SUITE 1280, 885 W GEORGIA ST  
VANCOUVER BC V6C 3E8

\*\*\* ADDED \*\*\*

S0006 Secured Party: ECL HOLDINGS LTD  
5220 HAROLD GREEN  
VICTORIA BC V8Y 3E5

Continued on Page 19

Search Criteria: CONTECH ENTERPRISES INC

Page: 19

\*\*\* ADDED \*\*\*

S0007 Secured Party: ST PATRICK HOLDINGS LTD  
1081 ST. PATRICK STREET  
VICTORIA BC V8S 4Y2

\*\*\* ADDED \*\*\*

S0008 Secured Party: MINZAR HOLDINGS LTD  
1494 DALLAS ROAD  
VICTORIA BC V8S 1A2

Registering

Party: FASKEN MARTINEAU DUMOULIN LLP  
SUITE 2900, 550 BURRARD STREET  
VANCOUVER BC V6C 0A3

----- A M E N D M E N T / O T H E R C H A N G E -----

Reg. #: 314766I

Reg. Date: NOV 28, 2014

Reg. Time: 14:06:27

Control #: D2786721

Base Reg. Type: PPSA SECURITY AGREEMENT

Base Reg. #: 808752H

Base Reg. Date: FEB 19, 2014

Details Description:  
ADD SECURED PARTY

Block#

\*\*\* ADDED \*\*\*

S0009 Secured Party: BWF HOLDINGS LTD  
30140 NICHOLSON AVENUE  
ABBOTSFORD BC V4X 2G5

Registering

Party: FASKEN MARTINEAU DUMOULIN LLP  
SUITE 2900, 550 BURRARD STREET  
VANCOUVER BC V6C 0A3

\*\*\*\*\* P P S A S E C U R I T Y A G R E E M E N T \*\*\*\*\*

Reg. Date: NOV 25, 2014

Reg. Length: 5 YEARS

Reg. Time: 08:19:19

Expiry Date: NOV 25, 2019

Base Reg. #: 306103I

Control #: D2775183

Block#

S0001 Secured Party: SIENA LENDING GROUP LLC  
1177 SUMMER STREET  
STAMFORD CT 06905

=D0001 Base Debtor: CONTECH ENTERPRISES INC  
(Business) UNIT 115 - 19 DALLAS ROAD  
VICTORIA BC V8V 5A6

General collateral:

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY,  
INCLUDING WITHOUT LIMITATION FIXTURES (AND TERMS USED HEREIN THAT ARE  
DEFINED IN THE PERSONAL PROPERTY SECURITY ACT OF BRITISH COLUMBIA OR  
THE REGULATIONS MADE THEREUNDER HAVE THOSE DEFINED MEANINGS).

Continued on Page 20

Search Criteria: CONTECH ENTERPRISES INC

Page: 20

Registering

Party: FASKEN MARTINEAU DUMOULIN LLP



This is Exhibit <sup>K</sup> referred to in the  
affidavit of Mark Grambart  
made before me on this 12  
day of January 2015

~~\_\_\_\_\_~~  
A Commissioner for taking  
Affidavits for British Columbia

PATENTS			
Leason Ellis Reference	Title	Serial Number	Status
00049-001629-USO	Trellis Bracket	29/103738	Expired Aug 1/14- owned by VegHerb, LLC
00049-001631-USO	Raised Bed Bracket	29/103,740	Expired- owned by CONTECH ENTERPRISES INC.
00049-001633-USO	Tee Pee Leg Connector	29/105,966	Expired owned by VegHerb, LLC
00049/001635-CAO	Raised Bed Border System	2288583	Granted, owned by VegHerb, LLC - will expire Nov 5/19; 16th year m/f due Nov 5/15
00049/001635-GB0	Raised Bed Border System	99308248.6	Granted, owned by VegHerb, LLC-will expire November 19/19; 17th year m/f due Nov 19/15
00049/001635-USO	Raised Bed Border System	09/231,099	Granted as US Patent 6,202,367, owned by CONTECH ENTERPRISES INC.- will expire Jan 14/19; 1st, 2nd & 3rd m/f's paid - no further m/f's to be paid.
00049/001637-USO	Garden Trellis Wall System	09/229,417	Expired - Patent Expired Due to Non-payment of Maintenance Fees Under 37 CFR 1.362; owned by VegHerb, LLC
00049/002729-US1	Lighting System for use in Raised Bed Gardening or Landscaping	13/760662	Owned by VegHerb, LLC - Issue Fee paid Nov 26/14; Very recently granted on Dec 30/14 as US Patent No. 8,919,041
00049/003113-USO	Grommet	29/435,496	Granted as USD684036, owned by VegHerb, LLC; no m/f's are required to maintain Design Patents; will expire June 11/27
00049/003114-USO	Raised Border Bracket Arrangement	13/673,501	Pending, owned by VegHerb, LLC; issue Fee Paid Jan 6/2015; awaiting Grant Date/Issue Notification

TRADEMARKS			
Registration Number	Title	Serial Number	Status
3903615	Veggie Wall	85,040,973	Registered Jan 11/11-Owned by Contech Enterprises Inc.- assignment recorded;

mf= maintenance fee (periodic fees due to be paid at government office in order to maintain IP rights in good standing)

This is Exhibit L referred to in the  
affidavit of Mark Grambart  
made before me on this 12  
day of January 20 15

  
A Commissioner for taking  
Affidavits for British Columbia



US00D423626S

**United States Patent** [19]  
**Marino et al.**

[11] **Patent Number: Des. 423,626**

[45] **Date of Patent: \*\* Apr. 25, 2000**

[54] **TEE PEE LEG CONNECTOR**

[75] **Inventors: Jeffrey R. Marino, Fishkill; Anthony G. Topping, Carmel, both of N.Y.**

[73] **Assignee: Vegherb, LLC, Carmel, N.Y.**

[\*\*] **Term: 14 Years**

[21] **Appl. No.: 29/105,966**

[22] **Filed: Jun. 3, 1999**

[51] **LOC (6) Cl. .... 21-04**

[52] **U.S. Cl. .... D21/839**

[58] **Field of Search .... D21/834-840;**  
135/100, 124-128, 136, 143, 156, 117-119;  
D8/360, 382, 385, 388

[56] **References Cited**

**U.S. PATENT DOCUMENTS**

D. 208,013 6/1967 Carr-Harris ..... D21/840

D. 263,730 4/1982 Oribin ..... D21/839  
D. 287,098 12/1986 Wilson et al. .... D8/388  
5,439,016 8/1995 Grahn ..... 135/100

*Primary Examiner*—Sandra L. Morris  
*Attorney, Agent, or Firm*—Bruce E. Lilling

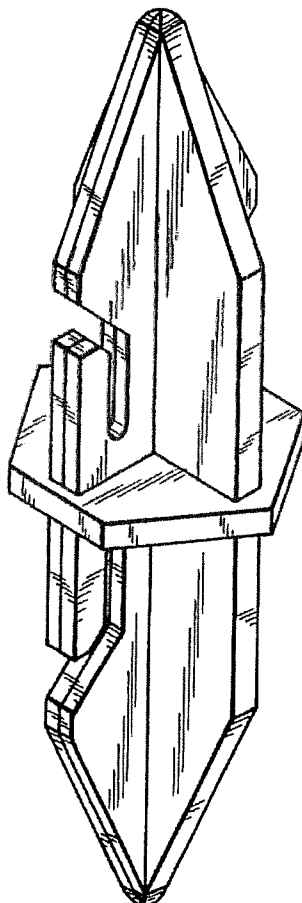
[57] **CLAIM**

The ornamental design for a tee pee leg connector, as shown and described.

**DESCRIPTION**

FIG. 1 is a perspective view of our new and novel design; FIG. 2 is a top view of our new and novel design, the bottom view being a mirror image thereof; FIG. 3 is a front view of our new and novel design, the rear view being a mirror image thereof; and, FIG. 4 is a right view of our new and novel design, the left view being a mirror image thereof.

**1 Claim, 2 Drawing Sheets**





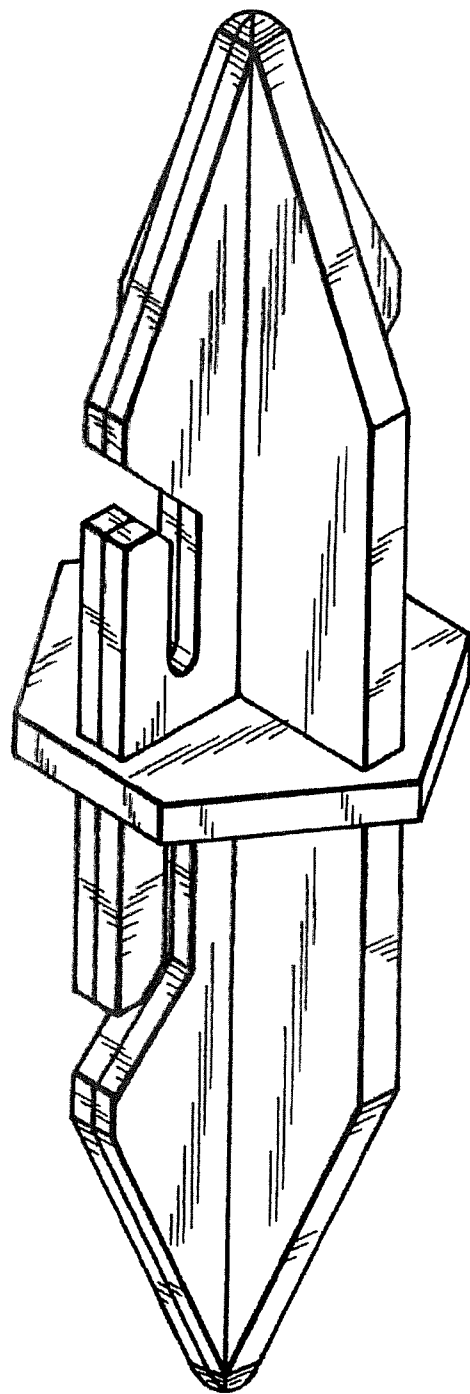


FIG. 1

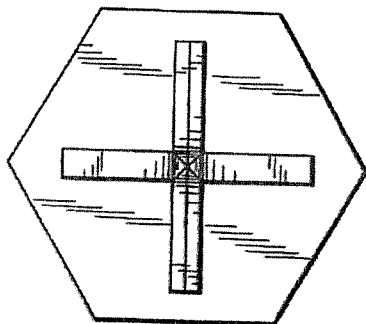


FIG. 2

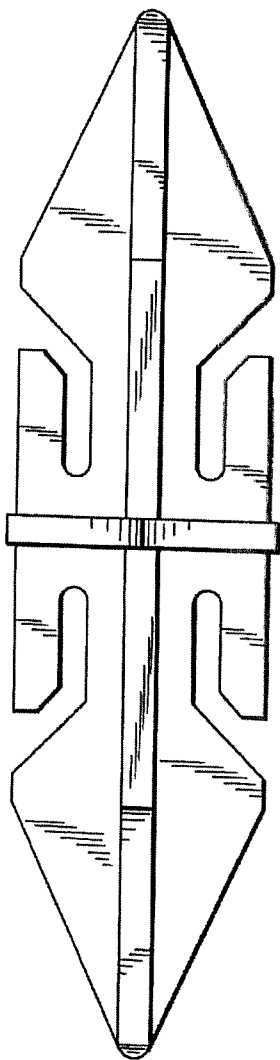


FIG. 3

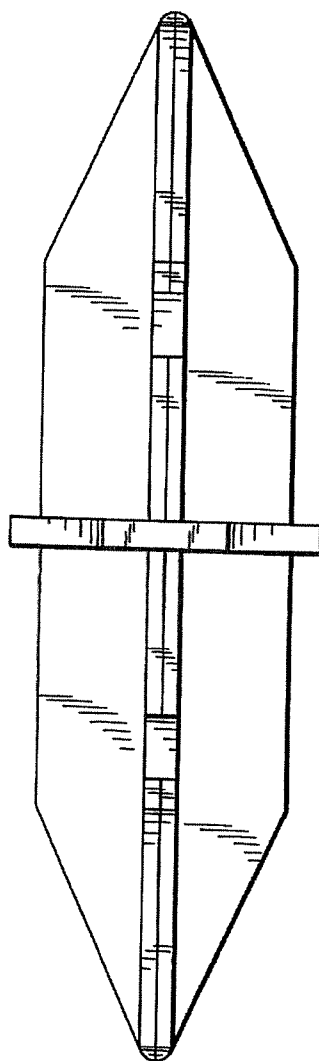


FIG. 4



US00D422885S

**United States Patent** [19]  
**Marino et al.**

[11] **Patent Number: Des. 422,885**  
[45] **Date of Patent: \*\* Apr. 18, 2000**

[54] **RAISED BED BRACKET**

5,149,040 9/1992 Heath ..... 248/300

[75] Inventors: **Jeffrey R. Marino**, Fishkill; **Anthony G. Topping**, Carmel, both of N.Y.

*Primary Examiner*—Holly Baynham  
*Attorney, Agent, or Firm*—Bruce E. Lilling

[73] Assignee: **Vegherb, LLC**, Carmel, N.Y.

[57] **CLAIM**

[\*\*] Term: **14 Years**

The ornamental design for a raised bed bracket, as shown.

[21] Appl. No.: **29/103,740**

**DESCRIPTION**

[22] Filed: **Apr. 22, 1999**

FIG. 1 is a front perspective view of my new and novel design;

[51] **LOC (6) Cl.** ..... **08-05**

FIG. 2 is a rear perspective view of my new and novel design;

[52] **U.S. Cl.** ..... **D8/354**

FIG. 3 is an enlarged left side view of my new and novel design, the right side view being a mirror image thereof;

[58] **Field of Search** ..... **D8/349, 354, 363;**  
248/316.5; 5/301, 304

FIG. 4 is a reduced scale top view of my new and novel design;

[56] **References Cited**

**U.S. PATENT DOCUMENTS**

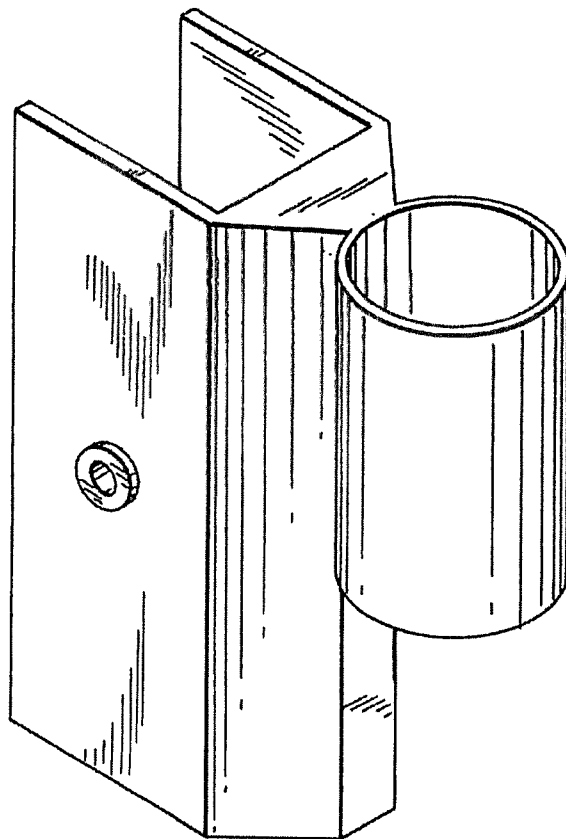
901,992 10/1908 Netzel ..... 5/304  
1,429,776 9/1922 Robinson ..... 248/74.2  
4,285,486 8/1981 Von Osten et al. .... 248/316.5

FIG. 5 is a front view of my new and novel design;

FIG. 6 is a rear view of my new and novel design; and,

FIG. 7 is a bottom view of my new and novel design.

**1 Claim, 3 Drawing Sheets**



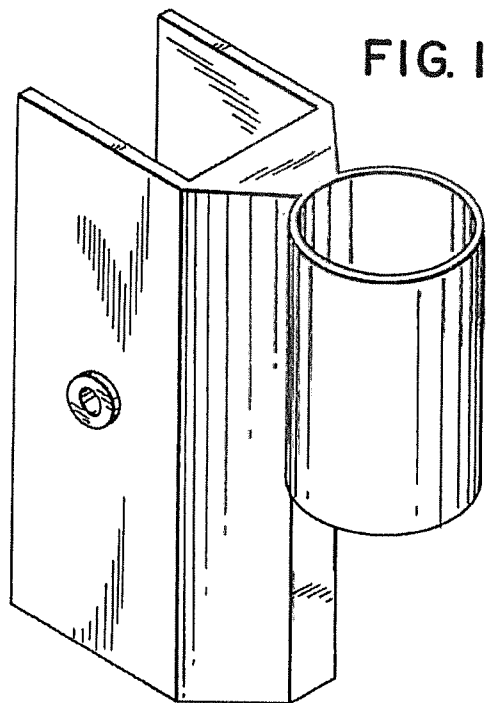
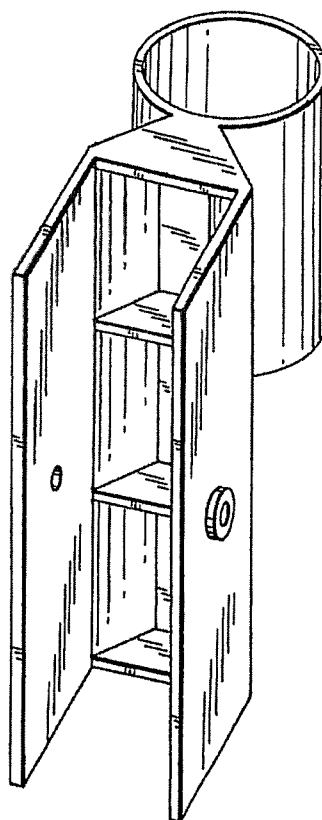


FIG. 2



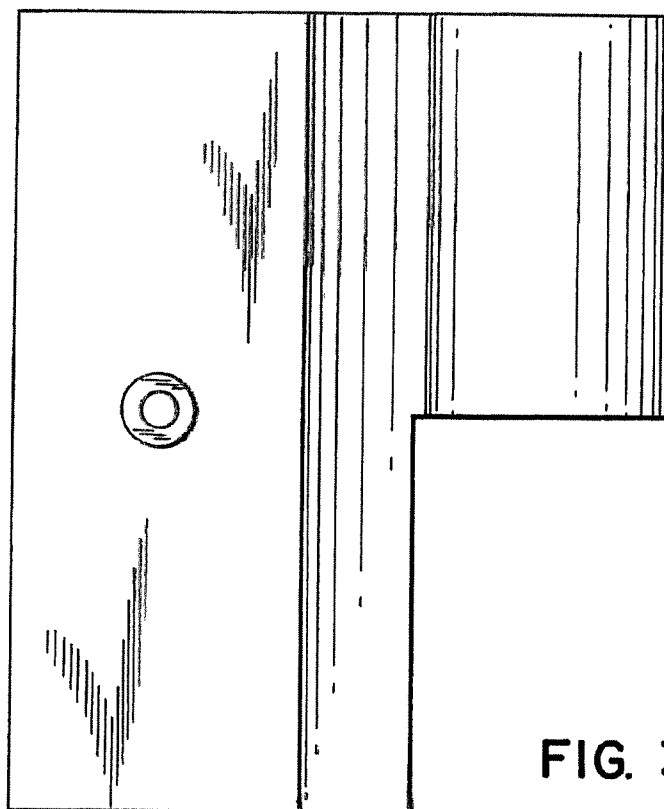


FIG. 3

FIG. 4

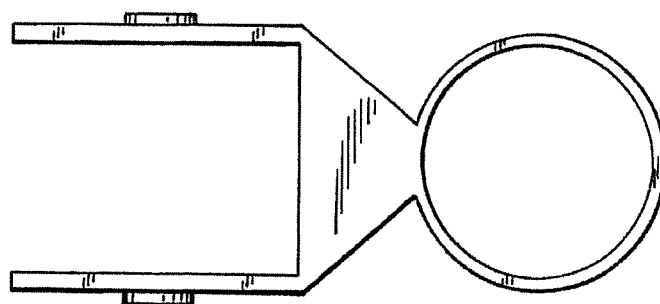


FIG. 5

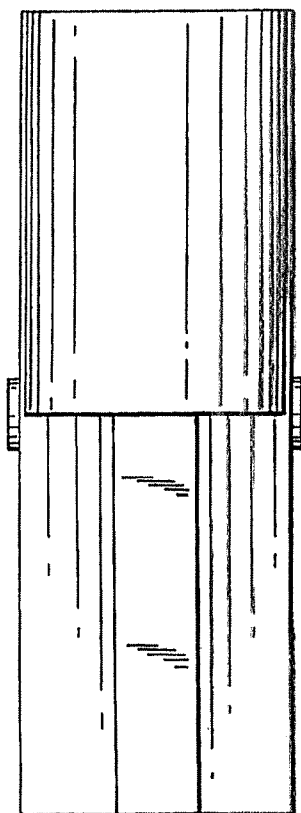


FIG. 6

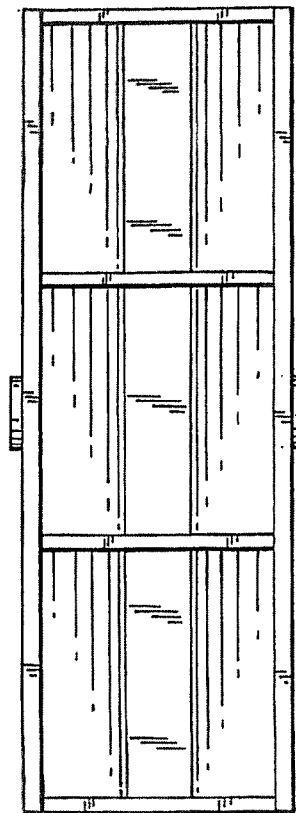
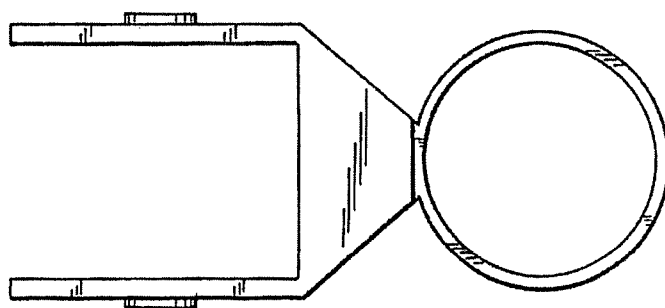


FIG. 7





US00D428798S

**United States Patent** [19]  
**Marino et al.**

[11] **Patent Number: Des. 428,798**

[45] **Date of Patent: \*\* Aug. 1, 2000**

[54] **TRELLIS BRACKET**

D. 258,344 2/1981 Hornung ..... D8/354

[75] **Inventors: Jeffrey R. Marino, Fishkill; Anthony G. Topping, Carmel, both of N.Y.**

*Primary Examiner—Holly Baynham  
Attorney, Agent, or Firm—Lilling & Lilling*

[73] **Assignee: Vegherb, LLC, Carmel, N.Y.**

[57] **CLAIM**

[\*\*] **Term: 14 Years**

The ornamental design for a trellis bracket, as shown.

[21] **Appl. No.: 29/103,738**

**DESCRIPTION**

[22] **Filed: Apr. 22, 1999**

[51] **LOC (7) Cl. .... 08-05**

[52] **U.S. Cl. .... D8/354**

[58] **Field of Search ..... D8/354, 363; 248/300,  
248/200, 261-262; 403/405.1, 219**

**FIG. 1** is a perspective view of my new and novel design.

**FIG. 2** is a left side view of my new and novel design, the right side view being a mirror image thereof;

**FIG. 3** is a top view of my new and novel design;

**FIG. 4** is a front view of my new and novel design;

**FIG. 5** is a rear view of my new and novel design; and,

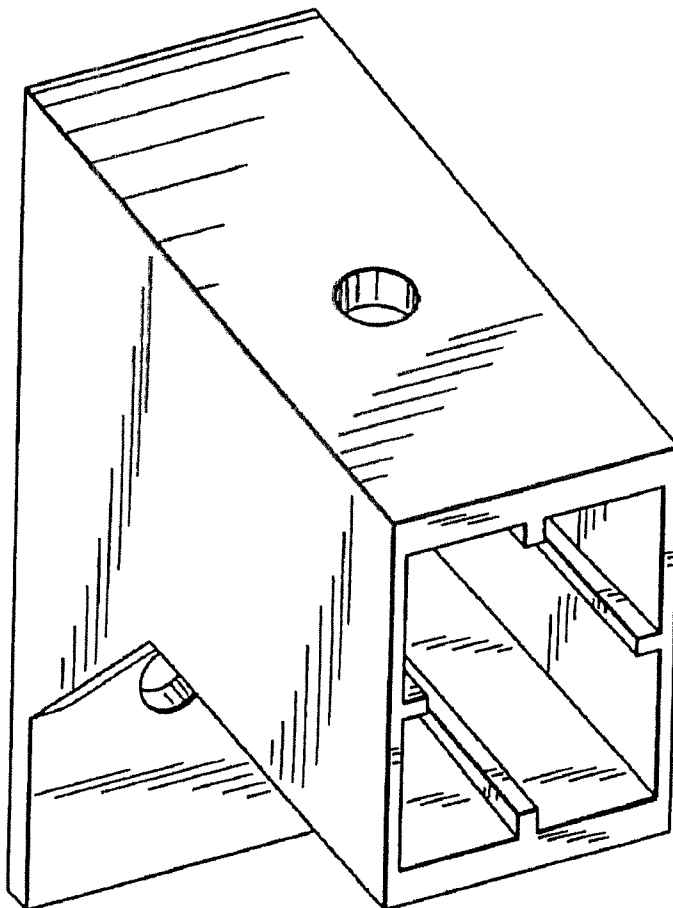
**FIG. 6** is a bottom view of my new and novel design.

[56] **References Cited**

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D. 248,447 7/1978 Hornung ..... D8/354

**1 Claim, 2 Drawing Sheets**



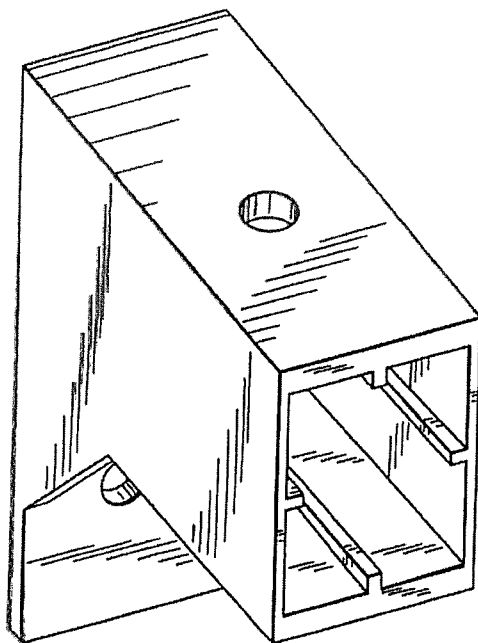


FIG. 1

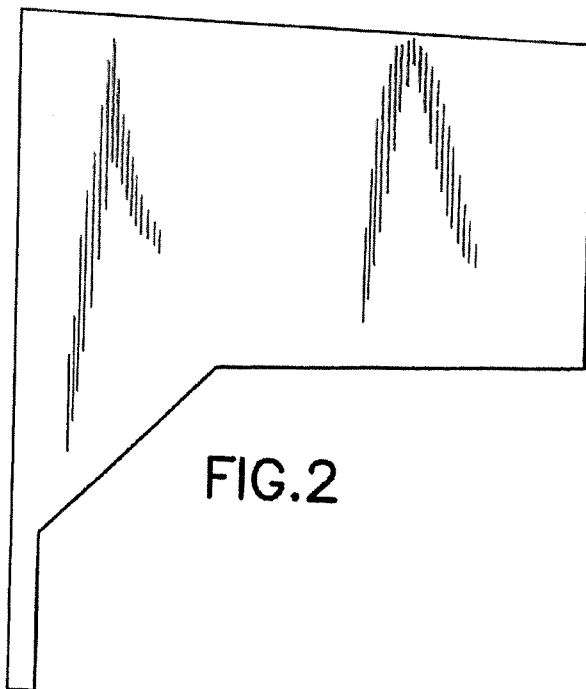


FIG. 2



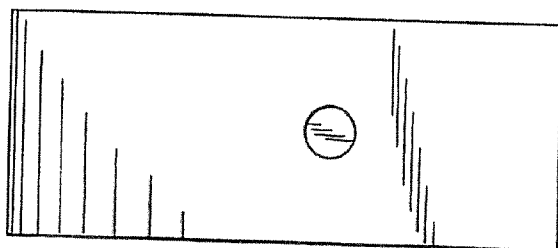


FIG. 3

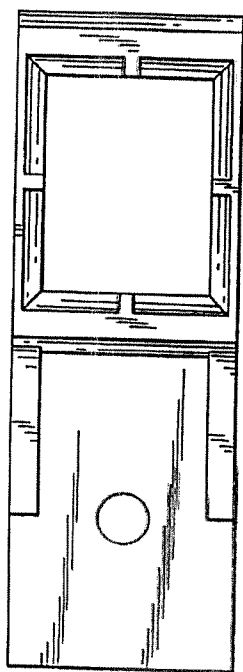


FIG. 4

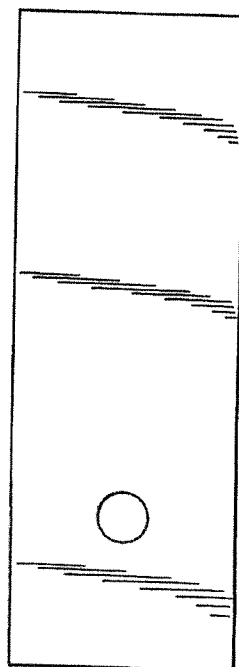


FIG. 5

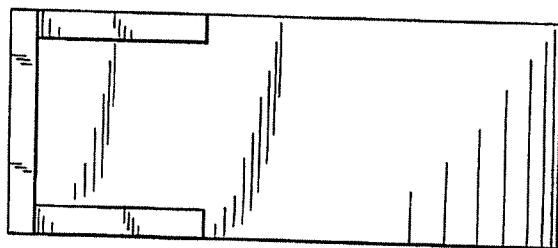


FIG. 6



US006311428B1

(12) **United States Patent**  
**Marino et al.**

(10) **Patent No.:** **US 6,311,428 B1**  
(45) **Date of Patent:** **Nov. 6, 2001**

(54) **GARDEN TRELLIS WALL SYSTEM**

(75) **Inventors:** **Jeffrey R. Marino**, Fishkill; **Anthony G. Topping**, Carmel, both of NY (US)

(73) **Assignee:** **Vegherb, LLC**, Carmel, NY (US)

(\* ) **Notice:** Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 0 days.

(21) **Appl. No.:** **09/229,417**

(22) **Filed:** **Jan. 12, 1999**

(51) **Int. Cl.<sup>7</sup>** ..... **A01G 17/06**

(52) **U.S. Cl.** ..... **47/46; 256/65**

(58) **Field of Search** ..... **5/234; 47/43, 45, 47/46; 256/65, 73**

(56) **References Cited**

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*Primary Examiner*—Charles T. Jordan

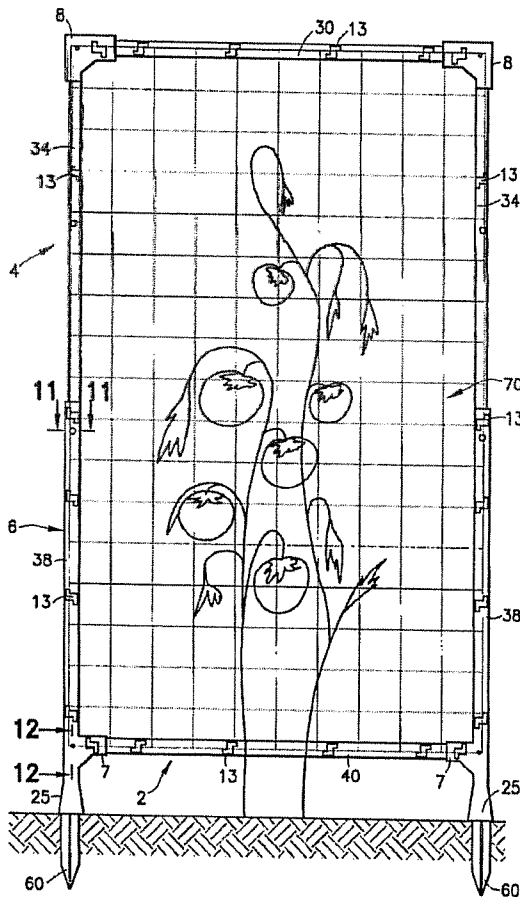
*Assistant Examiner*—Francis T. Palo

(74) *Attorney, Agent, or Firm*—Lilling & Lilling P.C.

(57) **ABSTRACT**

The invention provides a simple device for providing vertical support of vegetable plants, thereby eliminating the conventional problems routinely associated with home gardening. In particular, the device provides a maintenance free, vertical support frame assembly of adjustable height to which is attached a mesh netting and supporting stakes, forming an extendable garden trellis. Growing plants may be attached to the gardening trellis, thereby allowing maximum upward growth of the plants while also elevating the plants.

**14 Claims, 6 Drawing Sheets**



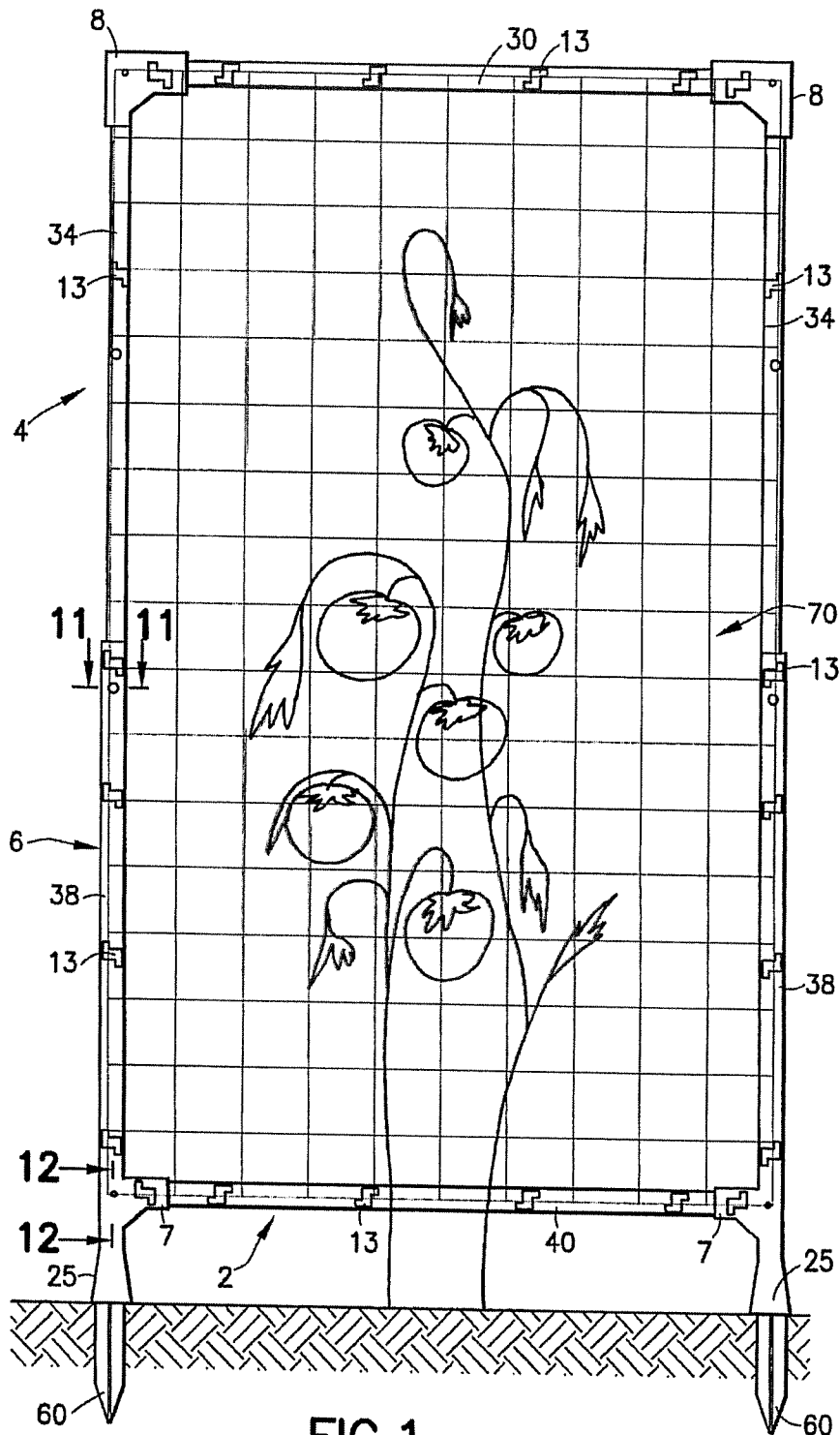


FIG. 1

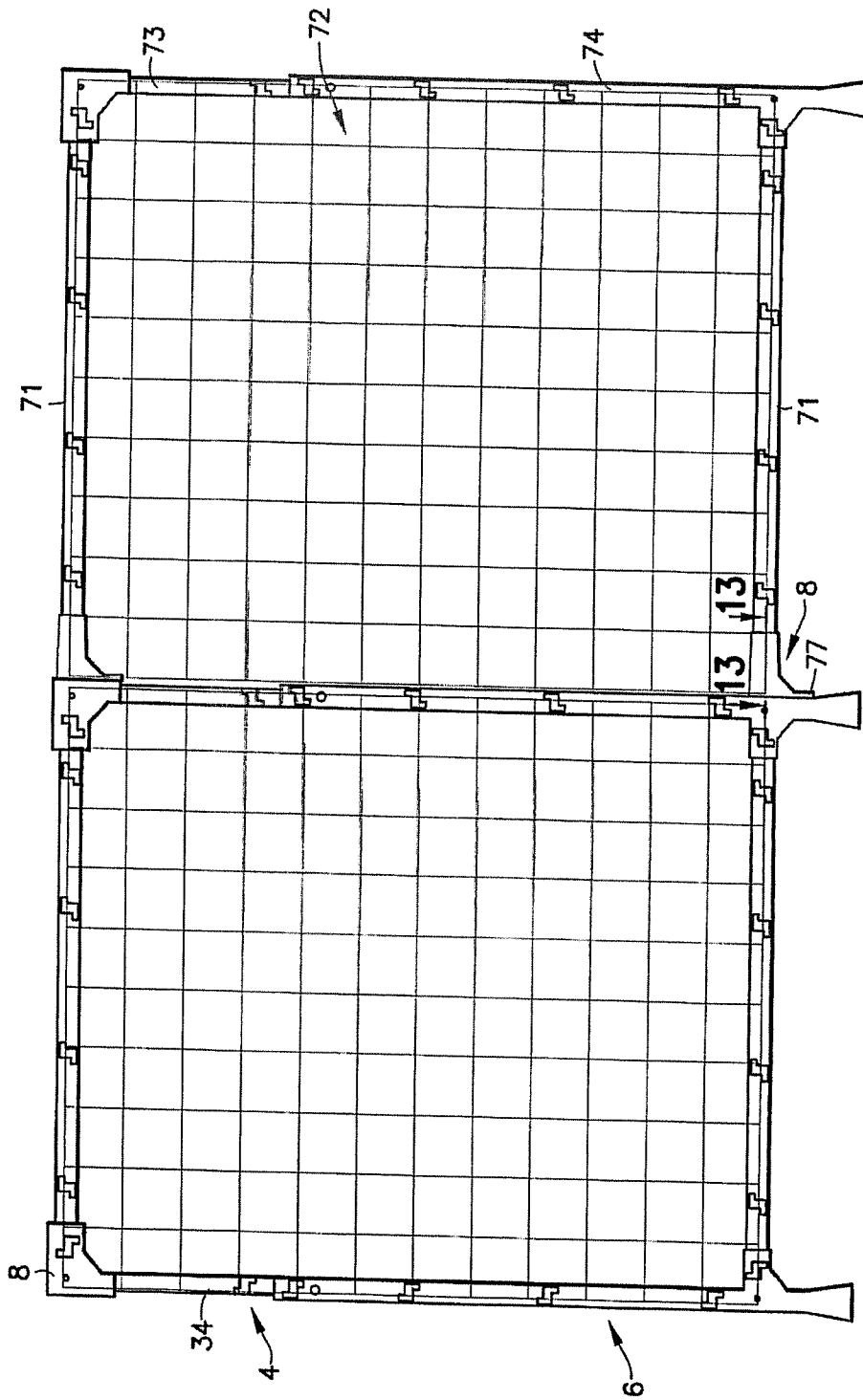
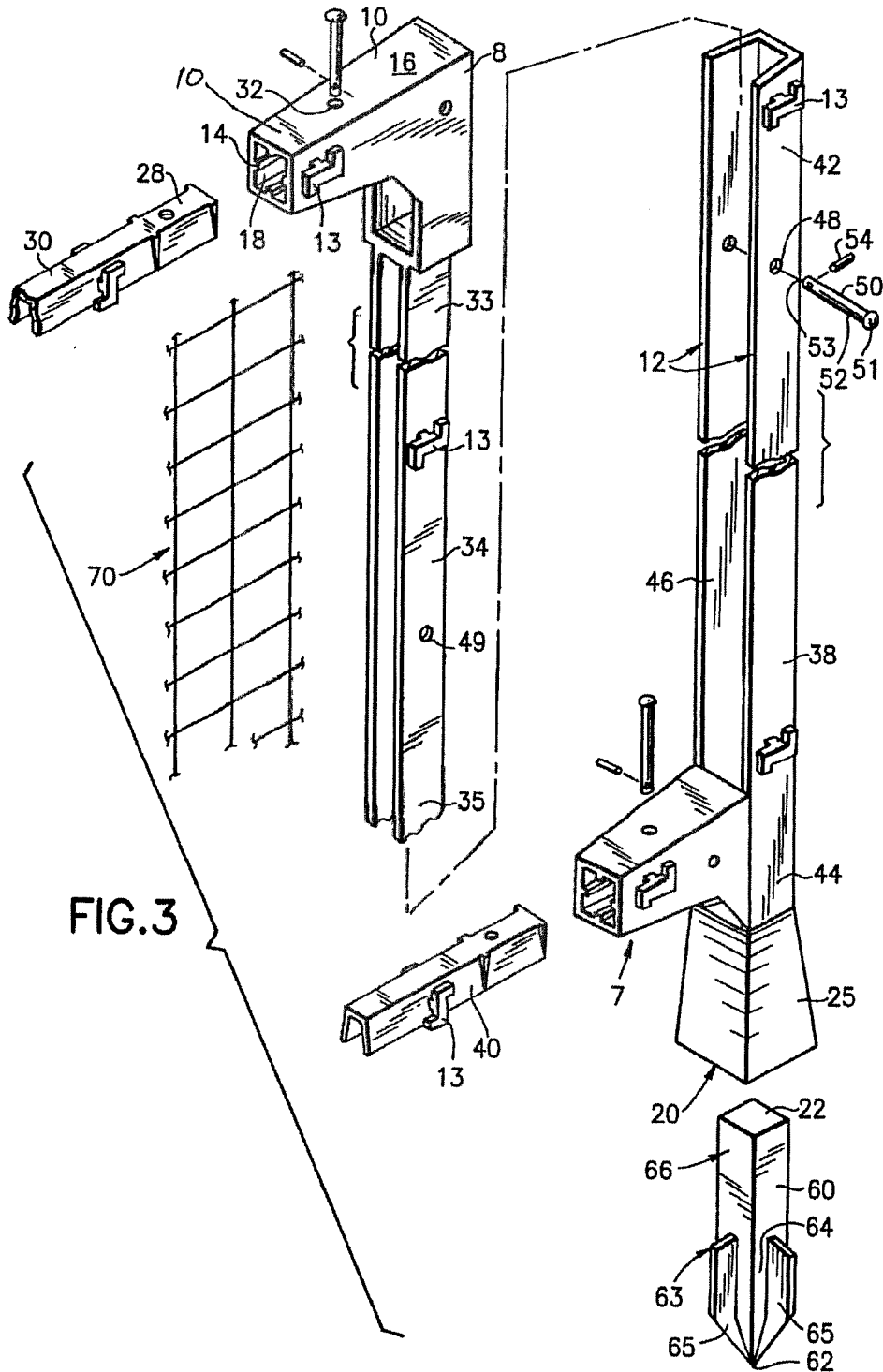


FIG.2



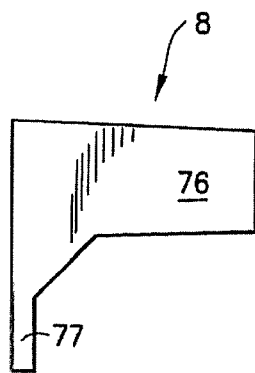
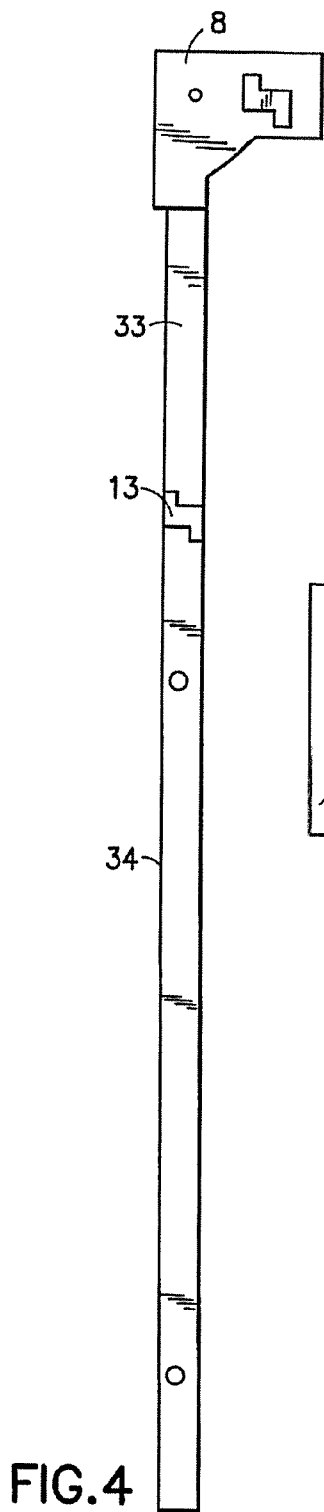


FIG. 9

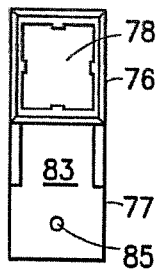


FIG. 10

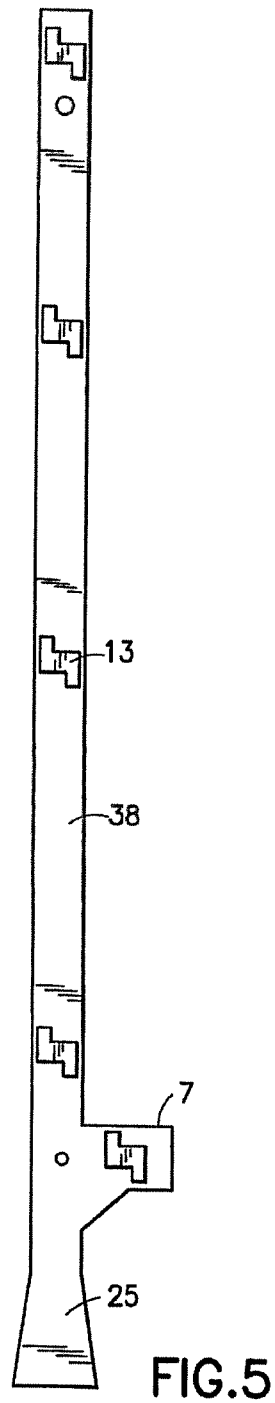


FIG. 5

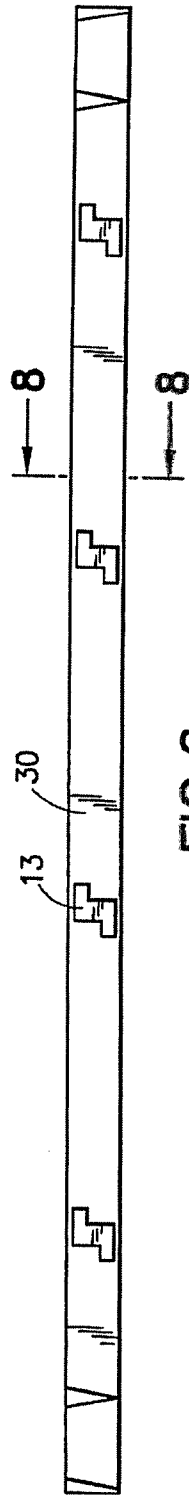


FIG. 6

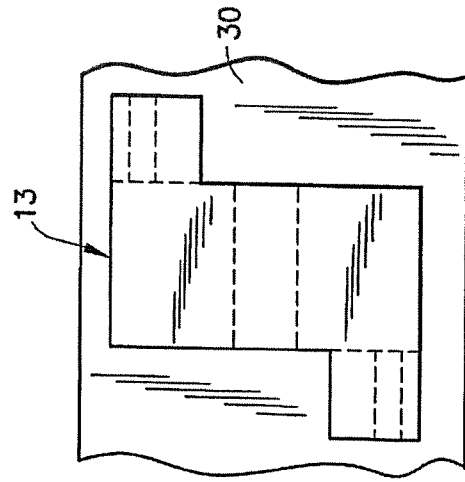


FIG. 7

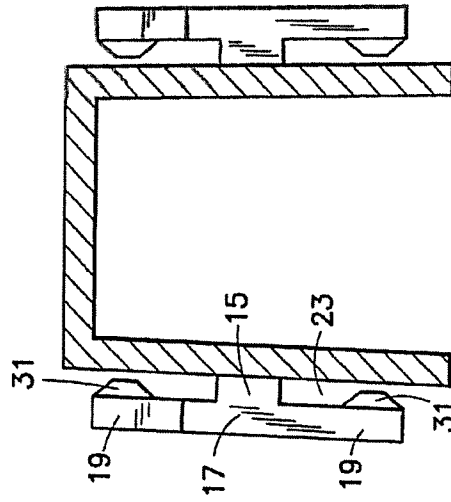


FIG. 8

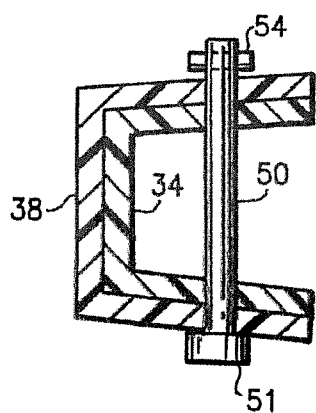


FIG. 11

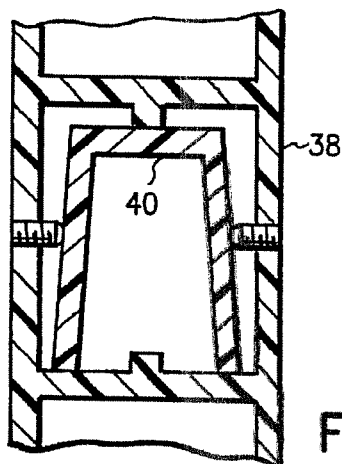


FIG. 12

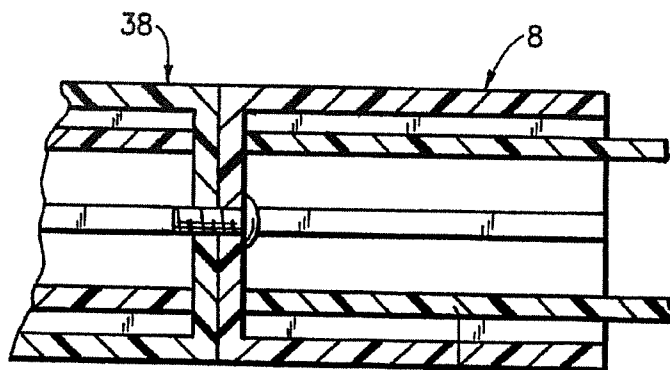


FIG. 13



## GARDEN TRELLIS WALL SYSTEM

## FIELD OF THE INVENTION

This invention relates to the home gardening industry and, in particular, to a device for vertical suspension of vegetables and other plants above the ground.

## BACKGROUND OF THE INVENTION

Garden vegetables and fruits can produce much higher yields when they are allowed to reach the plants' maximum height. For example, tomatoes, cucumbers, pole beans, squashes and many other vegetables may grow up to heights exceeding 8-10 feet and, in turn, will produce fruit proportionally. Although support devices for garden vegetables are well known, current devices in the market do not provide the area to support plants to this height, nor can these devices typically accommodate multiple plants on the same support device. Many support devices in the market place are not taller than six feet and do not enable the user to adjust the height of the device according to the desired type of plant or specific individual plant and vegetable needs. In addition, current gardening support devices generally lack the structural strength to support plants exceeding five feet in height.

Frequently, support devices and garden trellises are made of wood and, in turn, are fastened to the ground using wood stakes. Although treated, these wooden support devices are not fully weather-proof and thus are often subject to rot and excessive wear or splitting over a period of time. Such rot is most often found near the lower end of the wood support or about the stakes due to constant exposure to ground moisture. As a result, such support devices will become out of line, tilt or even break due to winds and/or the weight of the plants.

For many years, people have been growing vegetables in outdoor gardens at the front, side and rear yards of their homes. A persistent problem with garden vegetables is that the plants take up a substantial amount of outdoor space. Such space requirements are inconvenient and prevent those living in areas with limited yard space from enjoying their own home-grown vegetables. Further, the failure to maximize the growth potential in a limited outdoor garden results in a reduced yield of vegetables.

Another difficulty with the growing of vegetables is that, as the plants grow up and outward, there is the possibility that plants will limit the exposure of sunlight to leaves and stems growing below. This is especially true where numerous different vegetables are placed in the same garden area, each growing at a different rate and competing for maximum exposure to daily available sunlight. Thus, there is a need in the marketplace for a device which allows various plants of different sizes to achieve maximum exposure to available sunlight without extensive use of gardening space.

In order to be successful, vegetable gardens must be kept free from insects and small animal pests. Considerable time and expense must be incurred using pesticides and other means to maintain a healthy garden free from the damaging effects of insects and small animal pests. The risk of insects and pest damage is even greater when trying to grow plants which produce vegetables on or close to the ground. Such a position of the vegetables provides easier access for the many non-flying insects and land borne animals which feed on plants and vegetables. Further, even with proper care, plant and vegetable damage from such pests may occur at any time during the plants' life. Therefore, there is always a need in the home gardening industry for new and inventive methods for decreasing the risk of plant damage, especially

without the use of environmentally harmful pesticides and animal repellents.

In addition to the risk of insects and small animal pests, significant time and expense must be expended to keep a vegetable garden free of weeds. Many back breaking hours may be spent throughout the growing season picking weeds that continuously plague a garden. Failure to regularly maintain a garden free of weeds will decrease the health and productivity of the plants. Weed growth within the garden may also increase the chance of insect infection. The greater the size of the garden, typically the greater the area of soil which must be continually weeded, both manually and with pesticides, in order to maximize plant growth.

Therefore, there is a need in the market place for a durable, space efficient, adjustable support device that enables a user to grow various forms of vegetables, while in turn decreasing the time and expense to keep a garden healthy, but yet maximizing available sunlight and producing optimum yield within a reduced area.

## SUMMARY OF THE INVENTION

It is the object of this invention to provide an adjustable support device for the growing of vegetables which allows the plants to reach their maximum height and thereby produce the greatest amount of produce. The invention comprises a trellis having a frame assembly over which netting is spread to support plant stems and fruit. The trellis is anchored in and above the ground by stabilizing stakes upon which the trellis frame rests. Further, the frame assembly of the trellis has an upper portion and a lower portion, which allows the height of the frame to be freely adjustable along the vertical axis of the trellis and perpendicular to the ground. The netting is fabricated from strong plastic stretched across and attached to the frame. Further, the netting may also be adjusted according to the desired height of the trellis. As a result, the invention provides a simple to use, durable and adjustable garden support device which allows plants to grow upward, thereby maximizing available soil and ground space and providing ideal exposure to sunlight. Upward growth also allows the plant to remain supported above the ground, thereby eliminating the risk of ground rot and greatly reducing the threat of land borne insects. In addition, by guiding garden vegetables to grow upward, rather than along the ground, the adjustable trellis promotes high efficiency gardening that reduces the amount of space needed to grow vegetables and decreases the ground area which must be weeded and fertilized in order to insure the health of the plant.

The present invention may also be employed side by side or in a saw-tooth pattern. It is a further object of the present invention to allow one individual extendable trellis, once installed, to be expanded by using one or more extension kits. The extension kit allows addition sections to be added to the existing garden trellis system, utilizing one common side rail for the two units. In this regard, any number of individual extendable trellises may be connected using an extension kit to form any number of patterns, depending on the desired use or available area. The extension kit comprises two cross pieces, a support netting and a single upper side rail and lower side rail with stake. Two brackets are supplied to secure the cross pieces to a side rail of the existing garden trellis. The extension kit may be attached at any one of six locations on the existing trellis to provide a wide variety of design options for the user. Additional extension kits may be attached to existing extension kits, thereby providing for infinite design flexibility. As a result,

the invention provides a more economical solution to the gardener who wants to increase their vertical growing space and allows for a more streamlined appearance than multiple individual units.

Other objects, features and advantages of the invention shall become apparent as the description thereof proceeds when considered in connection with the accompanying illustrative drawings.

#### BRIEF DESCRIPTION OF THE DRAWINGS

FIG. 1 is a front view of the garden trellis wall system with mesh netting.

FIG. 2 is a front view of the garden trellis wall system with an extension piece.

FIG. 3 is an exploded perspective view of the garden trellis wall system.

FIG. 4 is a side view of an upper side rail.

FIG. 5 is a side view of a lower side rail.

FIG. 6 is a side view of a cross piece.

FIG. 7 is an enlarged, detail front view of a netting clip, as shown on the cross piece of FIG. 6.

FIG. 8 is a cross section view along line 8—8 of FIG. 6.

FIG. 9 is a side view of the free standing bracket of the extension kit.

FIG. 10 is a front view of the free standing bracket of the extension kit.

FIG. 11 is a cross section along line 11—11 of FIG. 1.

FIG. 12 is a cross section along line 12—12 of FIG. 1.

FIG. 13 is a cross section along line 13—13 of FIG. 2.

#### DETAILED DESCRIPTION OF THE INVENTION

In its simplest embodiment the invention consists of a frame assembly having an upper section 4 and a lower section 6 interconnected in telescoping fashion, such as to provide a simple but durable means for adjusting the height of the extendable trellis.

In the preferred embodiment, the upper section 4 comprises two identical upper side rails 34, connected to an upper cross piece 30.

Each upper side rail is C-shaped defining a channel along its vertical axis, has a top portion 33, a bottom portion 35 and is of the similar shape and configuration along its entire length. In the preferred embodiment, the length of each side rail is in the range of 3-6 feet, while the width is 0.5-2.0 inches, depending on the size and strength desired. Preferably, the upper side rails may be made from molded synthetic plastic. They may, however, be constructed from any light weight, rust resistant rigid material such as aluminum, fiberglass or galvanized metal.

The upper cross piece 30 is made of the same material and is equal in shape and width as each of the upper side rails 34, but may be of a reduced length when compared to the two upper side rails. In the preferred embodiment, the length is between 2-6 feet. At the distal ends of the upper cross piece 30, the top portion 33 of each side rail is perpendicularly fastened using a fastening means to form the upper section 4 of the extendable garden trellis, such that the resulting upper section is in the shape of a half rectangle or inverted "u." Each of the upper side rails is of identical construction, and for the sake of convenience, only one of the upper side rails will be described.

In the preferred embodiment, the fastening means is a molded fastening bracket 8 incorporated into the top portion

33 of the upper side rail. Thus the fastening bracket 8 and upper side rail are a single unit. The fastening bracket 8 of the upper side rail has a top leg 10 perpendicular to the vertical axis of the upper cross piece.

The top leg 10 of the fastening bracket 8 is in the shape of a square and defines a hollow center 14, which forms a continuous channel through the length of the top leg 10. Further, said top leg 10 has an outside surface 16 and an inside surface 18.

In operation, the distal ends 28 of the upper cross piece 30 are inserted into the hollow center 14 of the top leg 10 of each fastening bracket, so as to form a male/female connector, such that the upper cross piece 30 acts as the male component and the top leg 10 acts as the female component.

Depending on the thickness of the upper cross piece, will depend the length and width of the hollow center 14 of the top leg 10. It is desirable, but not mandatory, that there be as little space as possible, so as to form a tight junction between the upper cross piece 30 and the top leg 10 of the fastening bracket 8.

Located on the outside surface 16 of the top leg is an aperture 32 for stabilizing the upper cross piece 30 to the top leg 10. An attachment means is placed through the aperture 32 and into the upper cross piece 30, thereby fastening said upper cross piece to the upper side rail. In the preferred embodiment, a pre-sized pin is used, however, any rigid attachment means may be used such as a nail, threaded screw or rivet.

The lower section 6 comprises two identical lower side rails 38 connected to a lower cross piece 40.

Each lower side rail 38 is C-shaped, defining an interior channel 46 along its vertical axis, a top portion 42 and a bottom portion 44. In the preferred embodiment, the length of each side rail is 3-6 feet, while the width is 0.5-2.5 inches, depending on the size and strength desired. The lower side rails may be made from molded synthetic plastic. They may, however, be constructed from any light weight, rust resistant rigid material, such as aluminum, fiberglass or galvanized metal.

The lower cross piece 40 is made of the same material and is similar in shape and width as each of the lower side rails. Further, the lower cross piece 40 is of the same size, shape, configuration and length as the upper cross piece 30.

In an alternate embodiment, the upper and lower side rails may be made of telescoping and/or nesting tubes. Either the upper or lower side rails would be made of a slightly smaller diameter, so as to fit within the interior of the other corresponding side rail.

The bottom portion 44 of each lower side rail 38 is perpendicularly attached to the distal ends of the lower cross piece 40, using a fastening means to form the lower section 2 of the extendable trellis.

In the preferred embodiment, the fastening means are molded fastening brackets 7 incorporated into the bottom portion 44 of each lower side rail 38. As with the upper side rails, the fastening bracket and the lower side rail are molded into a single unit. Further, the fastening brackets 7 of the lower side rails attach the lower cross piece 40 to the two lower side rails 38 in the same form and fashion as described in regard to the upper cross piece and upper side rails.

As best shown in FIG. 3, the interior channel 46 of each lower side rail has a uniform width of such size so that the upper side rails 34 of the upper portion may be inserted into the interior channel 46 of the lower side rails 38 in telescoping fashion, thereby allowing the upper side rails to

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slide up and down the interior channel 46 to form an adjustable frame assembly. Depending on the width of the upper side rail will depend the width of the interior channel 46. It is desirable that there be as little space as possible so as to securely fit the upper section into the lower section and avoid any swaying or tilting of the fabricated frame assembly. In this way, the upper and lower portions are joined to form an extendable frame, adjustable to provide any desired height.

In the preferred embodiment, the top portion 42 of each lower side rail 38 has a single aperture 48 through each rim 12 of the interior channel 46. In turn, the bottom portion 35 of each upper side rail 34 has a plurality of evenly spaced apertures 49 along the length and through each rim of the channel of the upper side rails. When the upper portion is inserted into the hollow channel 46 of the lower side rails 38 of the lower portion, the apertures of the lower and upper side rails will become aligned along various depths of insertion. A pin may then be inserted through the aligned apertures so as to securely fasten the upper portion to the lower portion. In this way, the height of the extendable frame may be adjusted depending on the alignment of the apertures of the lower and upper side rails and the degree of insertion.

Preferably, the pin is a clevis pin 50 having a head 51, stem 52 and tip 53. The head 52 consists of a domed top, flat bottom and is of a diameter of approximately twice the stem 52. The stem is of sufficient diameter so that said stem may be securely inserted through the apertures 48 and 49 of both the lower and upper side rails. Upon insertion, the tip 53 passes through the aligned apertures, such that the head 52 rests flush against the aperture 48 and said tip exits out the opposite end of said apertures. The tip 53 of the stem 52 contains an opening through which a cotter pin 54 may be placed to secure the clevis pin once inserted through the aligned apertures of the upper and lower side rails. In this way, the clevis pin is locked within the aperture unable to be removed until desired by the user. Thus, the upper section 4 is firmly attached to the lower section 6. In the alternative, friction locks or any other type of effective fastening means may be used in the place of the clevis pin to set the height of the extendable frame assembly.

In alternate arrangements, the garden trellis wall system may have any number of preset heights or may be infinitely adjustable up to the maximum height of the trellis as determined by the lengths of the side rails. Further, both smaller and larger versions of the extendable trellis may be created using the same extendable design and/or shape.

Two identical stakes 60 embedded into the ground are attached to the lower section, so as to vertically support the frame assembly perpendicular to the ground and anchor the extendable frame assembly securely to the ground surface. Each stake has an upper neck 66 containing a centrally located aperture, a body 64 defined by four fins 65 and a tapered tip 62. In operation, the stake 60 is driven into the ground tip first, such that only a small upper portion 63 of the fins 65 remain projecting above the ground surface, while the upper neck 66 remains completely above the ground. Once driven into the ground, the fins provide support and prevent the stake from rocking or becoming loose over time. In addition, the fins guide the stake into the ground in a straight up-right position.

The extendable frame is attached to the stakes 60 through male/female engagement of the upper neck 66 into a square leg 25 defining an interior 20 located at the bottom portion 44 of the lower side rails 38. Further, in some embodiments, the bottom portion 44 of the lower side rails may rest on the

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upper portion 63 of the fins. The top of the hollow interior 20 of the leg 25 rests upon the top 22 of the upper neck 66 of the stake.

In one embodiment, an aperture through the horizontal plane of the bottom portion of the lower side rails aligns with an aperture in the upper neck of the stake. In this way, a clevis pin may be placed through the aligned apertures, so as to further secure the extendable frame to the stakes. In the alternative, gravity, friction locks or other types of fasteners, such as screws, may be used in the place of the clevis pin to attach the extendable frame assembly to the stakes. In most cases, the force of gravity will be sufficient to hold the leg of the lower side rail securely on the stake. Further, the stakes may be incorporated into the bottom portion of the lower side rails to form a singular molded unit, such that the entire lower section may be driven into the ground as a unitary segment.

A mesh netting 70 is spread across the frame assembly perpendicular to the ground. The degree and density of the mesh will depend on the type and number of plants supported by the extendable frame assembly. In the preferred embodiment, the mesh netting 70 is attached to the frame assembly by coupling said mesh netting with netting clips 13 located about the frame assembly. However, any attachment means capable of tautly securing the mesh netting to the corners of the frame assembly may be used. Further, the mesh netting 70 may be fastened to the frame assembly at as many points as needed, by the use of wire ties, clips and/or other suitable fastening means wrapped about the mesh and the upper and lower side rails of the extendable frame assembly. In this way, the mesh netting may be spread tightly along the entire expanse of the frame assembly. Preferably, the mesh netting is made of polypropylene, however, any lightweight, strong, flexible material may be used.

At various points about the frame assembly, a plurality of netting clips 13 may be positioned for attachment of the support netting. In the preferred embodiment, the netting clips 13 are incorporated into the plastic mold of the individual parts of the trellis frame components. FIG. 6 illustrates a plurality of netting clips positioned at various points about the face of the cross piece. The netting clips comprise a stem 15, a head 17, two arms 19 and two shoulders 31 located upon the arms. The stem 15 attaches the head 17 to the cross piece (or upper or lower side rail). The head 17 has two flexible arms 19 extending parallel to the trellis frame which are capable of lateral flexation perpendicular to the trellis frame. Each arm 19 has an inside portion facing the frame assembly. Between the inside portion of each arm 19 and the trellis frame, a channel with three sides and an open end is defined. A shoulder 31 extends outward from the inside portion of each arm 19. Lateral flexation of the arm(s) 19, in effect, increases or decreases the width of the channel opening. In operation, the mesh netting is "clipped" onto the netting clip 13 by placing the mesh netting in the channel. The arms 19 flexes outward as the mesh netting is placed into the channel and then returns into place once the netting is within the channel 23. The shoulders 31 decrease the channel opening so as to secure the mesh netting within the netting clip and thus to the assembled trellis frame. In this manner, the mesh netting may be quickly and easily secured to the frame assembly without the need for additional means to secure the mesh netting.

Variations of the extendable gardening trellis include using a lattice or network of bars rather than netting to support plant stems. Such variations may make the appear-

ance of the trellis more ornate or better adapt the trellis to any form of specific application as desired by the user.

In use, the adjustable frame assembly with mesh netting forms an extendable gardening trellis which may be used to support plant stems and fruit. The mesh netting serves as a superior means of support because no tying or hooks are needed to support the plants. One can simply thread the plant through the openings in the mesh netting. In this way, less stress is placed on the plants while still providing needed support for optimum plant growth. Further, by eliminating the need to use thread or hooks to support the plants, there is less risk of damage and/or injury to the plant stems or cutting off the flow of plant fluid through the plant stem. The tedious and time consuming process of carefully tying up individual plant stems is also eliminated. Many times supporting plants by the use of thread or hooks may also reduce plant growth and/or fruit yield.

The gardening trellis provides the area and support to accommodate multiple plants on the same support device and is extendable to greater than six feet in height. The rigid construction and stability of the gardening trellis is able to truss larger plants than standard gardening devices currently in the market. As a result, plants are able to grow upward rather than sprawled along the ground, so as to reach maximum heights and produce much higher yields.

Experiments conducted during development of the present invention comprised using 21 extendable garden trellises in various gardening conditions and growing numerous vegetable plants such as tomatoes, cucumbers, pole beans, squashes, pumpkins and others. Soil conditions for the conventional gardens and those utilizing the extendable garden trellis were similar as was the use of water, fertilizer and pesticides. The result achieved was that plants grown in conjunction with the extendable garden trellis were able to effectively reach their maximum respective heights and produced higher yields as compared to the same vegetable plants in conventional gardens. In addition, common insect problems were minimized for the plants supported by the extendable garden trellis, thus reducing the need for chemical pesticides and producing a safer and healthier yield.

By inducing the growth of plants upward, the extendable gardening trellis allows the user to gain maximum efficiency within a limited area. In this way, the need for vast ground space to produce large effective gardens is eliminated and home gardening becomes more accessible to the general public. This is especially true of those living in urban environments who typically have limited access to yard space.

The extendable gardening trellis may be used either in line as a repeated unit, along a wall or fence, self standing or can be combined with similar units to form more complex arrangements. In line, the extendable gardening trellis units may be placed parallel to one another in row fashion either to separate various plant species or to maximize ground surface area. Different standing patterns may be created by connecting one extendable trellis with another trellis along the side rails. Such patterns can increase the aesthetic appearance of the trellis along with providing greater adaptability for the unique purposes of the individual user. In this way, plant species may be separated based on need while still providing a large area for growth and maintaining maximum exposure to sunlight. Further, the extendable gardening trellis may be placed along a wall or fence, thereby allowing plants to grow to large sizes while utilizing a very small amount of ground space. As a result, a small

strip of open soil along a fence or wall may be effectively used to create a towering garden and sustain a large yield of fruit, while utilizing only a small amount of available soil area.

In an alternate embodiment, one or more extension kits may be included to expand the size of the garden trellis wall system. Incorporation of the extension kit allows the user to place additional trellis sections upon an existing and complete garden trellis system, utilizing one common upper and lower side rail for the two units. The extension kit comprises upper and lower cross pieces 71, mesh netting 72, a single upper side rail 73, a lower side rail 74 and a stake. Each of these elements are identical in size, shape and configuration as previously described for the garden trellis wall system. In addition, two separate fastening brackets are supplied to secure the two cross pieces to the existing, completed garden trellis.

In the preferred embodiment, the separate fastening bracket 8 has a top leg 76 and a bottom leg 77 which are perpendicularly attached. The separate fastening brackets are of identical construction, and for the sake of convenience, only one of the brackets will be described.

Preferably, as with the garden trellis wall system, the separate fastening brackets, and the entire extension kit, are made of a light rigid plastic such as acrylonitrile-butadiene-styrene copolymer, polyethylene, polyvinyl chloride, polycarbonate or styrene. They may, however, be made from any strong, sturdy and weather resistant material, such as aluminum, fiberglass or galvanized metal.

The top leg 76 of the fastening bracket is in the shape of a square and defines a hollow center 78, which forms a continuous channel through the length of the top leg 76.

The bottom leg 77 is flat to fit flush against the side rail of an existing, adjacent trellis.

In operation, the distal ends of the upper and lower cross pieces 71 are inserted into the hollow center 78 of the top leg 76 of the corresponding fastening bracket 8, so as to form a male/female connector, in similar fashion and function as described in the garden trellis wall system. A fastening means, such as a screw or pin, may be used to secure each cross piece securely within the top leg of the separate fastening bracket.

The upper cross pieces are then secured to the integrated upper and lower side rails in the same form and fashion as with the garden trellis system. The result, is a three sided frame assembly. The assembled extension kit is then placed against the complete garden trellis system. It is desirable, but not mandatory, that there be as little space as possible, so as to form a tight junction between the side rails and the bottom legs of the separate fastening brackets.

Located on the base 83 of the bottom leg 77 is an aperture 85 for stabilizing the side rails of the completed garden trellis to the bottom leg. An attachment means is placed through the aperture 85 and into the completed trellis, thereby fastening the extension kit to the completed garden trellis. In the preferred embodiment, a screw is used, however, any rigid attachment means may be used such as a nail, pin or rivet.

By allowing the plants to grow upward along the extendable garden trellis, rather than along the ground, the trellis reduces the threat of ground borne insects and ground rot to fruits and vegetables. In this way, the garden trellis reduces the time and expense of standard home gardening while increasing the yield of fruit and vegetables in which the garden may produce. Thus, home gardening becomes available to those with limited time or finances to enjoy the health benefits and enjoyment of at home gardening.

The two piece design of the extendable gardening trellis further allows the trellis to be easily dismantled and removed during the fall and winter season. In addition, the preferred design of the stakes allows the user to leave the stakes in the ground year round, thereby facilitating reassembly of the extendable gardening trellis during the next gardening season. Thus, the trellis is limited in exposure to the elements when not in use during the growing season. In this way, the present invention lasts longer than typical support devices in the market which remain assembled outdoors year round. Furthermore, by using the present invention, an unsightly and bare frame may be disassembled and placed away conveniently, rather than left standing outside during the winter months.

The invention is described in detail with reference to a particular embodiment, but it should be understood that various other modifications can be effected and still be within the spirit and scope of the invention.

We claim:

1. An extendable garden trellis comprising:

- (a) an upper portion comprising upper side rails perpendicularly attached to an upper cross piece by upper fastening brackets, said upper side rails having a top portion and a bottom portion, said upper fastening brackets attaching the distal ends of said upper cross piece to the top portion of said upper side rails, said upper fastening brackets having a top leg perpendicularly attached to a bottom leg, said top leg having a continuous channel thorough said top leg, said bottom leg having a channel, whereby the distal ends of said upper cross piece are inserted into the channels of said top leg of said upper fastening brackets and said top portion of said upper side rails is inserted into said channel of said bottom leg to attach said top portion of said upper side rails to said upper cross piece;
- (b) a lower portion comprising lower side rails perpendicularly attached to a lower cross piece by lower fastening brackets, said lower side rails having a channel, a top portion and a bottom portion, said lower fastening brackets attaching the distal ends of said lower cross piece to the lower portions of said lower side rails, said lower fastening brackets having a top leg perpendicularly attached to a bottom leg, said top leg having a continuous channel, said bottom leg having a channel, whereby the distal ends of said lower cross piece are inserted into the channel of said top leg of said lower fastening bracket and said bottom portion of said lower side rails is inserted into said channel of said bottom leg to attach said bottom portion of said lower side rails to said lower cross piece, and said upper side rails of said upper tube portion being inserted into the channel of said lower side rails of said lower tube portion to form a frame assembly;
- (c) a support means spread across said frame assembly for suspension of plants from said frame assembly; and
- (d) an attachment means for attaching said frame assembly to the ground perpendicular to the ground surface.

2. An extendable garden trellis according to claim 1, whereby said support means comprises a mesh netting spread across said frame assembly and perpendicular to the ground surface, said mesh netting being fastened to said upper and lower side rails, said cross pieces and said lower and upper fastening brackets.

3. An extendable garden trellis according to claim 1, whereby said attachment means comprises stakes having an upper neck and a body defined by four fins and a tip, said upper neck being inserted into the channel of said lower side rails.

4. An extendable garden trellis according to claim 2, whereby said attachment means comprises stakes having an upper neck and a body defined by four fins and a tip, said upper neck being inserted into the channel of said lower side rails.

5. An extendable garden trellis according to claim 1, wherein said bottom portion of said upper side rails include a plurality of apertures evenly spaced along the length and said top portion of said lower side rails have an aperture, whereby, when the upper side rails are inserted into the channel of said lower side rails, said apertures align; and, further comprising a coupling means inserted through the apertures for connecting said upper and lower side rails.

6. An extendable garden trellis according to claim 2, wherein said bottom portion of said upper side rails include a plurality of apertures evenly spaced along the length and said top portion of said lower side rails have an aperture, whereby, when the upper side rails are inserted into the channel of said lower side rails, said apertures align; and, further comprising a coupling means inserted through the apertures for connecting said upper and lower side rails.

7. An extendable garden trellis according to claim 3, wherein said bottom portion of said upper side rails include a plurality of apertures evenly spaced along the length and said top portion of said lower side rails have an aperture, whereby, when the upper side rails are inserted into the channel of said lower side rails, said apertures align; and, further comprising a coupling means inserted through the apertures for connecting said upper and lower side rails.

8. An extendable garden trellis according to claim 4, wherein said bottom portion of said upper side rails include a plurality of apertures evenly spaced along the length and said top portion of said lower side rails have an aperture, whereby, when the upper side rails are inserted into the channel of said lower side rails, said apertures align; and, further comprising a coupling means inserted through the apertures for connecting said upper and lower side rails.

9. An extendable garden trellis according to claim 3, wherein said upper neck of said stake includes an aperture and said lower portion of said lower side rails have an aperture, whereby, when the upper neck of said stake is inserted into the channel of said lower side rails, the apertures align; and, further comprising a coupling means to connect said stakes to said lower side rails.

10. An extendable garden trellis according to claim 1, wherein said upper and lower fastening brackets include an aperture in said top leg and in said lower leg; and, further comprising a connecting means to secure said fastening brackets to said upper and lower side rails and said upper and lower cross pieces.

11. An extendable garden trellis comprising:

- (a) an upper portion comprising upper side rails perpendicularly attached to an upper cross piece by upper fastening brackets, said upper side rails having a top portion and a bottom portion, said upper fastening brackets attaching the distal ends of said upper cross piece to the top portion of said upper side rails;
- (b) a lower portion comprising lower side rails perpendicularly attached to a lower cross piece by lower fastening brackets, said lower side rails having a channel, a top portion and a bottom portion, said lower fastening brackets attaching the distal ends of said lower cross piece to the lower portion of said lower side rails, said bottom portion of said upper side rails of said upper portion being inserted into the channel of said lower side rails of said lower portion to form a frame assembly;

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- (c) a support means spread across said frame assembly for suspension of plants from said frame assembly; and
- (d) an attachment means for attaching said frame assembly to the ground perpendicular to the ground surface.

12. An extendable garden trellis according to claim 11, wherein said bottom portion of said upper side rails include apertures evenly spaced along the length and said top portion of said lower side rails include an aperture, whereby, when the upper side rails are inserted into the channel of said lower side rails, said apertures align; and, further comprising a coupling means inserted through the apertures for connecting said upper portion to said lower portion.

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13. An extendable garden trellis according to claim 11, whereby said attachment means comprises stakes having an upper neck and a body defined by four fins and a tip, said upper neck being inserting into the channel of said lower side rails.

14. An extendable garden trellis according to claim 11, whereby said support means comprises a mesh netting spread across said frame assembly, said mesh netting being fastened to said upper and lower side rails, said cross pieces and said lower and upper fastening brackets.

\* \* \* \* \*



US00D684036S

(12) **United States Design Patent**  
**Topping et al.**

(10) **Patent No.:** **US D684,036 S**

(45) **Date of Patent:** **\*\* Jun. 11, 2013**

- (54) **GROMMET**
- (71) Applicant: **VegHerb, LLC**, Port Chester, NY (US)
- (72) Inventors: **Anthony Topping**, White Plains, NY (US); **Eric Lam**, Preta (MA)
- (73) Assignee: **VegHerb, LLC**, Port Chester, NY (US)
- (\*\*) Term: **14 Years**
- (21) Appl. No.: **29/435,496**
- (22) Filed: **Oct. 24, 2012**
- (51) **LOC (9) Cl.** ..... **08-05**
- (52) **U.S. Cl.**  
USPC ..... **D8/356**
- (58) **Field of Classification Search**  
USPC ..... **D8/356, 367, 354, 349; 411/508; 24/453, 24/704.1**  
See application file for complete search history.

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\* cited by examiner

*Primary Examiner* — Cynthia Underwood

(74) *Attorney, Agent, or Firm* — Leason Ellis LLP

(57) **CLAIM**

The ornamental design for a grommet, as shown and described.

**DESCRIPTION**

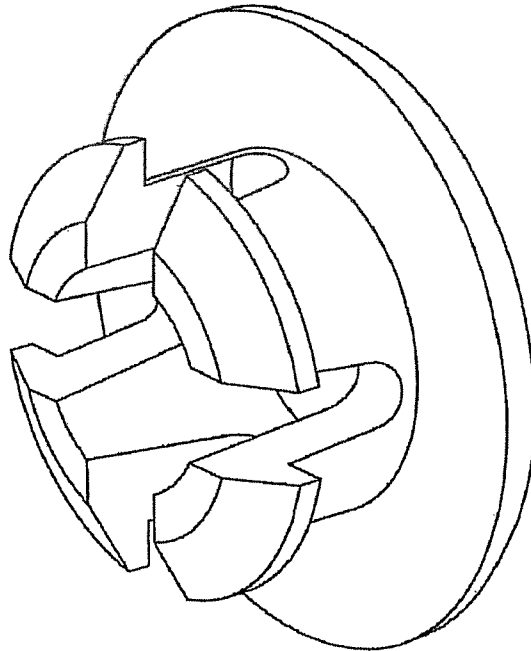
FIG. 1 is a perspective view of a grommet in accordance with my invention;  
 FIG. 2 is a side view of FIG. 1, the opposite side view being a mirror image thereof;  
 FIG. 3 is a second side view of FIG. 1, the opposite side view being a mirror image thereof;  
 FIG. 4 is a cross-sectional view of FIG. 3 taken along line 3-3;  
 FIG. 5 is a bottom plan view of FIG. 1; and,  
 FIG. 6 is a top plan view of FIG. 1.

**1 Claim, 3 Drawing Sheets**

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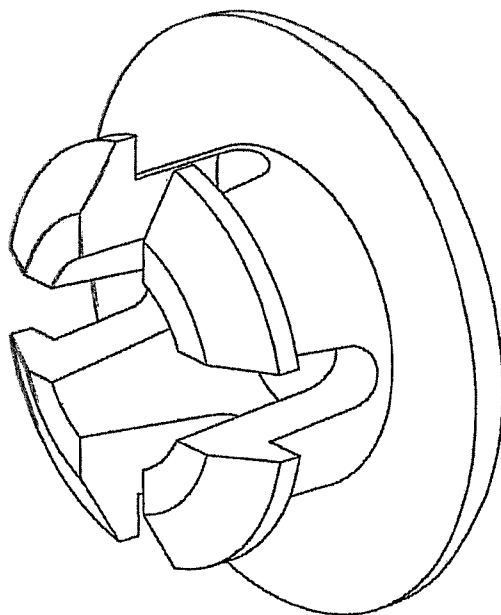


Fig. 1

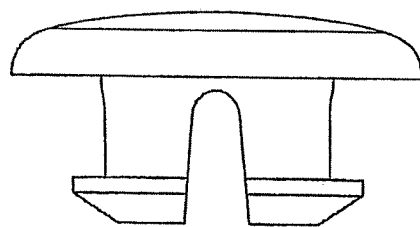


Fig. 2



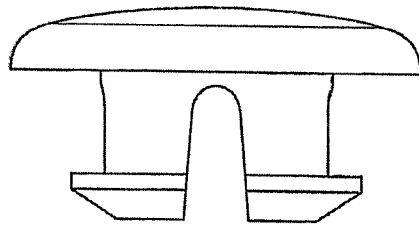


Fig. 3

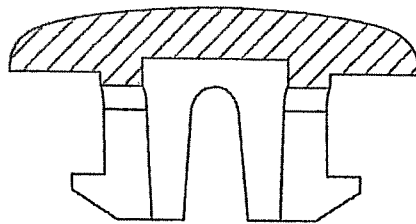


Fig. 4

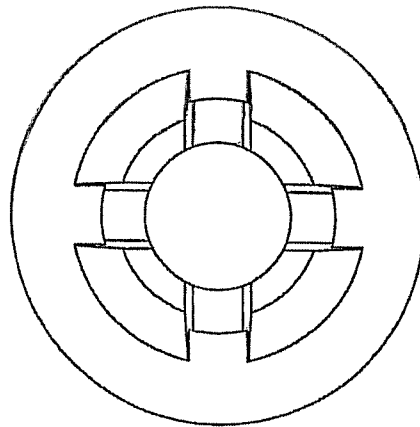


Fig. 5

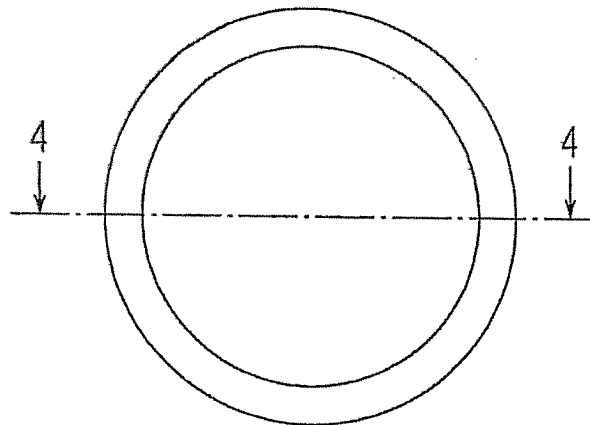


Fig. 6



US 20130205663A1

(19) **United States**

(12) **Patent Application Publication**  
**Topping**

(10) **Pub. No.: US 2013/0205663 A1**

(43) **Pub. Date: Aug. 15, 2013**

(54) **LIGHTING SYSTEM FOR USE IN RAISED  
BED GARDENING OR LANDSCAPING**

**Publication Classification**

(71) Applicant: **VegHerb, LLC, (US)**

(51) **Int. Cl.**  
**A01G 9/20 (2006.01)**

(72) Inventor: **Anthony Topping, White Plains, NY  
(US)**

(52) **U.S. Cl.**  
CPC ..... **A01G 9/20 (2013.01)**  
USPC ..... **47/66.6**

(73) Assignee: **VegHerb, LLC, Port Chester, NY (US)**

(57) **ABSTRACT**

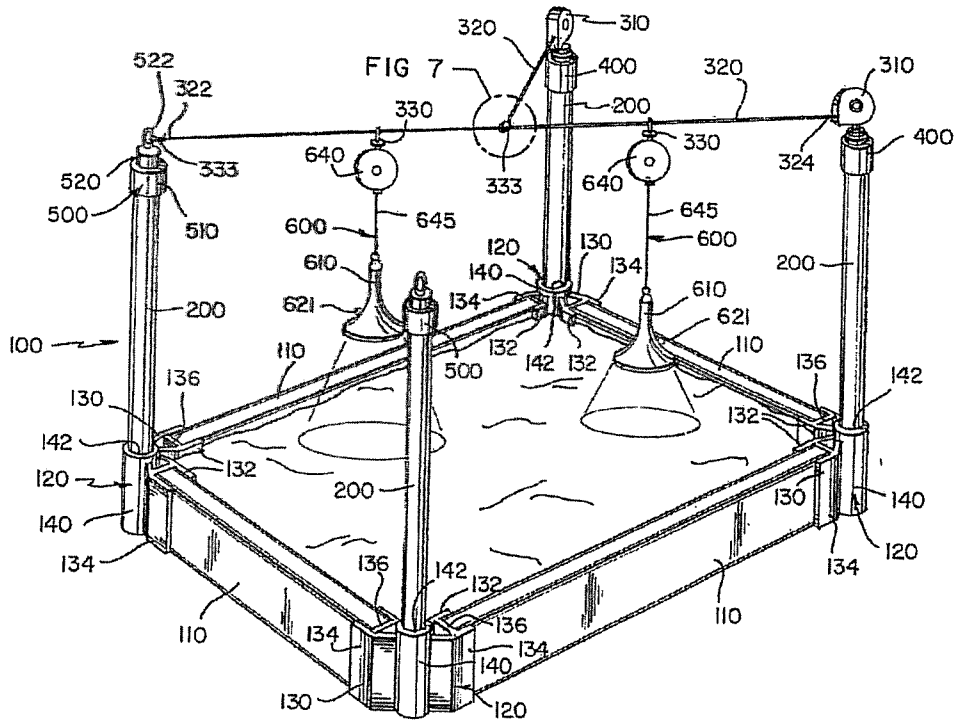
(21) Appl. No.: **13/760,662**

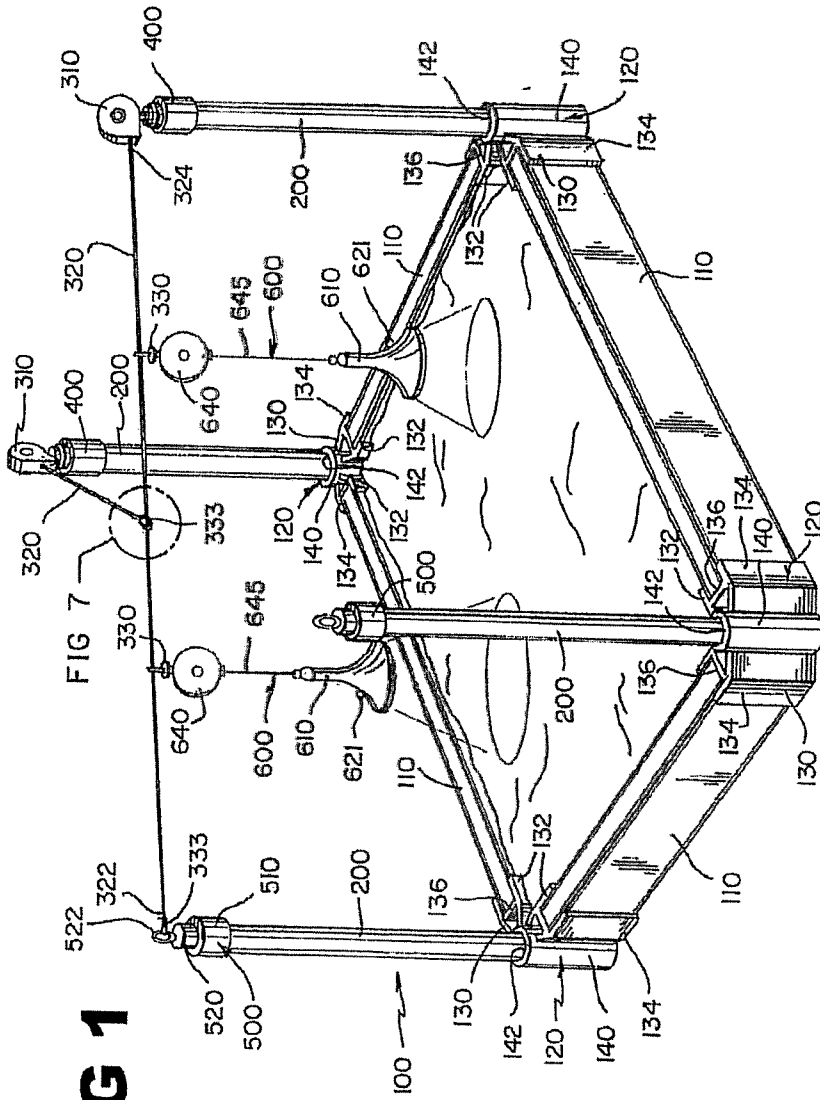
A grow light support system for use with a raised border system includes components for forming a tension cord network that is suspended over the raised bed border system and includes a grow light unit that is suspended on the tension cord network. The grow light unit is configured such that the grow light can be positioned and locked in place at a predetermined location of the tension cord network and is configured such that the distance between the grow light and the tension cord network can be varied, thereby changing the height at which the grow light is positioned relative to the ground.

(22) Filed: **Feb. 6, 2013**

**Related U.S. Application Data**

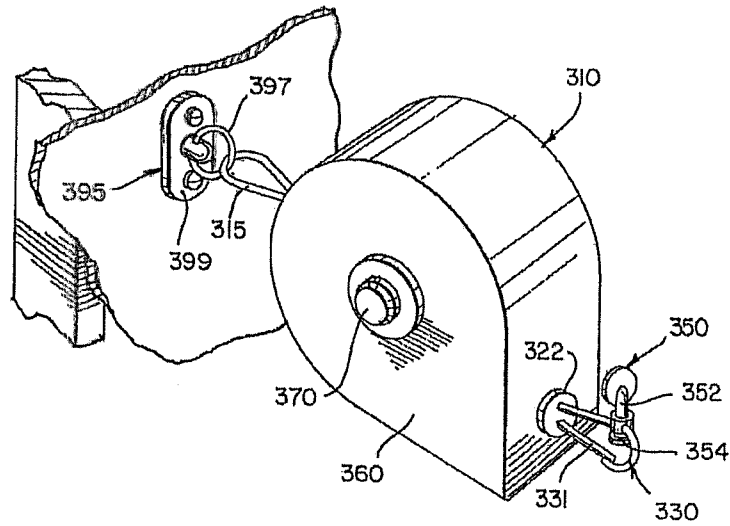
(60) Provisional application No. 61/597,005, filed on Feb. 9, 2012.



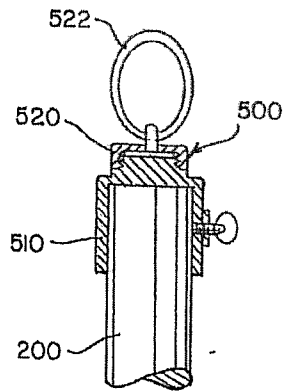


**FIG 1**

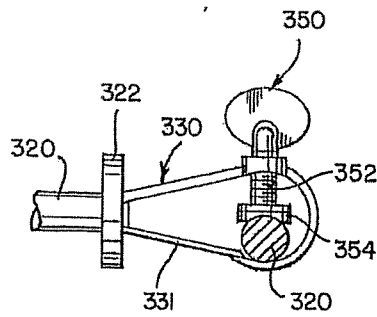
**FIG 2**

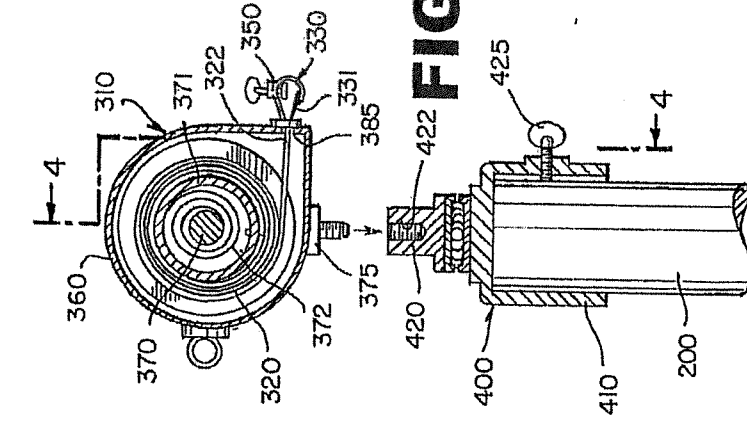
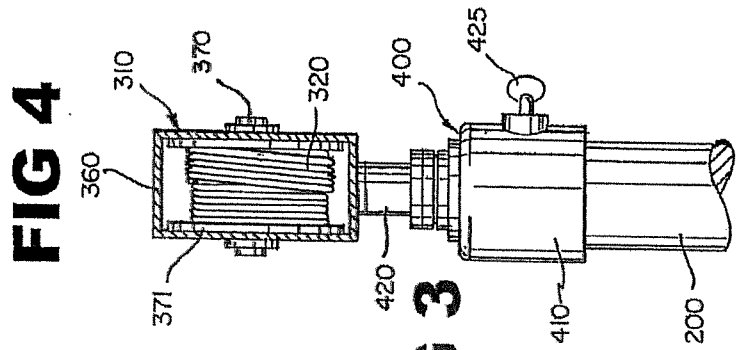
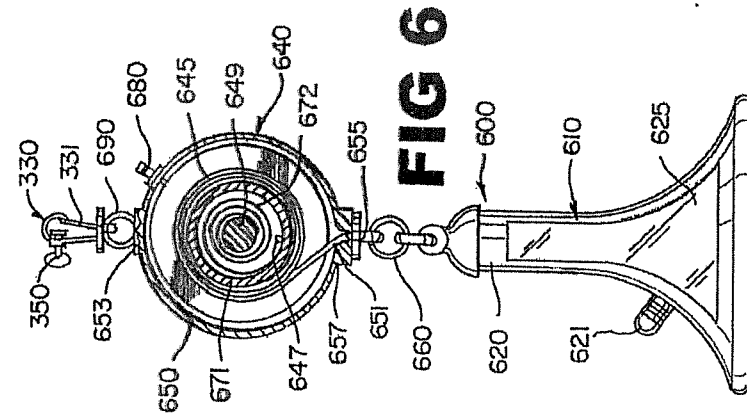


**FIG 5**

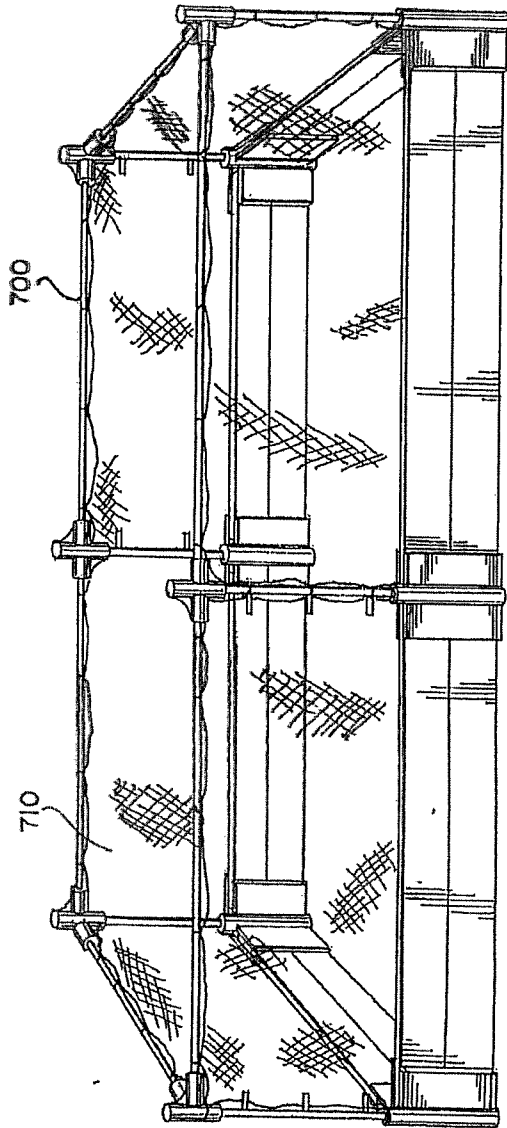


**FIG 7**

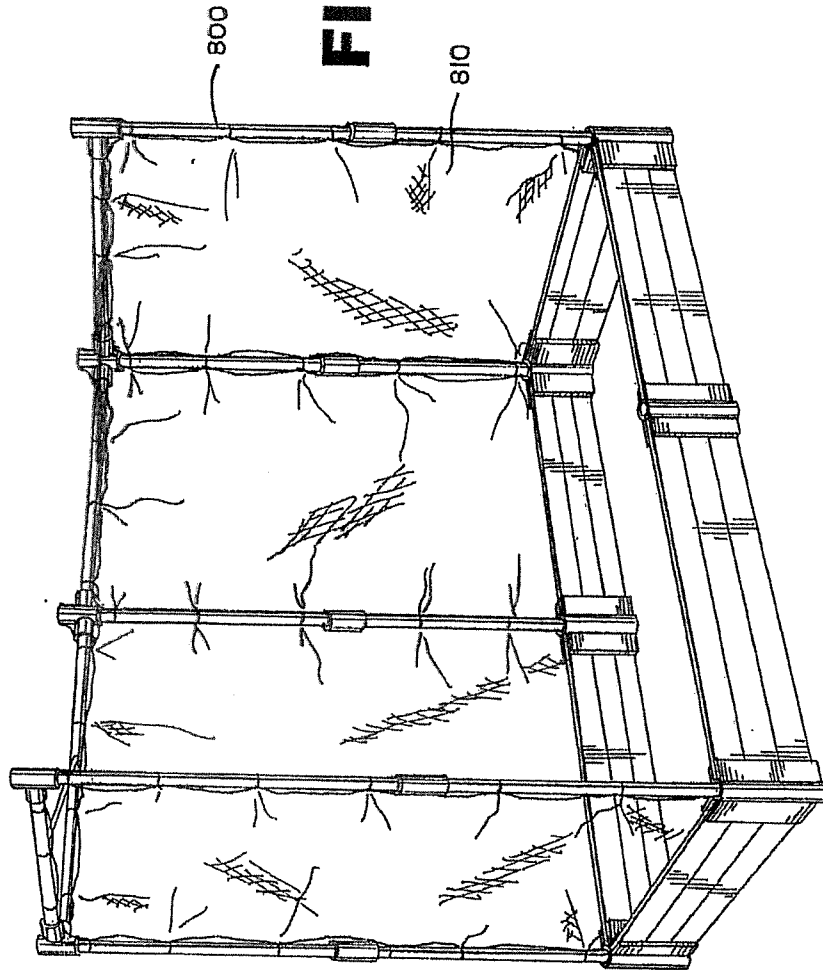




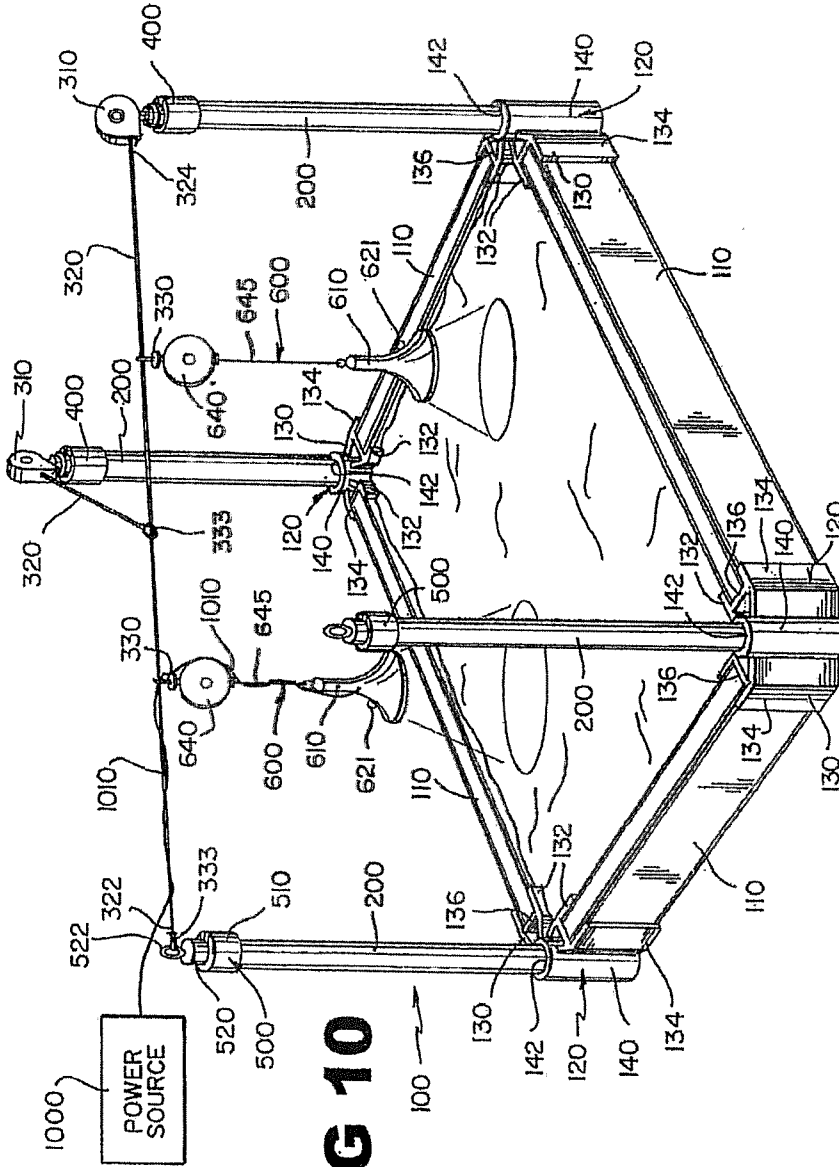
**FIG 8**



**FIG 9**







**FIG 10**

## LIGHTING SYSTEM FOR USE IN RAISED BED GARDENING OR LANDSCAPING

### CROSS REFERENCE TO RELATED APPLICATIONS

[0001] The present application claims priority to U.S. patent application Ser. No. 61/597,005, filed Feb. 9, 2012, which is hereby incorporated by reference in its entirety.

### TECHNICAL FIELD

[0002] This invention relates to the home gardening and landscape industry, and more particularly, to an accessory device adapted to add adjustable lighting, such as grow lights, to a raised border or landscape edging system.

### BACKGROUND

[0003] In the home gardening industry, edging systems can be employed to create a border between a garden feature and natural surroundings. A variety of garden features can be defined by an edging system including, without limitation, a flower bed, a vegetable garden, and a sandbox.

[0004] Raised bed gardening is a form of gardening in which the soil is formed in a bed having predetermined dimensions, depending in part upon the size limitations of the surrounding space. For example, a raised bed can be in the form of a 3-4 foot (1.0-1.2 m) wide bed, which can be of any length or shape. The soil is raised above the surrounding soil (6 inches to waist high), sometimes enclosed by a frame generally made of wood, rock, or concrete blocks, and enriched with compost or the like. The vegetable plants or flowers are spaced in geometric patterns, much closer together than in conventional row gardening. The spacing is such that when the vegetables are fully grown, their leaves just barely touch each other, creating a microclimate in which moisture is conserved and weed growth suppressed. Raised beds produce a variety of benefits: they extend the planting season; they have better drainage; they reduce the need to use poor native soil; and they can reduce weeds if designed properly. Since the gardener does not walk on the raised beds, the soil is not compacted and the roots have an easier time growing. The close plant spacing and the use of compost generally result in higher yields with raised beds in comparison to conventional row gardening. Waist high raised beds enable the elderly and the sick to grow vegetables without having to bend over to tend them.

[0005] One versatile edging system known in the art is described in U.S. Pat. No. 6,202,367 of Marino et al., assigned to the present assignee. The Marino et al. system includes support brackets that receive timber of arbitrary length and stakes of different shapes and sizes. The bracket has a beam receiving portion that receives and fastens to any standard size strip of lumber, including hollow, engineered lumber such as may be constructed as a composite of recycled plastic, wood fiber, rice hulls, resin, in various proportions from zero to a finite amount.

[0006] Edging systems, including raised bed gardens, can thus come in a modular set up to make construction easy compared to the conventional manner of making such systems which included cutting wood, etc.

[0007] In addition to having the correct soil to promote optimal growing conditions, it will also be appreciated that light conditions are critical in order to achieve optimal growing. Different plants and flowers have different needs in terms

of the amount of daily sunlight with some plants requiring full sun and some plants requiring partial sun, etc.

[0008] Unfortunately, many times optimal lighting conditions cannot be achieved due to various factors, including the location of the gardening area. For example, it may not be possible due to yard boundaries, house location, etc., to install the edging system (raised garden) at a south facing location.

[0009] As a result, supplemental lighting can be used in order to supplement the light source and provide the plants with more optimal growing conditions. A grow light or plant light is an artificial light source, generally an electric light, designed to stimulate plant growth by emitting an electromagnetic spectrum appropriate for photosynthesis. Grow lights are used in applications where there is either no naturally occurring light, or where supplemental light is required. For example, in the winter months when the available hours of daylight may be insufficient for the desired plant growth, grow lights are used to extend the amount of time the plants receive light.

[0010] Grow lights either attempt to provide a light spectrum similar to that from the sun, or to provide a spectrum that is more tailored to the needs of the plants being cultivated. Outdoor conditions are mimicked with varying color temperatures and spectral outputs from the grow light, as well as varying the lumen output (intensity) of the lamps. Depending on the type of plant being cultivated, the stage of cultivation (e.g., the germination/vegetative phase or the flowering/fruiting phase), and the photoperiod required by the plants, specific ranges of spectrum, luminous efficacy and color temperature are desirable for use with specific plants and time periods.

[0011] Natural daylight has a high color temperature (approx. 6000 K). Visible light color varies according to the weather, and angle of the sun, and specific quantities (measured in Lumens) of light stimulate photosynthesis. Distance from the sun has little effect on seasonal changes in the quality and quantity of light and the resulting plant behavior during those seasons. The Earth tilts on its axis as it revolves around the sun. During the summer we get nearly direct sunlight and during the winter we get sunlight at a 23.44 degree angle to the equator. This small tilt of the Earth's axis changes the effective thickness of the atmosphere with respect to the distance sunlight has to travel to reach our particular area on Earth. The color spectrum of light that the sun sends us does not change, only the quantity (more during the summer and less during winter) and quality of overall light reaching us.

[0012] Different stages of plant growth require different spectra. The initial vegetative stage requires blue spectrum of light, whereas the later "flowering" stage is usually done with red-orange spectra. Light bulbs can be manufactured with a specific spectrum range or can be full spectrum. There are number of different suitable light source that can be used as grow lights.

[0013] Recent advancements in LEDs allow production of relatively inexpensive, bright, and long-lasting grow lights that emit only the wavelengths of light corresponding to the absorption peaks of a plant's typical photochemical processes. Compared to other types of grow lights, LEDs are attractive to indoor growers since they consume much less electrical power, do not require ballasts, and produce considerably less heat. This allows LEDs to be placed closer to the plant canopy than other lights. Also, plants transpire less, as a result of the reduction in heat, and thus the time between

watering cycles is longer. There are multiple absorption peaks for chlorophyll and carotenoids, and LED grow-lights may use one or more LED colors overlapping these peaks. For vegetative growth, blue LEDs are preferred, where the light has a wavelength somewhere in the mid-400 nm. For growing fruits or flowers, a greater proportion of deep-red LEDs is considered preferable, with light very near 660 nm, the exact wavelength number being much more critical than for the blue LED.

[0014] Newer advanced LED grow lights are constructed to use high-brightness multiple-watt LEDs, with growing results similar to HID lights. Grow light LEDs are increasing in power consumption resulting in increased effectiveness of the technology. LEDs used in previous designs were 1 watt in power, however 3 watt and even 5 watt LEDs are now commonly used in LED grow lights. LED grow lights are now being produced which exceed 600 watts.

[0015] Since ideal light conditions may not be present at many locations, including both indoor and outdoor settings, there is a need to have a supplemental lighting system that permits a supplemental light system to be added as an accessory to an edging system.

#### SUMMARY

[0016] According to one exemplary embodiment, a grow light system for use in a raised bed arrangement that includes a frame having a plurality of side wall parts mated together with coupling members. The grow light system includes a plurality of vertical support members configured to mate with the coupling members resulting in the vertical support members being upstanding members. The system further includes at least one first tension cord device that includes a housing which stores a first tension cord that has a biasing force applied thereto and can be extended from the housing and retracted back into the housing due to the applied biasing force. A distal end of the cord includes a first connector and the first tension cord device is configured to mate with and be securely supported by one vertical support member. Extension of the first tension cord and attachment of the first connector to a structure results in the first cord being under tension and suspended over the raised bed arrangement.

[0017] The system also includes a grow light unit having a light source contained within a housing and at least one second tension cord device that includes a housing which stores a second cord that has a biasing force applied thereto and can be extended from the housing and retracted back into the housing due to the applied biasing force. The second tension cord device has a mechanism that allows the cord to be placed in a locked position in which a predetermined length of cord extends from the housing. A distal end of the cord is coupled to the housing of the grow light unit. The second tension cord device permits the grow light to be positioned at a predetermined location along the first tension cord at a preselected distance from an object in the raised bed arrangement. The second tension cord device is coupled to the first tension cord such that it is suspended therefrom.

[0018] The light source can be in the form of an LED lamp that is powered by a power source and is configured to emit only wavelengths of light corresponding to absorption peaks of a plant's typical photochemical processes. The LED lamp can be constructed such that it includes a solar panel for charging a batter power source and therefore can be used in outdoor locations, such as a raised bed garden or the like and can be exposed to the elements, etc.

[0019] Other aspects, features and advantages of the invention will be apparent in view of the accompanying description of certain embodiments thereof when considered in connection with the accompanying drawing figures.

#### BRIEF DESCRIPTION OF THE DRAWINGS

[0020] FIG. 1 is a perspective view of a raised border system showing a lighting system according to one embodiment of the invention;

[0021] FIG. 2 is a close-up perspective view of an extendable cord that is configured for attaching to a support surface and is suitable for hanging the lighting system of the present invention;

[0022] FIG. 3 is a cross-sectional view of an extendable cord device according to the present invention;

[0023] FIG. 4 is a cross-sectional view of the extendable cord device taken along the lines 4-4 of FIG. 3;

[0024] FIG. 5 is a cross-sectional view of a cord retaining member according to one embodiment;

[0025] FIG. 6 is a cross-sectional view of an extendable lighting unit according to the present invention;

[0026] FIG. 7 is a close-up of a cord coupling member according to the other embodiment for attaching an end of one cord to another cord;

[0027] FIGS. 8 and 9 are perspective views of a raised border system having an alternative frame construction and an optional netting; and

[0028] FIG. 10 is a perspective view of a raised border system showing a solar lighting system according to another embodiment of the invention.

#### DETAILED DESCRIPTION OF CERTAIN EMBODIMENTS

[0029] The invention is described in connection with one embodiment in which it is used in conjunction with a raised border system in which a number of timbers or the like (e.g., fabricated planks) are joined together by support brackets (coupling members), substantially as described in the aforementioned Marino et al. patent, U.S. Pat. No. 6,202,367, the disclosure of which is hereby incorporated by reference as if set forth in its entirety herein. However, it will be appreciated that the accessories of the present invention can be used with other raised border systems and in particular, can be used with modular type raised border systems that are constructed of a number of different components that mate together to form a border. Typically, the raised border systems include a number of different joints or interfaces, such as corners, between side walls, etc.

[0030] As shown in FIG. 1, an exemplary raised border system 100 is illustrated and includes a number of different modular components that mate together to form the assembled raised border system 100. The exemplary system 100 includes a plurality of side wall members 110. The side wall members 110 can be in the form of elongated planks or the like that form the side walls of the raised border system.

[0031] FIG. 1 shows the basic construction of the frame work and support brackets (coupling members) 120 that mate with and receive the side wall members 110. The support bracket 120 has a beam receiving portion 130 and a mounting column portion 140 for receiving a vertical support member 200. The illustrated support bracket 120 is in the form of a corner support bracket 120. The corner support bracket 120 includes two beam receiving portions 130 and a single mount-

ing column portion 140 between two beam receiving portions 130. The support bracket 120 is not limited to being a corner member and can be used along the side wall at an intermediate location.

[0032] The mounting column portion 140 is intended to receive a vertical member, such as a column, that is part of the frame of the raised border system 100. The mounting column portion 140 has a central bore 142 that receives the vertical support member 200. In the illustrated embodiment, the central bore 142 has a circular shape in view of the circular shape of the vertical member (vertical support member 200); however, the bore 142 can come in any number of different shapes, including square, triangular, oval, rectangular, etc.

[0033] The beam receiving portion 130 is U-shaped and has a rear rim 132, a front rim 134 and a base 136, which define a channel for receiving a beam of lumber or a synthetic beam or any other elongated beam type structure that forms the side wall of the raised border system 100. The attachment between the side wall member 110 and the support bracket 120 can be any number of different types of attachment means, including different mechanical attachment means. For example, a frictional fit can be formed between the components or a fastener can be used. The attachment means is of a type that allows the side wall member 110 to be removed from the support brackets 120.

[0034] When the support bracket 120 is a corner bracket, the side wall members 110 are formed at a substantially right angle.

[0035] The support bracket 120 can be formed of any number of different materials including plastics and in particular, the support bracket 120 can be a single molded piece of plastic (e.g., injection molded piece).

[0036] It will be appreciated that any number of other support brackets can be used to couple together the side wall members 110 to form the assembled unit so long as the support bracket includes an opening or the like for receiving and securely holding a vertical support member 200 that is part of the lighting system.

[0037] The hollow interior channel or bore 142 provides a receptacle for support member 200 that are part of the lighting system according to the present invention and as described below. The vertical support member 200 is an upstanding structure that can be located in one or more corners of the assembly or can also be formed along an intermediate location of one or more of the side wall members 110. The shape of the support member 200 and the bore 142 can be keyed to permit insertion in one orientation and prevent rotation of the support member 200, etc.

[0038] It will be appreciated that the raised border arrangement shown in FIG. 1 is merely exemplary and other frames and arrangements are equally possible. For example, FIGS. 8 and 9 show an alternative frame for a raised bed border including optional netting that is an animal barrier and/or veggie wall. It will be appreciated that the lighting system disclosed herein can be easily implemented into the frame construction shown in FIGS. 8 and 9.

[0039] The support member 200 is in the form of an elongated structure such as an upstanding rod or tubular structure. In accordance with one embodiment, the support member 200 supports a light unit (device) of the lighting system in an adjustable manner. In the illustrated embodiment, the lighting system includes a tension wire (cord) device 310 or the like that includes an extendable and retractable tension wire, cord, rope, etc., 320 that has a first (distal) end 322 and an opposing

second end 324. For illustrative purposes only, the member 320 is described as being a tension wire; however, it will be understood that it is not limited to such construction and can be in the form of a rope or cord, such as ones formed of synthetic materials, etc. The first distal end 322 is associated with one support member 200 and the other end 324 is associated with another support member 200. The wire 320 is preferably held under tension so as to provide a wire that is free of sagging, etc., along its length.

[0040] Any number of different techniques can be used to extend and couple the distal end 322 of the wire 320 to the different support structures, such as the support member 200. For example and as shown in FIGS. 1 and 2, the end 322 can include a connector 330, such a clip or clamp mechanism or the like, to couple and securely attach the wire 320 to the support structure, such as the support member 200. For example, the connector 330 can be a clip or other type of fastener, such as a carabiner, etc., which is configured to attach the distal end 322 to another structure, such as a coupling member that is associated with another support member 200 as described below. In the illustrated embodiment, the connector 330 includes an openable gate 331 that can be spring loaded or simply naturally biased against the remaining portion of the connector 330 to complete and close off the connector 330 structure.

[0041] In accordance with the present invention, the connector 330 can include a wire securing element 350 that permits the connector 330 to also be secured to another wire as described below with reference to FIG. 7.

[0042] To apply tension to the wire 320, the device 310 is designed to apply tension to the wire 320. As best shown in FIGS. 2-4, the device 310 is in the form of a wire tensioning unit that has a housing 360 with a hollow interior that stores the wire 320. In particular, the device 310 has a construction in which the wire 320 is wound about a winder or spool structure that is contained within the housing 360. The spool structure includes a center axle 370 that can be biased in one direction and more specifically, the center axle 370 is biased in a direction that normally results in the wire 320 being wound about the center axle 370. The second end 324 of the wire 320 is attached to the center axle 370. Thus, without a force being applied to the wire 320 in a direction away from the housing 360, the wire 320 remains wound about the center axle 370. The housing 360 includes an exit in the form of an opening/slot 385 through which the first end 322 of the wire 320 extends. The connector 330 at the distal end 322 of the wire 320 has a size greater than the opening/slot 385 and therefore, the first end 322 is prevented from being accidentally withdrawn into the housing 360. The connector 330 is attached to the distal end 322 using any number of means, including mechanical attachment.

[0043] The device 310 thus operates as a tensioning device and can include a winder or spool structure with a locking member, such as a clutch, that allows the user to apply tension to the wire by winding the wire 320. Alternatively, the device 310 cannot include such a locking member and the tension cord is under constant tension as a result of the applied biasing force and thus, if the user releases the pulled cord, the cord will automatically wind about the center shaft within the housing. In this embodiment, the user simply pulls the cord to a distance needed to attach the first connector 330 at the distal end thereof to another structure.

[0044] The wire 320 is stored in the housing 360 in a wound state. As the wire 320 is pulled outward of the slot 385, the

wire 320 is released and unspooled due to the user overcoming the biasing force. However, the biasing member (such as a spring) within the housing 360 causes the unspooled wire 320 to be under tension due to a force being applied to the spool about which the wire 320 is wound.

[0045] The housing 360 includes a portion that is configured to couple and mate with the support member 200. For example and as shown in FIG. 3, the housing 360 can include a protrusion 375 (finger or nub) or the like that is received within the open end of the support member to securely couple the two together. As shown in FIG. 3, the protrusion 375 extends downwardly from the bottom of the housing 360 and mates with a light unit coupling member 400 that is coupled to the top of the support member 200. The coupling member 400 is in the form of a cap that mates with the top end of the support member 200. The coupling member 400 has a cap-like body 410 (e.g., cylindrical shape when the support member 200 is round) that includes a top connector section 420 that is complementary to and constructed to mate with the protrusion 375. For example, any number of types of mechanical attachments can be used to connect the housing 360 to the coupling member 400. In the illustrated embodiment, the protrusion 375 is a threaded fastener that mates with a threaded opening 422 in the top connector section 420. The unit 310 is simply screwed on the top connector section 420.

[0046] The coupling member 400 and in particular, the body 410 thereof, can be attached to the top of the support member 200 using conventional techniques, including the use of a fastener or other mechanical attachment means, such as a snap-fit. In the illustrated embodiment, the body 410 includes a fastener 425 on a side wall thereof which can be rotated to cause the inner end to contact and seat against the support member 200 that is contained within the body 410. For example, the user screws the fastener 425 into engagement with the underlying support member 200 to provide a secure attachment between the coupling member 400 and the support member 200. Other attachment means, such as a snap-fit, can likewise be used to attach the support member 200.

[0047] As will be appreciated, once attached to the support member 200, the wire 320 can be withdrawn therefrom by grasping the free distal end 322 and pulling it away from the housing 360 in a direction toward an intended point of attachment, such as across to another support member. As shown in FIGS. 1 and 5, the top end of the support member 200 can include a different type of coupling member 500 that, while similar to the coupling member 400, is intended to attach to the connector 330 at the end 322 of the wire 320 as opposed to supporting a wire tensioning device.

[0048] The coupling member 500 is in the form of a cap that mates with the top end of the support member 200. The coupling member 500 has a cap-like body 510 (e.g., cylindrical shape when the support member 200 is round) that includes a top connector section 520 that includes a structure 522 that is constructed to engage the connector 330. In the illustrated embodiment, the structure 522 is in the form of an open ring (which can have a degree of movement) that extends upwardly. The connector 330 (e.g., a clip, carabiner, etc.) mates with the ring 522 by first opening up the connector 330 and slipping the ring 522 into the center opening of the connector 330 and then releasing the openable part (gate 331) of the connector 330. To detach the connector 330 from the ring 522, the steps are reversed. The wire 320 that is extended between the unit 310 and the ring 522 is under tension as a result of the active biasing mechanism in the unit 310 that is

applying a winding force on the wire 320 in the direction in which the wire 320 is wound around the center spool, etc.

[0049] It will also be appreciated that the housing 360 can contain a ring or hook member, such as ring 552, to permit attachment of the free end 322 of the wire 320 that is extended from another device 310. In this embodiment, the location of the ring 552 is such that it does not interfere with the extension and retraction of the wire or cord 320. For example, the ring 552 can extend outwardly from a side of the housing 360 spaced from the slot 385.

[0050] It will also be appreciated that the end 322 of the wire 320 can be attached to a structure other than the support member 200. For example, the end 322 of the wire 320 can be attached to a wall or the like that may be proximate to the assembled raised border system 100 as shown in FIG. 2. In FIG. 2, the unit 310 also includes a second fastening element 315 that is located at the rear of the housing 360 opposite to the slot 385. The second fastening element 315 is not associated with an extendable member but instead is merely fixedly attached to the housing 360. The second fastening element 315 can be in the form of a clip, similar to connector 330, that attaches to a coupling member 395 that is associated with a support structure, such as a wall or the like. As shown in FIG. 2, the coupling member 395 can be in the form of a ring 397 that is attached to a base or plate 399 that is fixedly attached to the wall or other support structure. The coupling between the ring 397 and the base 399 can be such that the ring 397 can pivot, etc.

[0051] The unit 310 is thus secured to the wall (support structure) and the cord/wire 320 is extended and attached to another structure, such as a support member 200 of the system. As in the other embodiment, the wire 320 is under tension.

[0052] The arrangement of FIG. 2 illustrates that the lighting system of the present invention can be implemented in an indoor setting, such as a greenhouse or a garden window, or even in an indoor room in which gardening is present (e.g., a hydroponic garden). In other words, the tension cord network described herein can be implemented in an indoor setting to allow suspension of lighting units to provide glow lights to indoor plants.

[0053] In addition, the end 322 of the wire 320 can be attached to another wire 320 as shown in FIGS. 1 and 7. As shown in FIG. 1 and described above, the connector 330 includes the wire securing element 350 that permits the connector 330 to also be secured to another wire as described below with reference to FIG. 7. As shown in FIG. 7, the wire securing element 350 can be in the form of a fastener 352, such as a screw, that can be manipulated to apply a head 354 thereof into contact with the wire 320. For example, the fastener 352 is in the form of a screw that can be driven toward the clip body and the head 354 can be a rounded head that is driven into contact with the wire 320 so as to securely capture the wire 320 by a pinching action. In other words, the wire 320 is captured between the fastener 352 and the connector 330, thereby resulting in the connector 330 being securely attached to the wire 320. To release the wire 320, the fastener 352 is rotated in the other direction to release the wire 320 from being pinched. As shown, the mechanism 350 does not interfere with the opening action of the gate 331.

[0054] Instead of a threaded fastener 352, the mechanism 350 can be in the form of a biased pin or the like that applies a force to the first tension wire (cord) 320 to securely attach the connector 330 thereto.

[0055] It will be appreciated that the connectors shown herein are merely exemplary in nature and any number of other types of connectors can be used to provide the various attachments between the various components of the present system.

[0056] To reposition the connector 330 along the wire 320, the fastener 352 is simply loosened and the connector 330 is moved to the new target location along the wire 320 and then the fastener 352 is tightened.

[0057] It will be appreciated that the construction shown in FIG. 7 allows the tension wire 320 to be attached to another tension wire 320 as opposed to requiring it to be attached at its end to one of the support members 200. As shown in FIG. 1, this permits a tension wire 320 to be strung along a target location of the raised bed without requiring that the tension wire 320 terminate at the perimeter of the raised bed where the frame members are present. This provides greater versatility as described hereinafter in terms of providing a tension wire grid or network that can support the lighting units of the present invention. The light unit can thus be disposed along the tension wire 320 between its connection point with the tension wire 320 and the housing of the device 310.

[0058] In accordance with the present invention, the tension wire grid that is constructed using the components described above to create one or more tension wires strung across the raised bed at locations where it is desirable to hang light units 600. One exemplary light unit 600 is illustrated in FIGS. 1 and 6 and is formed of a number of parts that allow the light unit 600 to be securely attached to the wire 320 at a target location therealong and also allows the vertical position of the light source to be varied.

[0059] For example, the light unit 600 can include a light source 610 which can be in the form of a light lamp or the like. The light source 610 includes a housing 620 that stores a light element in the form of a grow light. As mentioned hereinbefore, grow lights can take any number of different forms, including newer LED lights that are constructed to use high-brightness multiple-watt LEDs, with growing results similar to HID lights.

[0060] In one embodiment, the light source 610 is in the form of an LED grow light that contains a plurality of LEDs. As technology advances, newer LED grow lights are capable of consuming only 80 watts of power and producing virtually no heat. These LED grow lights boast light intensity and growth rates exceeding that of a 400 W HPS (high pressure sodium lamp). The LED lamp can use highly efficient 1 watt LEDs, can use only the exact spectrums required for photosynthesis, and can use wide angle directional bulbs. The 1 watt LED is one of the most efficient light sources in the world (lumens per watt). By using only the spectrum required, no light is wasted in the spectrums of light that do little or nothing for a plants growth—such as green light. Lastly the directional LEDs ensure 100% of the light is pointed downwards—they do not rely upon reflective materials to direct the light. Benefits of LED grow lights include:—Greatly reduced power consumption—Less Heat Generated—Ideal for all phases of plant growth—No setup required—Less Pollution—Extremely long life—80,000+ hours The LED lamp is many times over the highest powered LED grow light available. It can be used by itself for all cycles of plant growth (covers 9 square feet), can be combined with outer lighting, such as fluorescent lighting.

[0061] In one embodiment, the light source 610 is of a solar type in that the light source 610 includes a solar panel 625 that

is disposed along the exterior of the housing 620 and is operatively connected to a power source (e.g., batteries) contained in the housing 620. The light unit 600 includes a controller in the form of a processor and user interface, such as a control panel 621 or the like that allows the user to make certain selections, such as turning the unit on or off, selecting an operating mode, such as the illumination time period or an auto illumination feature in which the light unit 600 turns on at dusk or conditions that emulate dusk, etc. As is known, a photosensor can be used in such auto illumination mode to detect the degree of natural sunshine. The controller can also include a timer feature to allow the user to program the start and end times for the individual lights. In this manner, the light units 600 can be programmed based on the specific needs of the living object being illuminated and therefore, some plants can be illuminated for a longer time, etc.

[0062] The light source 610 and in particular, the housing 620 thereof, is supported by a member 640 that is similar to member 310 and in particular, the member 640 is constructed such that it has an extendable/retractable cord or wire 645 that is stored in a housing 650 and extends through a slot or opening 655 formed therein. The housing 650 can take any number of different forms including a circular structure as shown. The housing 650 has a closed top end 653 and a bottom end 657 that includes the slot 655. Within the housing 650, the cord or wire 645 is stored in a wound state. For example, a central axis or shaft 649 is contained within the housing 650 and one end of the cord or wire 645 is attached to the shaft 649. As with the previous embodiment, the central shaft 649 is biased in a direction that results in the cord 645 being wound to a retracted position due to a proximal end 647 being attached to the shaft 649.

[0063] A distal end 651 of the wire 645 is attached to a coupling member 660 that is itself coupled to the housing 650. The coupling member 660 is in the form of a ring and the distal end 651 of the wire 645 includes a connector, such as connector 330.

[0064] The housing 650 (and housing 360) can include a lock mechanism, such as button 680, that allows the user to lock the wire 645 in place. For example, the user pulls the wire 645 to a desired length and then activates the lock mechanism 680 to lock the wire 645 in place. The button 680 can also be used to release the lock and permit the wire 645 to be either extended or retracted to another target length. The lock mechanism can thus be in the form of a clutch type mechanism.

[0065] The top end 653 of the housing 650 includes a coupling member 690, such as a ring or the like. The coupling member 690 is attached to a connector 330. The connector 330 includes the wire securing element 350 that permits the connector 330 to also be secured to wire 320 as described below with reference to FIG. 1. Thus, as shown in FIG. 1, the light unit 600 is constructed such that the location of the light source 610 can be varied depending upon a number of different considerations including the location of the target plants within the raised bed system 100. For example, for seedlings, small plants or sprouting bulbs, the light source 610 should be lowered so as to be close to the target object. As the plants grow, the light source 610 can be periodically raised so as to position the light source 610 at the optimal location.

[0066] According to the inverse-square law, the intensity of light radiating from a point source (in this case a grow light bulb) that reaches a surface is inversely proportional to the square of the surface's distance from the source (if an object

is twice as far away, it receives only a quarter the light). Plants or lights are moved as close together as possible so that they receive equal lighting and that all light coming from the lights falls on the plants rather than on the surrounding area. In one arrangement, the distance between light and plant is between about 4 inches and 3 feet and more particularly, between 4 inches and 24 inches or between 4 inches and 15 inches or between 4 inches and 10 inches or between 1 inch and 12 inches, etc. The precise target distance will vary depending upon a number of parameters including but not limited to the type of plant, the time of year, etc. In any event, one of the advantages of the present invention is the ease at which the light source 610 can be positioned relative to the target plant by simply manipulating the member 640 to either provide additional cord 320 or to retract the cord 320, thereby changing the position of the light source 610 relative to the plants.

[0067] It will be appreciated that the light source 610 is not limited to being of a solar type and instead, the light source 610 can be powered by other means, including batteries or other energy source, that permits the light unit 600 to be disposed and maintained at an outdoor location exposed to the elements, such as rain, etc. When the raised bed system 100 is inside such as being in a greenhouse or the like, then the light source 610 can be even powered using a traditional electrical outlet since it will not come into contact with adverse elements, such as rain.

[0068] It will be appreciated that the present invention provides a means to create a tensioned wire network that can be customized so as to string tension wires/cords over the target areas of the raised bed arrangement 100 to permit one or more grow light units 600 to be strategically hung for providing supplemental light to target objects within the raised bed arrangement 100 such as plants, etc. The position of the grow light units 600 can be easily changed along the tension cord by simply disengaging the light unit 600 and then moving the unit 600 to the desired location at which the light unit 600 is then locked back in place.

[0069] FIG. 10 shows another alternative embodiment in which the tension cord network provides a means for carrying power to the light unit 600. In particular, when the light unit 600 is powered by an external power source 1000, one or more electrical cables 1010 can be routed along the tension cord network to the light unit 600.

[0070] It will be appreciated that the power source 1000 can be in the form of an electrical power supply or can be in the form of a solar based power supply in which solar panels can be provided outside of and remote to (e.g., adjacent) the raised bed system and connected via cables 1010 to the light unit 600. When the power source is solar based, one or more large solar panels can be fixed to the ground or other support structure (e.g., by using a stake) and then connected to the light unit 600 to allow a power source (batteries) that are in the housing 620 of the light unit 600 to be charged. The cable 1010 can be plugged into a jack formed in the housing 620 to electrically connect the batteries in the light unit 600 with the power source 1000.

[0071] Ties or other connectors can be used to releasably attach the cable 1010 to the tension cord network.

[0072] The present tension cord network can be formed using other connectors at the ends of the tension cord so long as the tension cord is hung in a suspended manner over the raised bed area. The rotation of the devices 310 permits the tension cord to be extended in any number of different directions over the raised bed area; however, the devices 310 do not

have to rotate and can be more of a fixed or static unit. In addition, the support members 200 can be adjustable also in that they can be telescoping members or otherwise have a mechanism to adjust the height thereof. This also permits the height of the tension cord network to be adjusted relative to the ground (raised bed).

[0073] It is also within the scope of the present invention that other devices can be used to controllably position the light units 600 at target locations and at target heights relative to the ground. For example, other cord winders can be used that allow a length of cord to be pulled from the winder.

[0074] It will also be understood that the tension cord devices disclosed herein can be specifically constructed to provide sufficient tension such that the weight of the light units 600 does not cause significant sagging of the tension cord. One or more light units 600 can thus be supported by the tension cord.

[0075] The invention is described in detail with reference to a particular embodiments thereof, but the scope of the invention is to be gauged by the claims that follow and also by those modifications that provide equivalent features to those that are claimed as such modifications are still within the spirit and scope of the invention.

What is claimed is:

1. A grow light system for use in a raised bed arrangement that includes a frame having a plurality of side wall parts mated together with coupling members, the grow light system comprising:

a plurality of vertical support members configured to mate with the coupling members resulting in the vertical support members being upstanding members of the frame;

at least one first tension cord device that includes a housing which stores a first tension cord that has a biasing force applied thereto and can be extended from the housing and retracted back into the housing due to the applied biasing force, wherein a distal end of the cord includes a first connector and the first tension cord device is configured to mate with and be securely supported by one vertical support member, wherein extension of the first tension cord and attachment of the first connector to a structure results in the first cord being under tension and suspended over the raised bed arrangement;

a grow light unit having a light source contained within a housing; and

at least one second tension cord device that includes a housing which stores a second cord that has a biasing force applied thereto and can be extended from the housing and retracted back into the housing due to the applied biasing force, the second tension cord device having a mechanism that allows the cord to be placed in a locked position where a predetermined length of cord extends from the housing, wherein a distal end of the cord is coupled to the housing of the grow light unit, the second tension cord device permitting the grow light to be positioned at a predetermined location at a preselected distance from an object in the raised bed arrangement, wherein the second tension cord device is coupled to the first tension cord such that it is suspended therefrom.

2. The grow light system of claim 1, wherein the first tension cord is wound around a center shaft within the housing of the first tension cord device, the center shaft being biased in a direction that results in the first tension cord being wound about the center shaft.

3. The grow light system of claim 1, wherein the first tension cord device has a mechanism that allows the first tension cord to be placed in a locked position with a predetermined length of cord extending from the housing.
4. The grow light system of claim 1, wherein the first connector comprises a clip that is openable and biased to a closed position.
5. The grow light system of claim 1, wherein the clip includes a cord securing fastener for pinching the cord within the clip to securely attach the clip to the cord.
6. The grow light system of claim 5, wherein the cord securing fastener comprises a screw with an enlarged contoured head for seating against the cord, thereby securing the cord in place within the first connector.
7. The grow light system of claim 1, wherein the first tension device is rotatably attached to the one vertical support member.
8. The grow light system of claim 1, further including a first coupling member supported on a top end of the one vertical support member, the first tension cord device having a first connector section that mates with a second connector section that is part of the first coupling member.
9. The grow light system of claim 1, wherein the first connector section comprises a male member and the second connector section comprises a female member that receives the male member to attach the first tension cord device to the one vertical support member.
10. The grow light system of claim 1, wherein the first connector section comprises a female member and the second connector section comprises a male member that receives the male member to attach the first tension cord device to the one vertical support member.
11. The grow light system of claim 1, wherein the light source emits only wavelengths of light corresponding to absorption peaks of a plant's typical photochemical processes.
12. The grow light system of claim 1, wherein the light source comprises an LED based light source.
13. The grow light system of claim 12, wherein the light source comprises an LED lamp having a plurality of LEDs that are operatively connected to a power source and a controller, the power source being operatively connected to a solar panel for charging the power source.
14. The grow light system of claim 13, wherein the power source comprises batteries.
15. The grow light system of claim 1, wherein the second tension cord is wound around a center shaft within the housing of the second tension cord device, the center shaft being biased in a direction that results in the second tension cord being wound about the center shaft, the second tension cord passing through a slot at a bottom of the housing of the second tension cord device, while a top of the second tension cord device includes a second connector that is constructed to be securely attached to the first tension cord such that it is suspended therefrom.
16. The grow light system of claim 15, wherein the first and second connectors are the same.
17. The grow light system of claim 15, wherein the second connector comprises a clip and a cord securing fastener for pinching the cord within the clip to securely attach the clip to the first tension cord.
18. The grow light system of claim 17, wherein the cord securing fastener comprises a screw with an enlarged contoured head for seating against the first tension cord, thereby securing the first tension cord in place within the second connector.
19. The grow light system of claim 1, wherein the mechanism of the second tension cord device comprises a clutch that locks the second tension cord.
20. A raised bed border kit comprising:  
a frame including a plurality of side wall parts mated together with frame coupling members to form an upstanding modular raised bed frame, the frame including a plurality of vertical support members that mate with the coupling members resulting in the vertical support members being upstanding members that extend upwardly from the frame coupling members above the side wall parts, and  
a grow light system comprising:  
at least one first tension cord device that is disposed on one vertical support member, the first tension cord device including a housing which stores a first tension cord that has a biasing force applied thereto and can be extended from the housing and automatically retracted back into the housing due to the applied biasing force, wherein a distal end of the cord includes a first connector for attaching the first tension cord to another structure resulting in the first tension cord being under tension and suspended over a raised bed garden area defined between the frame; and  
a grow light unit having a light source contained within a housing, wherein the grow light unit is securely attached to the first tension cord such that the grow light unit is suspended therefrom over the raised bed garden area.
21. The raised bed border kit of claim 20, wherein the grow light unit is attached to the first tension cord by a second tension cord device that includes a housing which stores a second tension cord that has a biasing force applied thereto and can be extended from the housing and retracted back into the housing due to the applied biasing force, the second tension cord device having a mechanism that allows the cord to be placed in a locked position where a predetermined length of cord extends from the housing, wherein a distal end of the second tension cord is coupled to the housing of the grow light unit, the second tension cord device also being coupled to and suspended from the first tension cord, thereby permitting the grow light to be positioned at a predetermined location at a preselected distance from an object in the raised bed garden area.
22. The raised bed border kit of claim 20, wherein the light source emits only wavelengths of light corresponding to absorption peaks of a plant's typical photochemical processes.
23. The raised bed border kit of claim 22, wherein the light source comprises an LED based light source.

\* \* \* \* \*





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(54) **RAISED BORDER BRACKET**  
**ARRANGEMENT**

(52) **U.S. Cl.**  
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(71) Applicant: **VEGHERB, LLC**, Port Chester, NY  
(US)

(57) **ABSTRACT**

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(US)

A raised border system is disclosed. The system includes one or more brackets that secures at least one beam in position using at least one anchor stake to create a variety of edging systems. The brackets include nubs that can be inserted into the brackets without the use of tools and are sized and shaped to securely engage a beam in a manner such that the force required to assemble the beams is relatively small and is well exceeded by the force required to disengage the beam from the bracket. While the nubs obviate the need for traditional fasteners or tools, the border system is still compatible with traditional fasteners affording the user a wide variety of options during construction. The system is also universally compatible with a variety of beam materials and sizes.

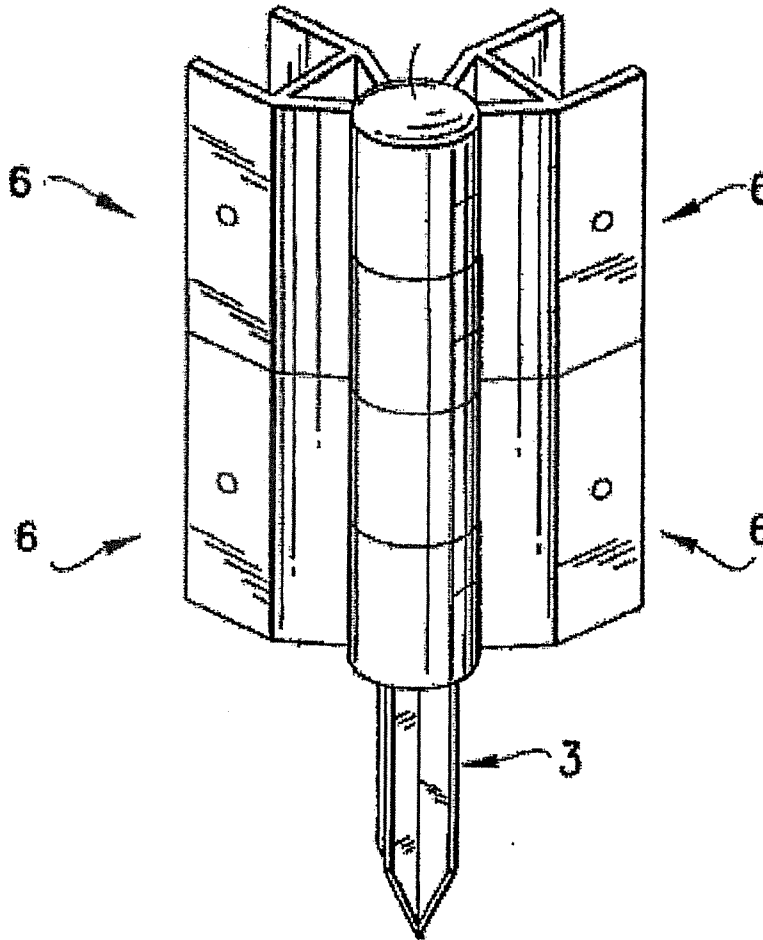
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(51) **Int. Cl.**  
*A01G 9/02* (2006.01)



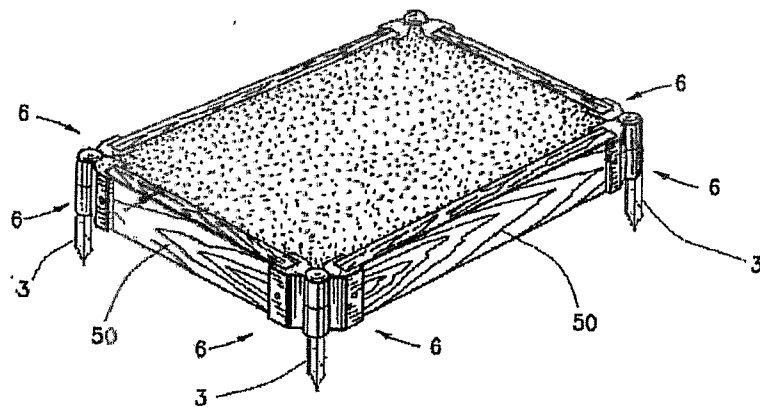


FIG. 1

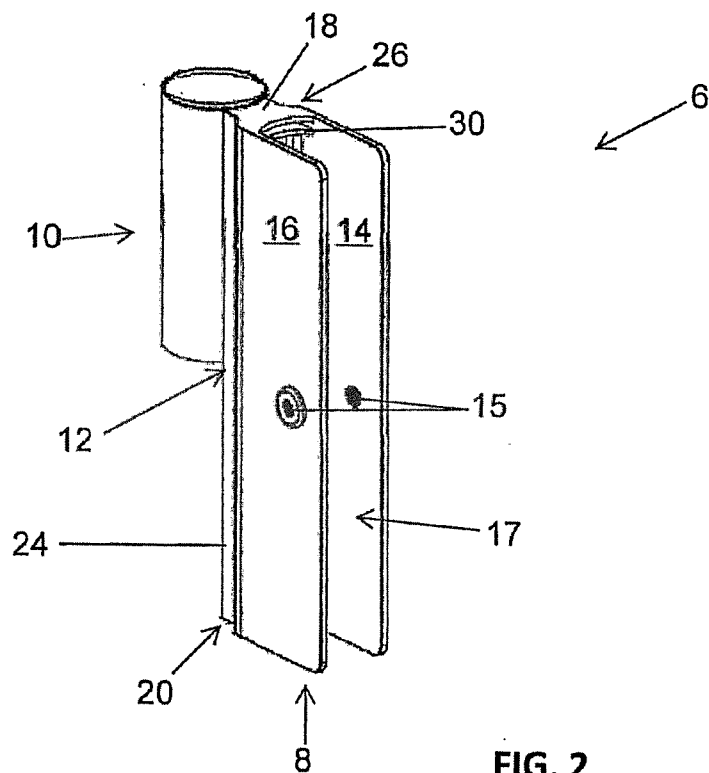


FIG. 2

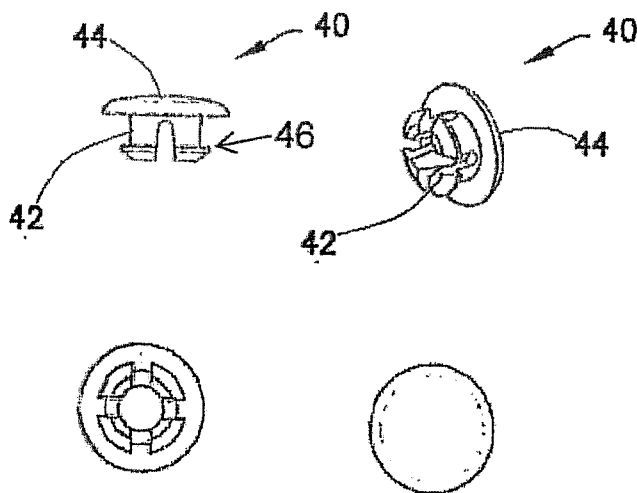


FIG. 3

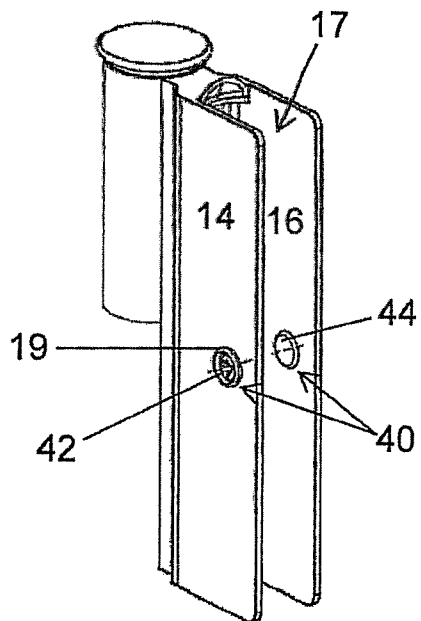


FIG. 4

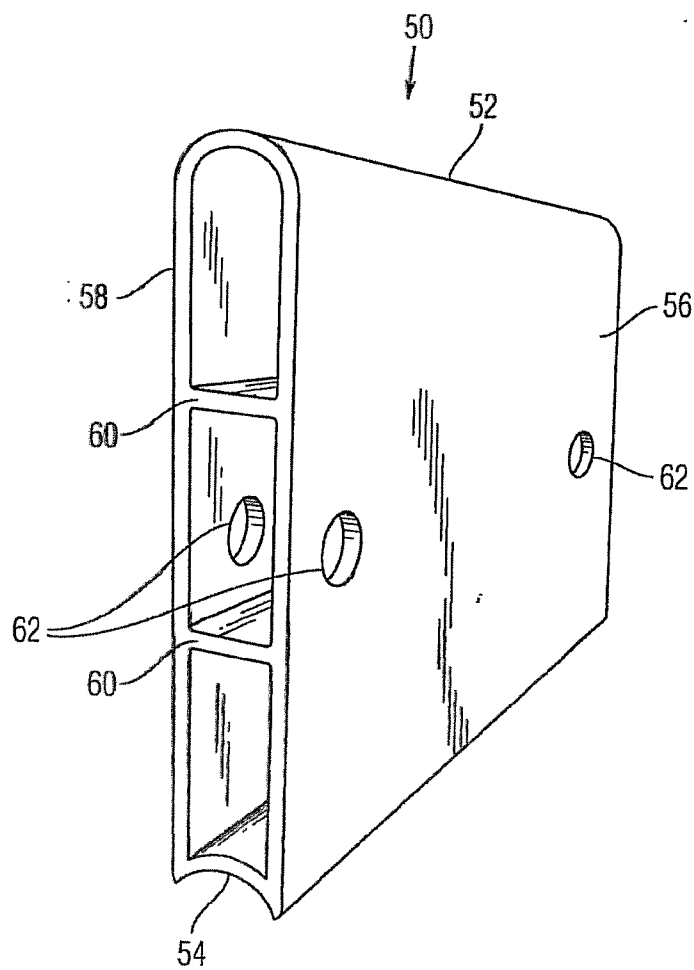


Fig. 5

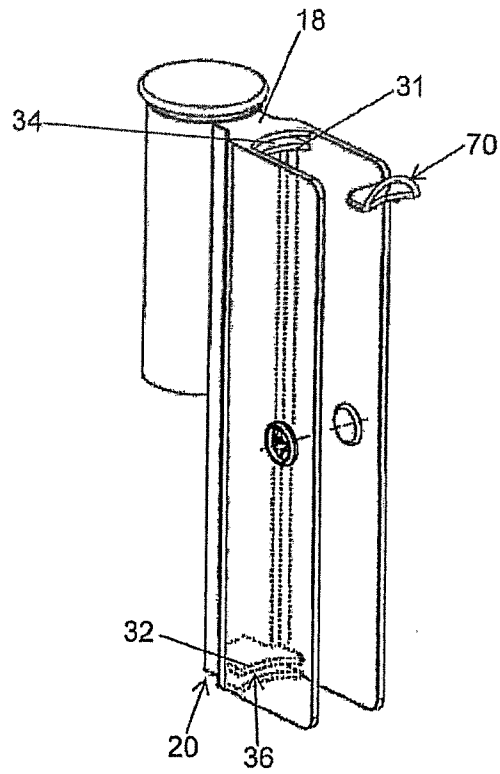


FIG. 6

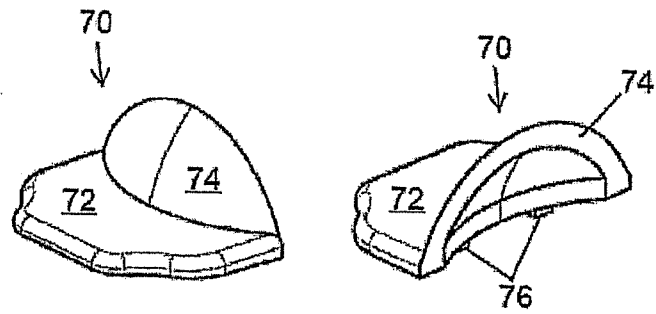


FIG. 7

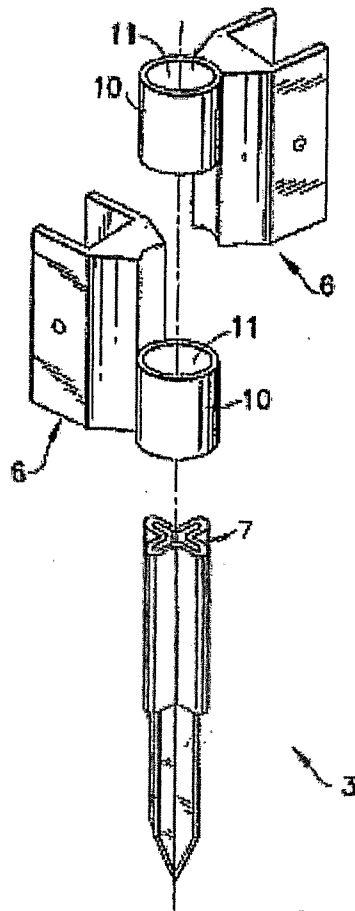


FIG.8

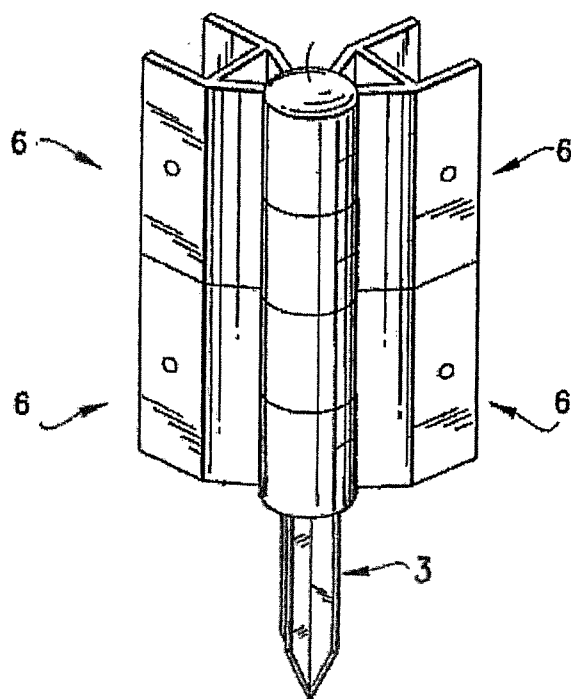


FIG.9

## RAISED BORDER BRACKET ARRANGEMENT

### TECHNICAL FIELD OF THE INVENTION

[0001] This invention relates to the home gardening and landscape industry, and, in particular, a support device for constructing raised borders or beds suitable for use as landscape edging.

### BACKGROUND OF THE INVENTION

[0002] Timber is used for building borders or walls on the ground to form edging for lawns and gardens. Generally, such edging systems comprise wooden beams and means for anchoring the wooden beams on the ground. However, current devices in the market do not provide a versatile raised border system which can be used to form a raised terrace bed or retaining wall of varying height without requiring extensive use of tools and physical effort to construct.

[0003] Frequently, consumers in the home gardening industry will use railroad ties to form landscape edges. However, the general problem with railroad ties is that they are costly, burdensome and once in place become difficult to remove. Further, due to the large weight and size of railroad ties, stacking them to create retaining walls may require excessive labor involving one or more parties and, as a result, be impractical. In addition, a separate means must be applied to anchor the railroad ties both to the ground and to one another.

[0004] Some edging devices do not provide the versatility often needed in landscaping due to the fact that they are limited to forming edging only at right angles or of limited shape and size. For example, a user may desire to encircle a large area or create a variety of shapes such as a semicircle, octagon, triangle, trapezoid or parallelogram. As a result, these traditional devices limit the user's creativity. In addition, some edging devices require extensive assembly that is time consuming, labor intensive and complicated. This assembly often includes a significant amount of hardware and tools.

[0005] Therefore, it would be beneficial to have a border system that does not require traditional hardware. In particular, it would be beneficial to have a border system that could be assembled quickly, easily and with minimal or no use of tools. Furthermore, it would be beneficial to have a robust system that can be assembled with relative ease. For example, a system in which the components are snapped into place with minimal effort but which require a significant amount of force to disassemble the pieces, thereby providing a sturdy and resilient border system, is desirable. Nonetheless, it would also be beneficial to have a border system that allows the user to secure beams to the bracket system using traditional hardware if necessary, for example, if the user misplaced the dedicated pieces required for non-hardware assembly. It would also be beneficial to provide a border system that can be assembled using a variety of beam lengths allowing the user to create a border system in a variety of shapes. It would also be beneficial to provide a border system that can be assembled using a variety of different beam materials providing the user the flexibility of using standard materials or special materials. These considerations are addressed by the present invention.

### SUMMARY OF THE INVENTION

[0006] The present invention concerns in a broad aspect a raised border system suitable for use as landscape edging. The raised border system is of the type that includes a bracket that secures at least one beam in position using at least one anchor stake. The beam being of the type having one or more beam holes therethrough in proximity to the end of the beam. More particularly, the border system comprises at least one support bracket for receiving a beam and an anchor stake, the bracket having a beam receiving portion attached to a mounting column having a central channel. The beam receiving portion has a hollow spine with a top wall, a bottom wall, a first side wall, a second side wall and one or more structural ribs therein and a first flange and a second flange extending away from the spine portion and forming a receiving channel. The first and second flanges each define one or more orifices therethrough positioned to cooperate with the beam holes of the beam. The system also includes at least one nub having a cap portion and a snap lock portion wherein the snap lock portion is removably and securely insertable into an orifice such that the cap portion is disposed on the interior of the receiving channel. The cap portion is sized to securely and removably join the beam to the support bracket.

[0007] The raised border system can further include a sealing insert with a sealing flange and a tab wherein the tab is insertable into a slot defined by the top wall and one of the structural ribs. The sealing flange can be shaped to match the profile of the at least one hollow beam.

[0008] The raised border system can further include one or more raised lips surrounding each of the one or more orifices wherein the one or more raised lips are formed on the exterior surface of the first and second receiving flange.

[0009] These and other aspects, features, steps and advantages can be further appreciated from the accompanying drawing Figures and description of certain illustrative embodiments.

### BRIEF DESCRIPTION OF THE DRAWINGS

[0010] FIG. 1 is a perspective view of raised border system in accordance with principles of the disclosed embodiments.

[0011] FIG. 2 is a perspective view of a raised border system in accordance with principles of the disclosed embodiments.

[0012] FIG. 3 is a perspective view of a raised border system in accordance with principles of the disclosed embodiments.

[0013] FIG. 4 is a perspective view of a raised border system in accordance with principles of the disclosed embodiments.

[0014] FIG. 5 is a perspective view of a raised border system in accordance with principles of the disclosed embodiments.

[0015] FIG. 6 is a perspective view of a raised border system in accordance with principles of the disclosed embodiments.

[0016] FIG. 7 is a perspective view of a raised border system in accordance with principles of the disclosed embodiments.

[0017] FIG. 8 is a perspective view of a raised border system in accordance with principles of the disclosed embodiments.



[0018] FIG. 9 is a perspective view of a raised border system in accordance with principles of the disclosed embodiments.

#### DETAILED DESCRIPTION OF THE DRAWINGS

[0019] Illustrative embodiments of the invention will be described more fully hereinafter with reference to the accompanying drawings, in which some, but not all embodiments of the invention are shown. Indeed, the invention may be embodied in many different forms and should not be construed as being limited to the embodiments set forth herein; rather, these embodiments are provided so that this disclosure will satisfy applicable legal requirements. Like numbers refer to like elements throughout.

[0020] By way of overview and introduction, described herein is a raised border system for creating a barrier for edging gardens or lawns. In one embodiment at least one bracket is secured to a stake driven into the ground. Used together, the support bracket and stake support and anchor an end of a beam to the ground. Any number of stakes brackets and beams can be used to create a border which can be used for edging gardens and lawns, play areas, ponds or for the formation of retaining walls. The brackets and beams are sized and shaped so that they can be stacked one upon the other so a raised border system of various height can be provided. In accordance with a salient aspect of the invention, the brackets also include nubs that can be inserted into the bracket without the use of tools and are sized and shaped to securely engage a beam in a manner such that the force required to assemble the beams is relatively small and is well exceeded by the force required to disengage the beam from the bracket. As a result, the nubs, brackets and beams form a system that is quickly and easily constructed without the use of tools. While the nubs obviate the need for traditional fasteners (e.g. screws), or tools, the bracket system of this embodiment of the invention is still compatible with traditional fasteners affording the user a wide variety of options during construction.

[0021] FIG. 1 depicts a raised border system according to the present invention consisting of a plurality of brackets 6, stakes 3 and beams 50. The support bracket 6 is secured to the stake 3 in a manner such that the bracket can freely rotate 360° perpendicular to the vertical axis of the stake, while still effectively supporting a beam. Preferably, two brackets are mounted upon a single stake, thereby forming one unit of the raised border system. In this way, the two brackets can form a corner for supporting two beams upon an even plane with the ground and perpendicular to the vertical axis of the stake such that the brackets can form a variety of angles. By using multiple brackets, beams and stakes, the user can define an area with the border system.

[0022] FIG. 2 depicts a bracket 6 according to an exemplary embodiment of the present invention. The bracket includes a beam receiving portion 8 and a mounting column 10. The mounting column 10 is cylindrical with a central channel 11. The mounting column is meant to receive a stake 3 (not pictured) and acts as a hinge for the beams that form the walls of the border system.

[0023] The mounting column is attached to the spine portion 12 of the bracket 6. The longitudinal axis of the channel of the mounting column is parallel to the longitudinal axis of the beam receiving portion 8. While the bracket can be formed of two or more parts that are complementary to one another, the bracket can also be formed as a single part.

Preferably, the bracket is made of a light rigid plastic, such as acrylonitrile-butadiene-styrene copolymer, polyethylene, polyvinyl chloride, polycarbonate, polypropylene or styrene. It may, however, be made from any strong, sturdy and weather resistant material, such as wood, aluminum, fiberglass or galvanized metal.

[0024] The spine portion 12 has a top wall 18, a bottom wall 20, a front wall 22 (depicted in FIG. 8), a first side wall 24 and a second side wall 26 that define a generally hollow structure. The spine portion has one or more structural ribs 30 therein that are situated perpendicularly to the longitudinal axis of the spine portion.

[0025] The beam receiving portion 8 also includes a first flange 14 and a second flange 16 extending from the spine portion. First flange and second flange and spine portion generally define a receiving channel 17 for receiving the end of a beam (not pictured). Further, holes 15 are located in both the first flange and the second flange. As depicted, two concentric holes are provided, one through the first flange and the other through the second flange, however it should be understood that the flanges can include more holes.

[0026] FIG. 3 depicts a nub 40 for use with the bracket to secure a beam according to an exemplary embodiment of the present invention. The nub includes a cap portion 44 and a snap-lock portion 42. The cap portion is circular in shape and has a rounded top surface to present a smooth interface to a beam when introduced into the channel 17, as described below. The snap-lock portion is sized and shaped such that the snap lock securely holds the nub in place when the snap-lock portion is fully inserted into the hole 15 from within the channel 17. Other configurations for the nub 40 can be implemented to achieve the snap-lock functionality, as will be appreciated by persons having ordinary skill in the art.

[0027] FIG. 4 depicts a beam receiving portion 8 with nubs 40 inserted into holes 15 in first flange 14 and second flange 16 according to an exemplary embodiment of the present invention. The beam receiving portion 8 also includes a raised ring 19 disposed on the exterior surface of the first flange and the second flange. The raised ring is a ring shaped feature that protrudes from the surface of the flanges and is concentric with the holes. The inner diameter of the raised ring is larger than the diameter of the hole to define a shelf that seats edge 46 of the snap-lock portion 42. Preferably, the inner diameter of the ring is not as large as the diameter of the cap portion 44 of the nub. Furthermore, it is also preferable that the height of the surface of the raised ring, as measured (normally) from the interior surface of the flange, is not as tall as the height of the snap-lock portion 42 of the nub. With this construction, the raised ring prevents the nub from being inserted into the hole, from the outside surface of the flange in a locking manner. Furthermore, the raised ring shields the snap-lock portion when it is inserted into the hole from the interior of the channel 17 and locked into place. Shielding the snap-lock portion in this manner prevents potential interference that may result in inadvertent disengagement of the nub.

[0028] Preferably, the channel 17 of the bracket has a width that is greater than the width of the beam (not pictured) that the bracket is to support. However, when the nubs are locked into place as described above, the distance between the cap portions 44 of the nubs is smaller than the width of the beam. Accordingly, when the beam is inserted into the channel 17, the beam exerts a force causing the flanges to deflect and spread further apart. The rounded cap portion of the nub allows the beam to slide across the nub with a relatively small

amount of force. When the beam is maneuvered into position such that the beam holes are in register with the nubs, the elasticity of the first and second flanges causes them to rebound to their natural position and, correspondingly, the nubs matingly couple the beam and the beam receiving portion 8. The force required to assemble the beam and bracket can be substantially less than the disengagement force when the parts are sized and shaped this way.

[0029] Although the raised border system described herein includes nubs 40 to secure beams to brackets 17, the holes 15 also allow for the use of traditional fasteners such as screws, bolts, nails and the like. Traditional fasteners can be inserted through the holes 15 and into the beam, securing the beam to the bracket as would be well understood by a person of ordinary skill in the art.

[0030] FIG. 5 depicts a beam 50 according to an exemplary embodiment of the present invention. The beam can be made from an engineered material, preferably, a light rigid plastic, such as acrylonitrile-butadiene-styrene copolymer, polyethylene, polyvinyl chloride, polycarbonate, polypropylene or styrene. However, the beam can also be made from a natural material such as wood or any other strong, sturdy and weather resistant material, such as aluminum, fiberglass or galvanized metal. The beam includes an upper wall 52, a lower wall 54, a first wall 56 and a second wall 58 that form a generally rectangular box. The interior of the beam is substantially hollow, and can include one or more beam ribs 60 that run the length of the beam and add structural rigidity to the beam.

[0031] The first wall and the second wall of the beam include one or more beam holes 62 therethrough. Preferably, the beam holes are concentric and have a diameter that is greater than or equal to the diameter of the cap portion 44 of the nub 40. The beam holes are located at the ends of the beam so as to align with the nubs when the end of the beam is inserted into the beam receiving portion of the bracket (not pictured).

[0032] Preferably, the height of the beam matches the height of the beam receiving portion thereby allowing multiple beams and brackets to be stacked one on top of the other to create a border structure of varying heights and without voids. In addition, preferably, the beam has a convex upper wall and a concave lower wall that are rounded in a complementary fashion such that when two beams are arranged one on top of the other they matingly engage.

[0033] In reference to FIG. 6, the topmost rib 31 and the top wall 18 define a top slot 34, similarly, the bottommost rib 32 and the bottom wall 20 define a bottom slot 36. The top slot and the bottom slot are sized to each receive a sealing insert 70. When the end of the beam is inserted into the bracket the hollow interior of the beam and the hollow interior of the bracket are exposed due to the rounded upper wall and lower wall of the beam.

[0034] As depicted in FIG. 7, the sealing insert 70 is sized and shaped in order to keep undesirable material including dirt, debris, water, insects and the like out of the hollow beam or hollow bracket. The sealing insert can include a tab 72 and a sealing flange 74. The sealing flange has a rounded profile to correspond to the convex upper wall of the beam and the concave lower wall of the beam. The tab is shaped similarly to the shape of the top wall 18 of the spine portion 12. The insert can also include one or more feet 76 along the underside of the tab. Preferably, the feet and tab are narrower towards the distal end of the tab, allowing the tab to be easily inserted into the top slot 34 or bottom slot 36. The height of the feet can

increase towards the proximal end of the tab to match the height of the top and/or bottom slot. Accordingly, the feet and tab create a friction fit with the rib and wall when the tab is inserted into the top or bottom slot.

[0035] In operation, a user of the border system takes a nub 40 and inserts snap lock portion 42 into hole 15 of the first flange 14 of the bracket 6 from within the channel 17. The user uses force to push snap lock portion into the hole until it is fully inserted such that it lockingly engages the flange. Preferably, the underside of the cap portion 44 sits flush against the first flange within the channel and the rounded top protrudes outward into the channel. The user can repeat this process with a second snap-lock portion by inserting it into the corresponding hole in the second flange in the same manner.

[0036] Once a user has lockingly engaged both nubs into the bracket, the user can also insert a sealing insert 70 into the bracket. This is done by orienting the sealing insert such that the rounded sealing flange points upwards along the longitudinal axis of the bracket and guiding the tab 72 into the top slot 34 of the bracket. The tab should be pushed into the top slot until it cannot be inserted any further and the sealing flange abuts the top wall 18. The user can repeat this process with a second sealing insert by inserting it into the corresponding bottom slot 36 in the same manner.

[0037] Preferably once the nubs and sealing inserts have been inserted into the bracket, the user can insert a beam 50 into the bracket by inserting it into the channel 17. When inserted, the beam exerts a force causing the flanges to deflect and spread further apart. The rounded top of the nub allows the beam to slide across the nub with a relatively small amount of force. The user aligns the beam such that the beam holes 62 are in register with the nubs. Once in registration, the elasticity of the first and second flange causes the flanges to restore/rebound to their natural position and causes the nubs to matingly couple the beam and the beam receiving portion 8. The user can engage the other end of the beam to another bracket in a similar manner.

[0038] While the border system can be supplied with beams of pre-defined lengths, the beams can be cut to size and beam holes can be drilled through the cut end in order to be able to engage a nub in the manner described above. Similarly, a user can create a beam using any suitable beam material (i.e. wood, plastic, metal) having a width that is preferably less than or equal to the width of the channel 17 as would be understood by a person of ordinary skill in the art. Ultimately, this flexibility allows the user to create a border of varying shapes and lengths and materials. Furthermore, while the exemplary border system incorporates nubs to matingly engage a beam and bracket, the system also allows a user to join a beam and a bracket with traditional fasteners as discussed above.

[0039] FIG. 8 depicts an exemplary raised border system according to an embodiment of the present invention. The bracket 6 and stake 3 are connected by inserting the top support member of the stake into the channel 11 of the mounting column 10, so as to form a male/female connector, such that the top support member 7 acts as the male component and the mounting column acts as the female component. Preferably, the support member is of such size so as to tightly engage the channel of the mounting column. It is desirable, but not mandatory, that there be as little space as possible, so as to form a tight junction between the stake and bracket. When connected, one bracket may rotate 360° perpendicular

to the vertical axis of the stake. In the preferred embodiment, two identical brackets are used in conjunction with a single stake to form a single corner unit of the raised border system. The height of the top support member of the stake is twice the height of the mounting column of each bracket. In this way, one bracket can be placed on the top support member standing upward such that the mounting column encircles the lower half of the top support member. The other bracket can be rotated 180° upside down such that, when placed on the top support member, the mounting column encircles the top half of the top support member. In this way, both brackets are secured to a single stake while still being able to rotate perpendicular to the vertical axis of the stake. Further, the two mounting columns, one on top of the other, sit flush with the upper edge of the top support member. Where two identical brackets are placed upon a single stake, they may form an angle while remaining on an equal horizontal plane with one another. As a result, a variety of different edging shapes may be created depending upon the needs and/or desires of the user.

[0040] As depicted in FIG. 9, where it is desired to vertically engage multiple stakes or utilize a long single stake 3, more than one bracket 6 may be secured to the stake(s), one bracket on top of the other, so as to support and anchor multiple beams, one on top of the other, to form a border or retaining wall of desired height.

[0041] Thus, while there have been shown, described, and pointed out fundamental novel features of the invention as applied to several embodiments, it will be understood that various omissions, substitutions, and changes in the form and details of the devices illustrated, and in their operation, may be made by those skilled in the art without departing from the spirit and scope of the invention. Substitutions of elements from one described embodiment to another are also fully intended and contemplated. It is also to be understood that the drawings are not necessarily drawn to scale, but that they are merely conceptual in nature. The invention is defined solely with regard to the claims appended hereto, and equivalents of the recitations therein.

What is claimed is:

1. A raised border system that secures at least one beam in position using at least one anchor stake, the beam being of the type having one or more beam holes therethrough in proximity to the end of the beam, comprising:

at least one support bracket for receiving the beam and the anchor stake, the bracket having a beam receiving portion attached to a mounting column having a central channel;

wherein the beam receiving portion has a hollow spine with a first side wall, a second side wall and one or more structural ribs therein and a first flange and a second flange extending away from the spine portion and forming a receiving channel;

wherein the first and second flanges each define one or more orifices therethrough positioned to cooperate with the beam holes of the beam;

at least one nub having a cap portion and a snap lock portion wherein the snap lock portion is removably and securely inserted into an orifice such that the cap portion is disposed on the interior of the receiving channel wherein the cap portion is sized to securely and removably join the beam to the support bracket;

2. The raised border system of claim 1, where the beam receiving portion of the bracket further has a top wall and a bottom wall, further comprising a sealing insert with a sealing flange and a tab wherein the tab is insertable into a slot defined by the top wall of the beam receiving portion and one of the structural ribs and wherein the sealing flange is shaped to match the profile of the at least one beam.

3. The raised border system of claim 2, wherein the underside of the tab includes one or more feet such that the width of the tab and one or more feet corresponds to the width of the slot.

4. The raised border system of claim 1, wherein the first flange and second flange are flexible so as to resiliently deflect while the beam is inserted into the receiving channel.

5. The raised border system of claim 1, further comprising at least one hollow beam as the at least one beam having a first wall and a second wall each defining a beam hole therethrough in proximity to the end of the hollow beam, an upper wall and a lower wall.

6. The raised border system of claim 5, wherein the upper wall is convex and the lower wall is concave.

7. The raised border system of claim 7, wherein the curvature of the upper wall matches the curvature of the lower wall such that a plurality of the one or more hollow beams can be placed one on top of the other.

8. The raised border system of claim 1, further comprising one or more raised lips surrounding each of the one or more orifices wherein the one or more raised lips are formed on the exterior surface of the first and second receiving flange.

9. The raised border system of claim 8, wherein the raised lip is sized to preclude the snap lock portion of the nub from engaging the one or more orifices when introduced from the exterior surface of the beam receiving portion.

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### Patent Summary

<b>(12) Patent:</b>	<b>(11) CA 2288583</b>
<b>(54) English Title:</b>	RAISED BORDER SYSTEM
<b>(54) French Title:</b>	SYSTEME DE BORDURE SURELEVEE

[Abstract](#)

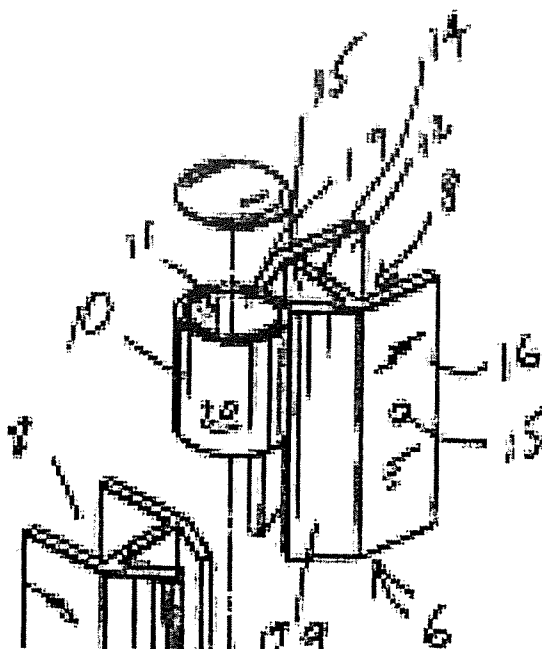
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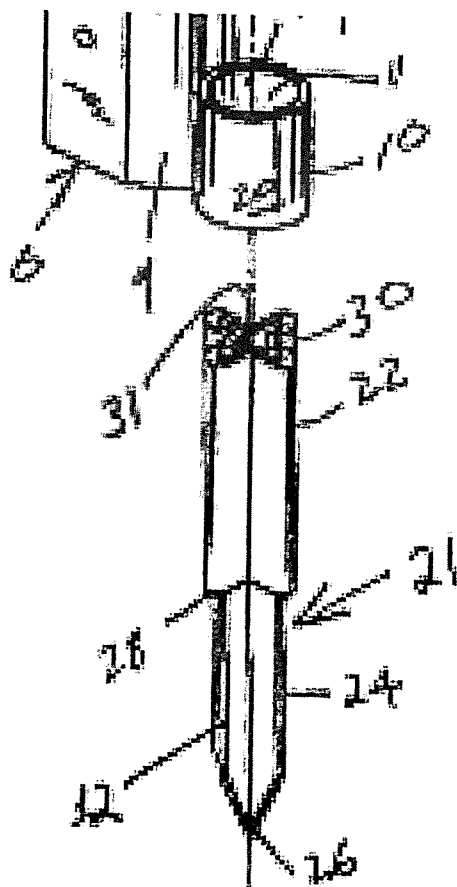
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### Representative Drawing





**Abstracts**

**English Abstract**

A support bracket and stake are provided which can be used for edging gardens and lawns or for the formation of retaining walls. Used together, the bracket and stake provide a means to support and anchor lengths of lumber to the ground to create a variety of edging systems. In particular, the stakes provide a means to attach the system securely to the ground surface, while the support bracket has a beam receiving portion to support a variety of different types of lumber frequently used in edging. A mounting column on the support bracket provides a means to secure the support bracket to the stakes such that the support bracket may freely rotate 360° perpendicular to the vertical axis of the stake. The stakes may be vertically engaged one upon and inside the other to provide a raised border system of various height. Where it is desired to vertically engage the stakes, more than one bracket may be secured to the vertical stakes, one bracket on top of the other, so as to support and anchor lengths of lumber, one on top of the other, to form a wall of any desired height.

**French Abstract**

Il est décrit une patte de support et un piquet qui peuvent être utilisés pour dresser les bordures et les pelouses de jardin ou pour former des parois de retenue. Utilisés conjointement, la patte et le piquet créent un moyen permettant de supporter et de fixer des longueurs de bois au sol pour concevoir toute une variété de systèmes de bordure. Plus particulièrement, les piquets créent un moyen permettant de fixer le système solidement à la surface du sol, tandis que la patte de support présente une partie de réception de poutre destinée à supporter toute une variété de types de bois fréquemment utilisés pour créer des bordures. Une colonne de montage prévue sur la patte de support crée un moyen permettant de fixer la patte de support aux piquets de manière que la patte de support puisse tourner librement sur 360° perpendiculairement à l'axe vertical du piquet. Les piquets peuvent être emboîtés verticalement l'un dans l'autre et l'un au-dessus de l'autre pour produire un système de bordure surélevée de hauteur variable. Lorsque l'on souhaite emboîter verticalement les piquets, plus d'une patte peut être fixée aux piquets verticaux, une patte au-dessus de l'autre, de manière à supporter et à fixer des longueurs de bois, l'une au-dessus de l'autre, pour former une paroi de toute hauteur souhaitée.

**Patent Details**

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<b>(72) Inventors (Country):</b>	<b>MARINO, JEFFREY R.</b> (United States of America) <b>TOPPING, ANTHONY G.</b> (United States of America)
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<b>(74) Agent:</b>	NA
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<u>Representative Drawing</u>	<u>Representative Drawing</u>	7	1

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(12) Patent: (11)2288583

For a clearer understanding of the status of the application/patent presented on this page, the site [Disclaimer](#), as well as the definitions for [Patent](#), [Administrative Status](#), [Maintenance Fee](#) and [Payment History](#) should be consulted.

#### Administrative Status

Title	Date
<a href="#">(22) Filed</a>	1999-11-05
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#### Maintenance Fee

Description	Date	Amount
<a href="#">Last Payment</a>	2014-10-17	\$450.00
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**Note :** If the full payment has not been received on or before the date indicated, a further fee may be required which may be one of the following

- the reinstatement fee set out in Item 7 of Schedule II of the *Patent Rules*;
- the late payment fee set out in Item 22.1 of Schedule II of the *Patent Rules*; or
- the additional fee for late payment set out in Items 31 and 32 of Schedule II of the *Patent Rules*.

#### Payment History

Fee Type	Ann Yr	Due Date	Amount Paid	Paid Date
<a href="#">Registration of Documents</a>			\$100.00	1999-11-05
<a href="#">Filing</a>			\$150.00	1999-11-05



<b>Fee Type</b>	<b>Ann Yr</b>	<b>Due Date</b>	<b>Amount Paid</b>	<b>Paid Date</b>
<u>Request for Examination</u>			\$200.00	2000-12-06
<u>Final</u>			\$150.00	2001-11-02
<u>Maintenance Fee - Application - New Act</u>	2	2001-11-05	\$50.00	2001-11-02
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<u>Maintenance Fee - Patent - New Act</u>	5	2004-11-05	\$100.00	2004-10-20
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<u>Maintenance Fee - Patent - New Act</u>	7	2006-11-06	\$300.00	2007-07-24
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<u>Maintenance Fee - Patent - New Act</u>	11	2010-11-05	\$450.00	2011-04-08
<u>Maintenance Fee - Patent - New Act</u>	12	2011-11-07	\$250.00	2011-10-13
<u>Maintenance Fee - Patent - New Act</u>	13	2012-11-05	\$250.00	2012-10-10
<u>Maintenance Fee - Patent - New Act</u>	14	2013-11-05	\$250.00	2013-10-09
<u>Maintenance Fee - Patent - New Act</u>	15	2014-11-05	\$450.00	2014-10-17

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## IpsuM

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EP1020109 - Raised border system

#### Case Details

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Application Title	Raised border system
Grant Title	Raised border system
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(12) **United States Patent**  
Marino et al.

(10) **Patent No.:** US 6,202,367 B1  
(45) **Date of Patent:** Mar. 20, 2001

(54) **RAISED BORDER SYSTEM**

- (75) Inventors: **Jeffrey R. Marino**, Fishkill; **Anthony G. Toppling**, Carmel, both of NY (US)
- (73) Assignee: **Vegherb, LLC**, Carmel, NY (US)
- (\* ) Notice: Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 0 days.

- (21) Appl. No.: **09/231,099**
- (22) Filed: **Jan. 14, 1999**

- (51) **Int. Cl.**<sup>7</sup> ..... **E04B 2/76**
- (52) **U.S. Cl.** ..... **52/102; 47/30; 47/33**
- (58) **Field of Search** ..... **52/102; 47/30, 47/33**

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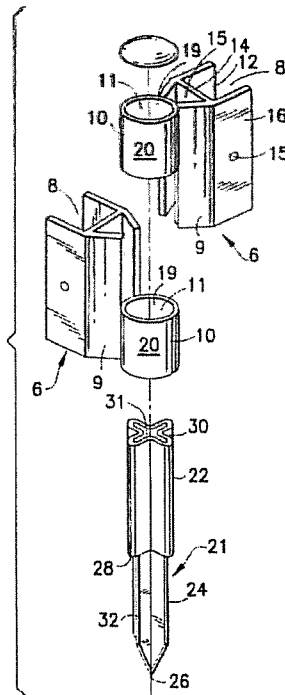
*Primary Examiner*—Beth A. Stephan  
*Assistant Examiner*—Brian E. Glessner

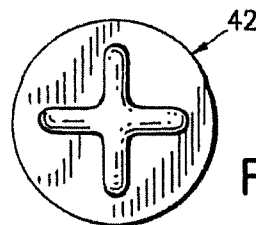
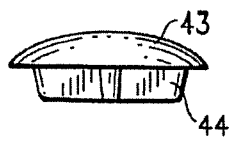
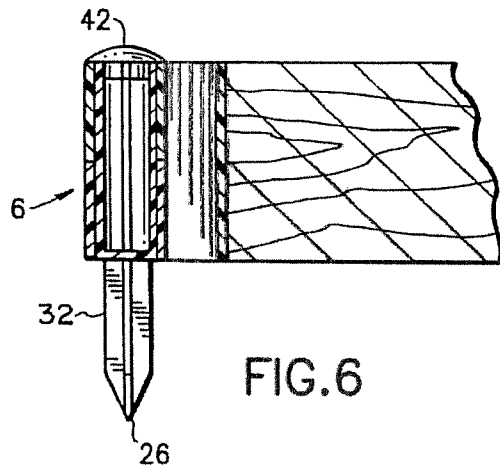
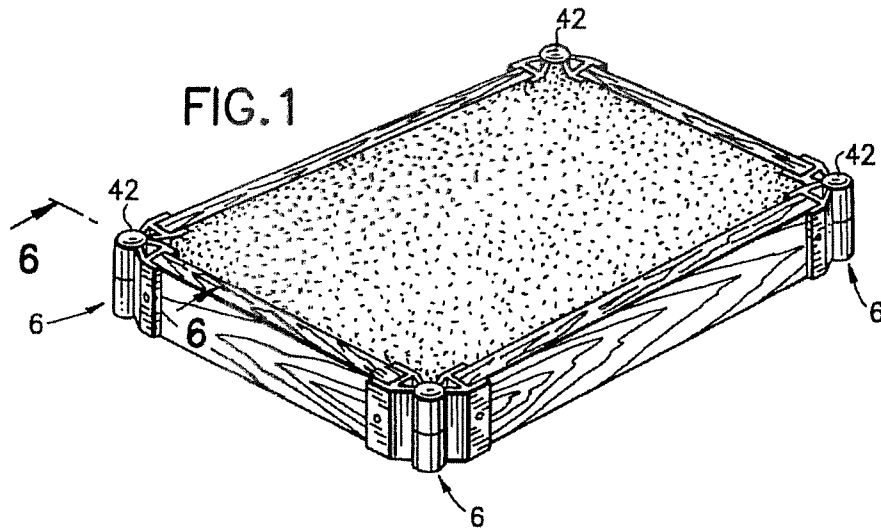
(74) *Attorney, Agent, or Firm*—Lilling & Lilling P.C.

(57) **ABSTRACT**

A support bracket and stake are provided which can be used for edging gardens and lawns or for the formation of retaining walls. Used together, the bracket and stake provide a means to support and anchor lengths of lumber to the ground to create a variety of edging systems. In particular, the stakes provide a means to attach the system securely to the ground surface, while the support bracket has a beam receiving portion to support a variety of different types of lumber frequently used in edging. A mounting column on the support bracket provides a means to secure the support bracket to the stakes such that the support bracket may freely rotate 360° perpendicular to the vertical axis of the stake. The stakes may be vertically engaged one upon and inside the other to provide a raised border system of various height. Where it is desired to vertically engage the stakes, more than one bracket may be secured to the vertical stakes, one bracket on top of the other, so as to support and anchor lengths of lumber, one on top of the other, to form a wall of any desired height.

**14 Claims, 3 Drawing Sheets**





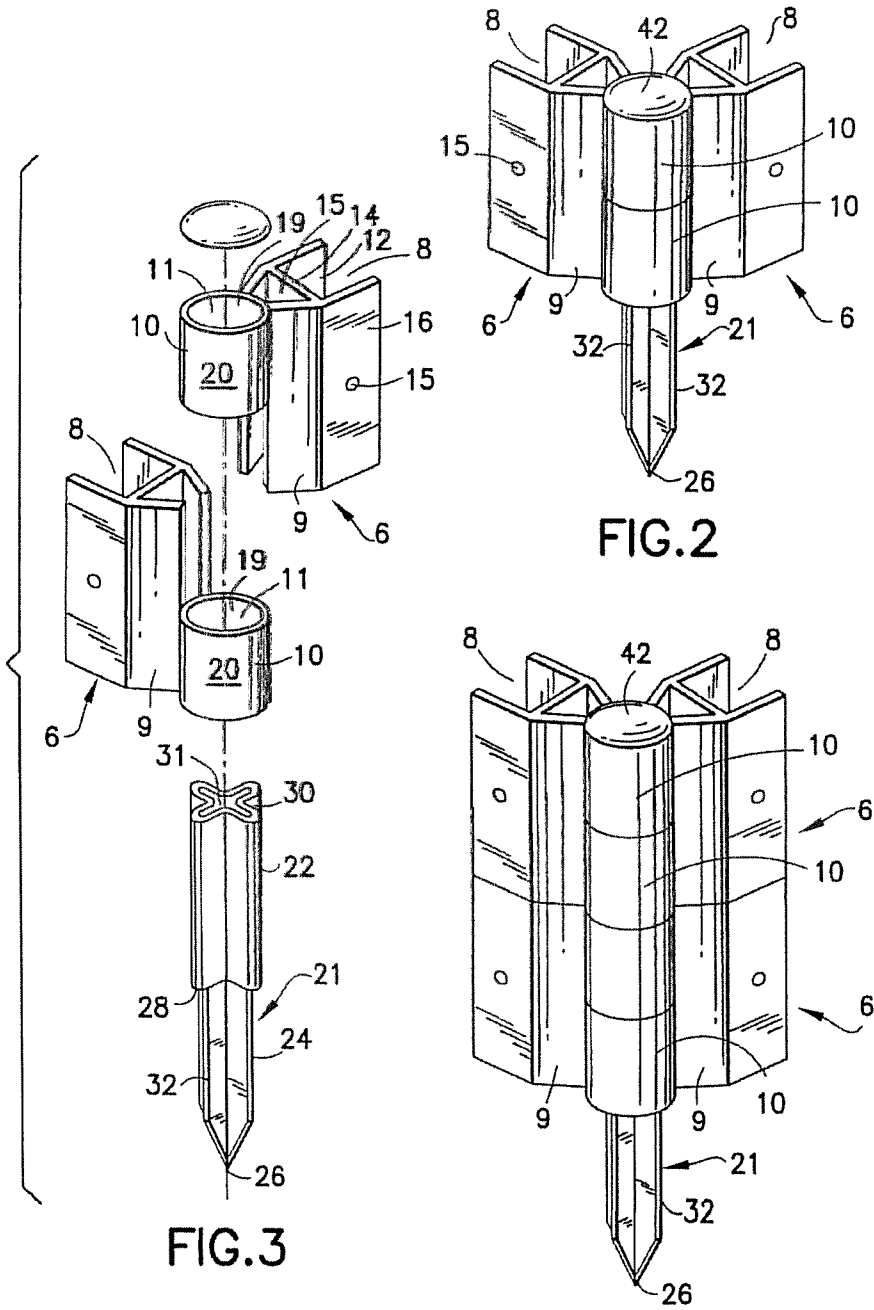


FIG.2

FIG.3

FIG.5

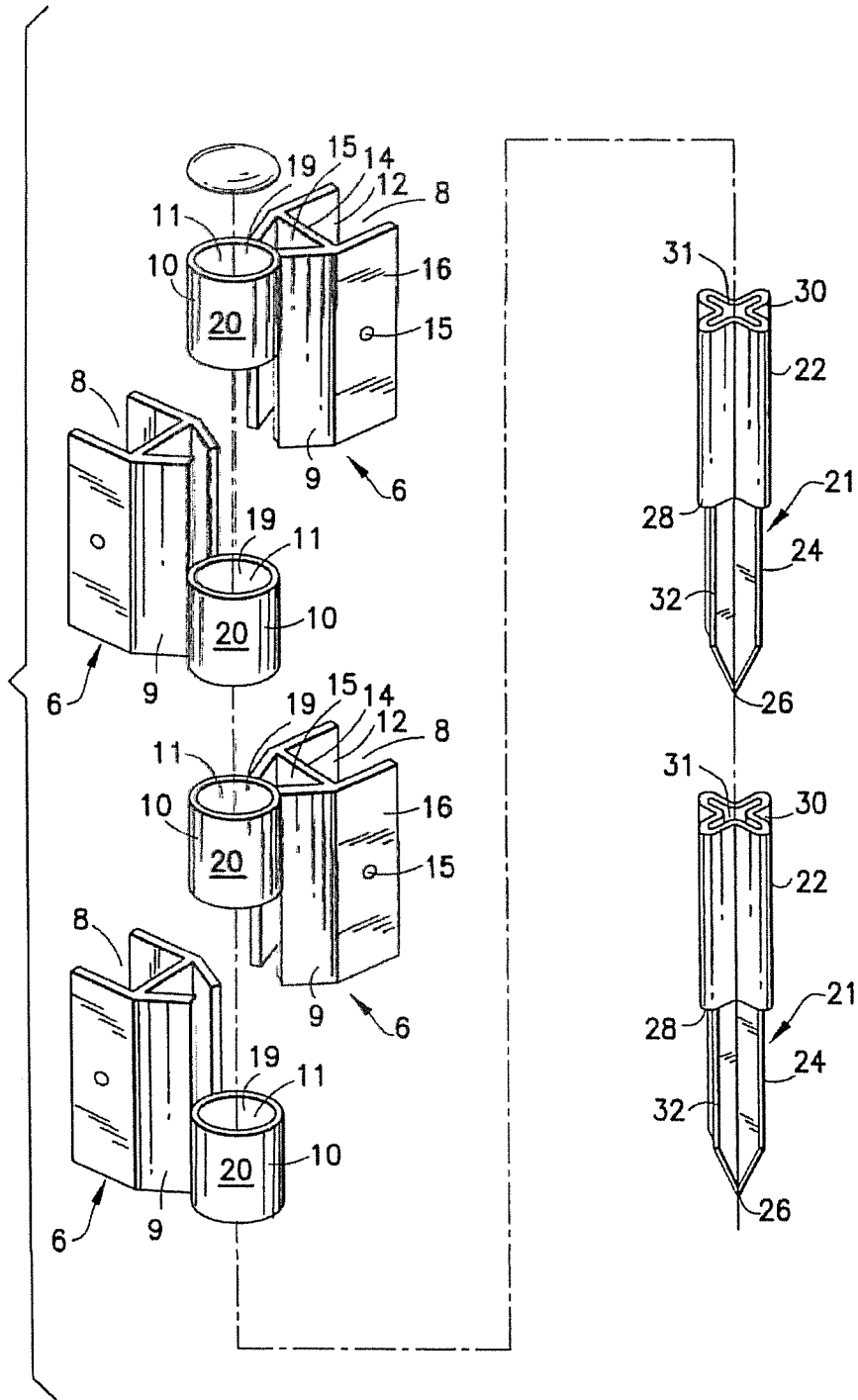


FIG. 4

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## RAISED BORDER SYSTEM

## FIELD OF THE INVENTION

This invention relates to the home gardening and landscape industry, and, in particular, a support device for constructing raised borders or beds suitable for use as landscape edging.

## BACKGROUND OF THE INVENTION

Timber is used for building borders or walls on the ground to form edging for lawns and gardens. Generally, such edging systems comprise wooden members and means for anchoring the wooden members on the ground. However, current devices in the market do not provide a versatile raised border system which may be used in one instance as a simple raised garden border, or in another instance to form a raised terrace bed or retaining wall of varying height.

One difficulty found with many of the current devices in the market is that they may only provide single level edging. That is, only a single beam of various widths may be used to form a raised bed or edge. As a result, separate and more costly support means must be employed for the construction of multilevel stepped beds, terrace beds or support walls.

Frequently, consumers in the home gardening industry will use railroad ties to form landscape edges. However, the general problem with railroad ties is that they are costly, burdensome and once in place become difficult to remove. Further, due to the large weight and size of railroad ties, stacking them to create retaining walls may require excessive labor, involving one or more parties and, as a result, be impractical. In addition, a separate means must be applied to anchor the railroad ties both to the ground and to one another.

Some edging devices do not provide the versatility often needed in landscaping due to the fact that they are limited to forming edging only at right angles or of limited shape and size. For example, a user may desire to encircle a large area or create a variety of shapes such as a semi-circle, octagon, triangle, trapezoid or parallelogram. As a result, these devices limit the user's creativity.

In addition, some edging devices, once in use, do not create an aesthetically pleasing appearance. When these devices are used to create borders, they may look awkward or incompatible with their natural surroundings, thereby taking away from the pleasing appearance of the garden bed. Therefore, there is a need in the home gardening industry for an aesthetically pleasing, yet versatile, landscape border system for anchoring lengths of timber to the ground.

One such edging device is Reimann (U.S. Pat. No. 5,230,187). Reimann discloses a stake which may be used for edging gardens and lawns or for the formation of forms for concrete foundations and slabs. The stake is made from a rigid plastic material and contains a tapered end 12 for penetrating the ground and a trailing end 14 for receiving a beam of lumber.

In contrast, the present invention has at least one support bracket which may be mounted upon a stake of various shape and size. The support bracket and stake are separate elements of the invention, thereby increasing versatility. In this regard, the bracket comprises a beam receiving portion for receiving and fastening to any standard size strip of lumber and means to secure the bracket to the stake. Further, the current invention provides the ability to rotate the brackets, such that they may form an angle from 60° to 300°, while remaining upon an equal horizontal plane and per-

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pendicular to the vertical axis of the stake. In addition, Reimann does not disclose securing more than one bracket to a single stake or vertically engaging a plurality of stakes to allow a plurality of freely movable support brackets to be vertically aligned and secured to said stakes.

Another known device for the building of landscape edging is the E-Z BORDER™ system. E-Z BORDER™ discloses stakes to be used in conjunction with brackets to form raised garden beds. The brackets, which receive various lengths and sizes of lumber, are fastened to the stake using a dowel and socket means. However, E-Z BORDER™ does not disclose stakes which may be vertically engaged one on top and inside of the other, so as to form raised bed gardens of various heights, while remaining upon an equal horizontal plane and perpendicular to the vertical axis of the stake. Further, E-Z BORDER™ uses a different method of securing the brackets upon the stakes distinct from the method utilized by the current invention. Whereas in E-Z BORDER™, the user must specifically use the unique stakes provided together with the bracket, in the current invention, many types and styles of stakes may be used due to the versatile securing means of the support brackets.

Therefore, there is a need in the industry for a durable, yet adjustable raised border system that enables the user to use timber to form edging in a simple, easy to use fashion, while still providing the versatility to incorporate such device in numerous outdoor projects. Further, there is a need for a raised border system which may be used in one instance as a simple raised garden border, or in the alternative to form a raised terrace bed or retaining wall of varying height.

## SUMMARY OF THE INVENTION

It is the object of this invention to provide a raised border system which allows the user to create landscape edging of various heights, while at the same time being durable, lightweight and weather resistant. Furthermore, it is the object of this invention to create a simple, versatile raised border system which is aesthetically pleasing and easy to use. In addition, the present invention provides a raised border system which may be used to construct walls of various height along with stepped and/or terraced garden beds.

The invention comprises at least two support brackets used in conjunction with stakes and ordinary lumber to provide a support framework.

One unit of the raised border system comprises one stake and two support brackets. The stakes are designed such that two or more stakes may be vertically engaged by inserting one stake above and inside an identical stake to form a continuous top support member of various height to secure one or more support brackets. In turn, such support brackets may be vertically aligned one on top of the other, on the vertically engaged stakes. Any number of units may be used to create a variety of landscape edging formations of various sizes and shapes depending on the desired needs of the user. Further, units employed in a vertical fashion may be used to create edging or retaining walls of various heights.

The support brackets comprise a beam receiving portion connected to a mounting column. The beam receiving portion forms a channel so as to receive a beam of lumber therebetween. A spacer is located between the beam receiving portion and the mounting column, thereby connecting the beam receiving portion to the mounting column. The stake comprises a top support member resting above the body and tapered tip for penetrating the ground. The user drives the stakes into the ground at the desired position.



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Once the stakes are anchored to the ground, the support brackets are fastened to the stakes by placing the mounting column of the support bracket on and over the top support member. The mounting column is of such size and shape so as to tightly slide over the top support member of the stake, thereby fastening the support bracket to the stake. Furthermore, the height of the mounting column is equal to one half the height of the support bracket so that, when two brackets are secured to one stake, the two mounting columns of both brackets are equal in height to the top support member of the stake and together are equal to the height of the support brackets.

The top support member of the stakes have a hollow interior such that the bottom portion of one stake may be inserted into the hollow interior of the top portion of another identical stake so as to vertically engage the stakes one on top of and inside the other to form a continuous top support member. In turn, more than one bracket may be secured to the stakes such that one support bracket is in vertical alignment with the other so as to support and anchor lengths of lumber one on top of the other. In this way, the raised border system may be used to form a border or retaining wall(s) of any desired height. In addition, vertical alignment of the raised border system may be used to create terraced steps or beds.

Other objects, features and advantages of the invention shall become apparent as the description thereof proceeds when considered in connection with the accompanying illustrative drawings.

#### BRIEF DESCRIPTION OF THE DRAWINGS

FIG. 1 is a perspective view of the raised border system of this invention.

FIG. 2 is a perspective view of the stake and support bracket of the invention.

FIG. 3 is an exploded view of the stake and support brackets.

FIG. 4 is an exploded view of an alternate embodiment with multiple stakes and brackets.

FIG. 5 is a perspective view of multiple stakes with corresponding brackets.

FIG. 6 is a cross section along line 6—6 of FIG. 1.

FIG. 7 is a side view of the cap.

FIG. 8 is a top view of the cap.

#### DETAILED DESCRIPTION OF THE INVENTION

In its simplest embodiment, the invention consists of at least one support bracket secured to a stake which can be used for edging gardens and lawns, play areas, ponds or for the formation of retaining walls. Used together, the support bracket and stake provide a means to support and anchor lengths of lumber to the ground to create a variety of edging systems. In particular, the stake provides a means to attach the system securely to the ground surface, while the support bracket has a beam receiving portion to support a variety of different types of lumber frequently used in landscape edging. The stakes may be vertically engaged one upon and inside the other, while secured to the ground surface, so, when used in conjunction with the support brackets, a raised border system of various height is provided. The support bracket is secured to the stake in a manner such that said bracket may freely rotate 360° perpendicular to the vertical axis of the stake, while still effectively supporting lengths of lumber.

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Preferably, two support brackets are mounted upon a top support member of a single stake, thereby forming one unit of the raised border system. In this way, the two brackets may form a corner for supporting two lengths of lumber upon an even plane with the ground and perpendicular to the vertical axis of the stake such that the brackets form any angle ranging from 60° to 300°. Where it is desired to vertically engage the stakes, more than one bracket may be secured to the vertical stakes, one bracket on top of the other, so as to support and anchor lengths of lumber, one on top of the other, to form a border or retaining wall of desired height.

In the preferred embodiment, the support bracket 6 comprises a beam receiving portion 8, a spacer 9 and a mounting column 10. The mounting column 10 is O-shaped with a channel 11, which defines an inside surface 19 and outside surface 20. The beam receiving portion 8 is U-shaped and has a rear rim 12, a front rim 16 and a base 14, which define a channel for receiving beams of lumber. The mounting column is fastened along its outside surface 20 to the spacer 9, which in turn, is fastened to the rear edge 15 of the base 14. When connected, the longitudinal axis of the channel 11 of the mounting column is parallel to the longitudinal axis of the channel defined by the beam receiving portion 8. It is desirable, but not mandatory, that the height of the mounting column 10 be one half of the height of the beam receiving portion 8. In some embodiments, the spacer may be eliminated and the mounting column may be fastened directly to the rear edge of the base.

Further, a hole 15 may be placed in both the rear rim and the front rim of the beam receiving portion 8. In this way, screws, nails or the like, may be placed through the holes and into the beam of lumber secured by the support bracket. As a result, the lumber may be more firmly fastened within the bracket, thereby increasing the stability and structure of the raised border system.

Preferably, the support bracket is made of a light rigid plastic, such as acrylonitrile-butadiene-styrene copolymer, polyethylene, polyvinyl chloride, polycarbonate, polypropylene or styrene. It may, however, be made from any strong, sturdy and weather resistant material, such as aluminum, fiberglass or galvanized metal.

In the preferred embodiment, the stake 21 comprises a top support member 22, a body 24 and a tapered tip 26 for penetrating the ground. The top support member has an upper edge 30, a lower edge 28 and a hollow interior channel 31 defining an inside surface and an outside surface.

The body 24 of the stake may include fins 32 vertically aligned along the body. The fins 32 help to guide the stake, when driven into the ground, in a straight up-right position during insertion. In addition, once the stake is driven into the ground, the fins provide additional lateral support and prevent the stake from rocking or becoming loose over time.

In the preferred embodiment the top support member of the stake is X-shaped. In this way, the top support member consists of a larger surface area and, in turn, a greater amount of rigid plastic material. Therefore, greater force may be vertically applied to the stake while driving the stake into the ground without destroying the structural integrity or damaging the stake. In this regard, any number of shapes may be used, such as a circle, as long as the stakes may still be vertically engaged in an effective manner so as to form a continuous top support member upon which the mounting column of the support bracket may effectively be secured.

Preferably, the support bracket is made of a light rigid plastic, such as acrylonitrile-butadiene-styrene copolymer,

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polyethylene, polyvinyl chloride, polycarbonate, polypropylene or styrene. They may, however, be made from any strong, sturdy and weather resistant material, such as aluminum, fiberglass or galvanized metal.

The support bracket and stake are connected by inserting the top support member 22 of the stake into the channel 11 of the mounting column 10, so as to form a male/female connector, such that the top support member 22 acts as the male component and the mounting column 10 acts as the female component. Preferably, the outside surface of the top support member 22 is of such size so as to tightly engage the inside surface 19 of the mounting column 10. It is desirable, but not mandatory, that there be as little space as possible, so as to form a tight junction between the stake and support bracket. When connected, one support bracket may rotate 360° perpendicular to the vertical axis of the stake.

In the preferred embodiment, two identical support brackets are used in conjunction with a single stake to form a single unit of the raised border system. The height of the top support member 22 of the stake is twice the height of the mounting column 10 of each support bracket. In this way, one bracket may be placed on the top support member 22 standing upward such that the mounting column 10 encircles the lower half of the top support member 22. The other support bracket may be rotated 180° upside down such that, when placed on the top support member, the mounting column 10 encircles the top half of the top support member 10. In this way, both brackets are secured to a single stake while still being able to rotate perpendicular to the vertical axis of the stake. Further, the two mounting columns, one on top of the other, sit flush with the upper edge 30 of the top support member.

Where two identical brackets are placed upon a single stake, they may form an angle ranging from 60° to 300° perpendicular to the vertical axis of the stake while remaining on an equal horizontal plane with one another. As a result, a variety of different edging shapes may be created depending upon the needs and/or desires of the user.

In operation, the user sketches the design of the desired border to determine the number of stakes, support brackets and length of lumber needed to create the landscape edging preferred. The user then drives the stakes into the ground at the desired locations. Generally, the stakes will be located at a corner of varying angle. The support brackets are then secured to the stakes and rotated to the desired angles by placing the mounting columns 10 over the top support members of the stakes. Lengths of lumber are then cut to size such that the distal ends of each piece of lumber may be placed into the channel of the beam receiving portion of each support bracket. In this way, the raised border system anchors the lengths of lumber to the ground, thereby creating a bed or border system which may be filled with soil or the alike, depending on the needs of the user.

Due to the large range of angles available for creating a border system using the current invention, various shapes may be designed by the user such as a triangle, trapezoid, parallelogram, pentagon or octagon landscape edge. In addition, a semi-circle may be created leading away from a walkway or concrete patio surface.

The present invention may also be used to create retaining walls of various size and shape. The top support member 22 of each stake contains a hollow interior channel. The inside diameter of each identical stake is of such size and shape that the body 24 and tapered tip 29 of one stake may be completely inserted into the hollow interior channel of another identical stake so as to vertically engage at least two

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stakes. When two stakes are vertically engaged, the lower edge 28 of the top support member of the insertion stake rests flush with the upper edge 30 of the top support member of the receiving stake below. In this way, a continuous top support member is created for securing at least one support bracket. Any number of stakes may be vertically engaged to create a continuous support member of any desired height.

In operation, the user sketches the design and shape of the desired retaining wall or elevated landscape edging. Next, the user drives the stakes into the ground at the desired locations. Generally, the stakes are located at the ends or corners of the retaining wall or edging. Additional stakes are vertically engaged upon and inside the stakes originally driven into the ground to create a continuous top support member of the height desired by the user. The desired number of support brackets are then placed upon the continuous top support member of the vertically engaged stakes and rotated to the desired angles. More than one support bracket may be placed upon the other, thereby vertically aligning the beam receiving portion of said support brackets depending on the height desired. Cut lumber may be inserted within the beam receiving portion of the vertically aligned support brackets. In this way, lengths of lumber may be vertically placed one on top of the other in addition to being placed at varying angles. As a result, retaining walls may be created for soil support on a hill or sloped landscape.

The stakes may be vertically engaged at intermittent levels and secured to support brackets to create terrace beds in stairway fashion. Terrace beds may also be constructed by using vertically engaged stakes and support brackets in conjunction with a single stake and support brackets. In this way, raised bed gardens of various shapes and designs may be created.

A finishing cap 42 (FIGS. 7 and 8) may also be incorporated with the raised border system to provide a finished appearance to the landscape edging. In the preferred embodiment, the finishing cap 42 has a circular top 43 connected to a fastening means to secure the finishing cap to the raised border system. Preferably, the diameter of the circular top 43 is equal to the outside diameter of the mounting column so that the edges of the finishing cap and the mounting column are flush once the finishing cap is secured to the stake. In the preferred embodiment, the fastening means is a plug 44 fastened to the underside of the circular top 43. The size of the plug corresponds to the hollow interior of the top support member. In this way, the plug is inserted into the hollow interior of the top support member so as to form a male/female connector, such that the plug acts as the male component and the hollow interior acts as the female component. Preferably, the plug is of such size so as to tightly secure the finishing cap to the stake. However, any securing means may be incorporated which is sufficient to tightly secure the finishing cap to the upper edge of the top support member.

In use, the raised border system may be used to create a variety of garden or landscape edging of assorted shapes, sizes and designs. Such raised borders may be used to hold soil for the creation of a garden or flower bed. Alternatively, the retaining border may be used for a sandbox, play area, or rock garden.

In addition, the raised border system may be used to support raised pools of water or support walls for small man-made ponds. Such edging may also be used around the under portion of a raised deck or patio.

Alternative embodiments include raised border systems which incorporate support brackets having beam receiving

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portions of various sizes. In this way, the raised border system may support, utilize and anchor an assortment of timber sizes and lengths, including square, octagon, hexagon and other shapes.

Further, the user may drive one stake completely within the ground such that only the upper edge of the top support member is even with the ground surface. Another separate and identical stake may then be inserted into the top support member of the stake withing the ground to provide a top support member for mounting the support brackets. In this way, the depth of the stake securing the raised border system to the ground surface is in effect doubled. As a result, the raised border system is more securely anchored to the ground surface.

The invention is described in detail with reference to a particular embodiment, but it should be understood that various other modifications can be effected and still be within the spirit and scope of the invention.

What is claimed is:

1. A raised border system comprising:

at least one support bracket comprising a beam receiving portion and a mounting column having a central channel; and

at least one stake having a top support member, a body and a tapered tip for penetrating the ground, whereby said top support member inserts into the central channel of said mounting column to secure said support bracket to said stake, and wherein said top support member of said stake has a lower edge, an upper edge and a hollow interior, said hollow interior of said top support member being of such configuration that the body and tapered tip of a second identical stake may be inserted into said hollow interior of a first stake, such that the lower edge of the top support member of the second stake sits flush with the upper edge of the top support member of the first stake to vertically engage said stakes one upon and inside the other to form a continuous top support member.

2. A raised border system according to claim 1, wherein said beam receiving portion is U-shaped and is fastened to said mounting column, such that a longitudinal axis of said channel of said mounting column is parallel to a longitudinal axis of said beam receiving portion.

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3. A raised border system according to claim 1 further comprising a spacer positioned between said beam receiving portion and said mounting column of said support bracket.

4. A raised border system according to claim 2, further comprising a spacer positioned between said beam receiving portion and said mounting column of said support bracket.

5. A raised border system according to claim 1, wherein said mounting column includes a tube defining said central channel.

6. A raised border system according to claim 1, wherein a plurality of support brackets are fastened upon said top support member of said stake.

7. A raised border system according to claim 1, wherein said support brackets rest one on top of the other.

8. A raised border system according to claim 1, wherein said beam receiving portions of said support brackets rest one on top of the other to form a continuous channel between said beam receiving portions.

9. A raised border system according to claim 1, wherein said support bracket can freely rotate 360° around the vertical axis of said stake.

10. A raised border system according to claim 1, wherein two identical support brackets may be movably mounted on a single stake, forming an angle relative to the beam receiving portion of each support bracket from 60° to 300° perpendicular to the vertical axis of the stake.

11. A raised border system according to claim 1, wherein the height of said mounting column is one half the height of said beam receiving portion.

12. A raised border system according to claim 1, wherein the beam receiving portion of said support bracket is equal in height to the top support member of said stake.

13. A raised border system according to claim 1, wherein a first support bracket may be placed upon said top support member standing upward such that the mounting column encircles a lower half of the top support member and a second support bracket is rotated 180° upside down such that when placed on said top support member, the mounting column encircles a top half of said top support member.

14. A raised border system according to claim 1, further comprising a finishing cap secured to said top support member of the stake.

\* \* \* \* \*



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# Veggie Wall

**Word Mark** VEGGIE WALL  
**Goods and Services** IC 006. US 002 012 013 014 023 025 050. G & S: metal gardening lattice. FIRST USE: 20090915. FIRST USE IN COMMERCE: 20090915  
**Standard Characters Claimed**  
**Mark Drawing Code** (4) STANDARD CHARACTER MARK  
**Serial Number** 85040973  
**Filing Date** May 18, 2010  
**Current Basis** 1A  
**Original Filing Basis** 1A  
**Published for Opposition** October 26, 2010  
**Registration Number** 3903615  
**Registration Date** January 11, 2011  
**Owner** (REGISTRANT) Vegherb, LLC DBA Scenery Solutions LIMITED LIABILITY COMPANY NEW YORK 222 Grace Church Street Suite 302 Port Chester NEW YORK 10573  
 (LAST LISTED OWNER) CONTECH ENTERPRISES INC. CORPORATION BRITISH COLUMBIA 19 DALLAS ROAD, UNIT 115 VICTORIA CANADA V8V 5A6  
**Assignment Recorded** ASSIGNMENT RECORDED  
**Attorney of Record** Karin Segall  
**Disclaimer** NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE "VEGGIE" APART FROM THE MARK AS SHOWN  
**Type of Mark** TRADEMARK

Register            PRINCIPAL  
Live/Dead Indicator   LIVE


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This is Exhibit M referred to in the  
affidavit of Mark Grambart  
made before me on this 12  
day of January 20 15

  
A Commissioner for taking  
Affidavits for British Columbia

**PENN & ASSOCIATES, LLP**

ATTORNEYS AT LAW  
99 PARK AVENUE - SUITE 330  
NEW YORK, NEW YORK 10016-1601  
TEL (212) 661-5700  
FAX (888) 508-3339  
Skype: craigpenn1000  
www.cpennlaw.com

October 31, 2014

**E-Mail/Facsimile/Certified Mail**

Contech Enterprises Inc.  
Unit 115, 19 Dallas Road  
Victoria, BC V8V 5A6  
Attention: Mr. Mark Grambart, President  
(250) 383-3163 (fax)  
[mark.grambart@contech-inc.com](mailto:mark.grambart@contech-inc.com)

**Re: NOTICE OF DEFAULT**

Dear Mr. Grambart:

We are the attorneys for VEGHERB, LLC ("VegHerb").

This letter shall confirm that CONTECH ENTERPRISES INC. ("Contech"), failed to make the \$300,000.00 payment due and owing to VEGHERB, LLC on October 30, 2014 in accordance with the terms of Contech's Promissory Note (the "Promissory Note"), dated February 22, 2013, a copy of which is enclosed herewith.

As a result of Contech's failure to make said \$300,000.00 payment to VegHerb, Contech is now in default of its obligations under and pursuant to the Promissory Note. If Contech fails to cure its default within five (5) business days, which is November 6, 2014, all of the remaining portions of Principal shall immediately become due and payable to VegHerb. This shall also confirm that Contech is responsible for paying all expenses of collection, including legal fees, incurred by VegHerb.

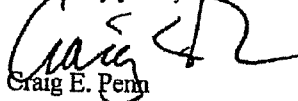
This shall also constitute notice to HSBC BANK CANADA and FIRST WEST CREDIT UNION that VegHerb will be commencing suit against Contech for all amounts due and owing under and pursuant to the Promissory Note, including but not limited to all legal fees and costs of commencing suit.

Please make payment to VegHerb in the amount of USD \$300,000.00 on or before November 6, 2014 to avoid acceleration of all amounts due under and pursuant to the Promissory Note.

Mr. Mark Grambart, President  
Contech Enterprises Inc.  
Page Two  
October 31, 2014

This letter shall also constitute notice of termination to Contech pursuant to Article 3 of the license agreement (the "License Agreement"), dated February 2013, a copy of which is enclosed herewith. As a result of Contech's failure to make its \$300,000 installment payment due and owing to VegHerb on or before October 30, 2014, Contech is hereby prohibited from any and all further use of intellectual property rights obtained from VegHerb. Contech is hereby directed to cease and desist from using trademarks, tradenames, patents, and/or any other intellectual property right originally obtained from VegHerb.

Very truly yours,



Craig E. Penn

cc: **By E-Mail and Facsimile**  
Fasken Martineau DuMoulin LLP  
2900- 550 Burrard Street  
Vancouver, BC V6C 0A3  
Attention: Prentice Durbin, Esq.  
(604) 632-4986 (facsimile)  
[pdurbin@fasken.com](mailto:pdurbin@fasken.com)

**By Facsimile and Regular Mail**  
FIRST WEST CREDIT UNION  
6470 201 Street  
Langley, BC V2Y 2X4  
Attention: Kristi Miller  
Fax No: 604.501.4261

**By Facsimile and Regular Mail**  
HSBC BANK CANADA  
100-771 Vernon Avenue  
Victoria, BC V8X 5A7  
Attention: Manager Commercial Banking  
Fax No: 250 405 7196



PROMISSORY NOTE

Date of Issue: February 22, 2013  
Port Chester, New York  
Amount: USD \$2,301,650.00

FOR VALUE RECEIVED, the undersigned, CONTECH ENTERPRISES INC., a corporation amalgamated under the laws of the Province of British Columbia, Canada, having a principal place of business at Unit 115, 19 Dallas Road, Victoria, British Columbia, Canada, V8V 5A6 (the "Maker"), promises to pay to or to the order of VEGHERB, LLC, a limited liability company organized and existing under the laws of the State of New York and having its principal place of business at 222 Grace Church Street, Port Chester, New York 10573 (the "Payee") the principal sum of Two Million Three Hundred One Thousand Six Hundred Fifty and 00/100 United States Dollars (\$2,301,650.00) (the "Principal").

The Principal amount of this Promissory Note shall be due and payable in accordance with the following schedule of payments:

Schedule of Payments:

- (i) \$551,650.00 on or before June 15, 2013;
- (ii) \$50,000.00 on or before September 30, 2013;
- (iii) \$200,000.00 on or before April 1, 2014;
- (iv) \$300,000.00 on or before October 30, 2014;
- (v) \$300,000.00 on or before October 30, 2015;
- (vi) \$300,000.00 on or before October 30, 2016;
- (vii) \$300,000.00 on or before October 30, 2017; and
- (viii) \$300,000.00 on or before October 30, 2018.

1. Prepayment - The Maker may prepay in full any and all remaining portion of the outstanding Principal at any time prior to the time a payment is due without bonus or penalty.
2. Renewal - The Payee may renew, extend (repeatedly and for any length of time) or modify this Promissory Note so long as such modification is not more onerous on the Maker, from time to time, or release the Maker. The Maker shall be obliged under and pursuant to this Promissory Note until the entire debt evidenced hereby is paid in full, notwithstanding any actions, whether by foreclosure or otherwise, which may be brought to recover any amount payable under this Promissory Note.
3. Costs and Expenses - The Maker shall pay the following costs, expenses, and attorney fees paid or incurred by the Payee, or adjudged by a court: (i) all costs of collection and costs, expenses, and attorneys' fees paid or incurred in connection with the collection or enforcement of this Promissory Note, regardless of whether a legal suit is filed; (ii) all costs, expenses, and attorneys' fees paid or incurred in connection with representing the Payee in any bankruptcy, reorganization, receivership, or other proceedings affecting creditors' rights and involving a claim under this Promissory Note; and (iii) all costs of suit and such sum as the a Court may

- 2 -

adjudge as attorneys' fees in any action to enforce payment of this Promissory Note or any part of it.

4. Payee's Non-Waiver of Rights - Failure of the Payee to enforce any of its rights or remedies under this Promissory Note shall not constitute a waiver of the rights of the Payee to enforce such rights and remedies thereafter.

5. Maker's Waivers - The Maker hereby waives demand and presentment for payment, protest and notice of protest of this Promissory Note.

6. Transferability - This Promissory Note may not be assigned or transferred by Payee without Maker's prior written consent. This Promissory Note may not be assigned or transferred by Maker without Payee's prior written consent.

7. Tax Gross Up - All payments under this Promissory Note shall be made without defense, setoff or counterclaim, free and clear of and without deduction for any taxes of any nature now or hereafter imposed.

8. Default - In the event that Maker fails to pay when due an amount owed under this Promissory Note and such failure continues for five (5) Business Days, any and all of the remaining portion of the Principal shall become immediately due and payable. The outstanding balance of any amount owing under this Promissory Note which is not paid when due shall bear interest at the rate of eight percent (8%) per annum.

9. Governing Law - This Promissory Note and the obligations of the undersigned shall be governed by and construed in accordance with the laws of the State of New York. For purposes of any proceeding involving this Promissory Note or any of the obligations of the undersigned, the undersigned hereby submits to the exclusive jurisdiction of the courts of the State of New York and of the United States having jurisdiction in the State of New York and County of Westchester, and agree not to raise and waive any objection to or defense based upon the venue of any such court and any objection or defense based upon *forum non conveniens*. The undersigned agrees not to bring any action or other proceeding with respect to this Promissory Note or with respect to any of its obligations in any other court unless such courts of the State of New York and of the United States determine that they do not have jurisdiction in the matter.

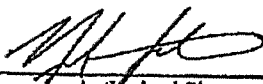
10. Amendment - This Promissory Note may not be amended without the prior written approval of the Payee.

11. Asset Purchase Agreement - This Promissory Note is intended to secure payments owed to Payee by Maker in accordance with the terms and conditions of an asset purchase agreement by and between the Maker and Payee of even date herewith.

- 3 -

**IN WITNESS WHEREOF** the Maker has caused its respective duly authorized signatory to execute and deliver this Promissory Note to the Payee as of the day and year first above written.

**CONTECH ENTERPRISES INC.**

Per:   
\_\_\_\_\_  
Authorized Signatory  
Name: Mark Grambart  
Title: President

**LICENSE AGREEMENT**

THIS AGREEMENT is made effective as of the \_\_\_ day of February, 2013

BETWEEN:

**VEGHERB, LLC (dba Scenery Solutions)**, a limited liability company organized and existing under the laws of the State of New York and having its principal place of business at 222 Grace Church Street, Port Chester, New York 10573

(the "Licensor")

AND:

**CONTECH ENTERPRISES INC.**, a company amalgamated under the laws of the Province of British Columbia, having a place of business at Unit 115, 19 Dallas Road, Victoria, British Columbia, Canada V8V 5A6

(the "Licensee")

**BACKGROUND**

- A. The Licensor and the Licensee have entered into an asset purchase agreement as of the date hereof (the "APA") pursuant to which the Licensee is to purchase the Purchased Assets (as defined in the APA) and is to license the Intellectual Property (as defined in the APA), in each case from the Licensor; and
- B. The Licensor has agreed to grant to the Licensee an exclusive license to use the Intellectual Property worldwide on the terms and conditions set out herein,

NOW THEREFORE, this Agreement witnesses that in consideration of the covenants contained herein, the parties agree as follows:

**1. DEFINITIONS**

- 1.1 Terms not otherwise defined herein have the meaning given in the APA.

**2. LICENSE**

- 2.1 In exchange for \$1.00 and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Licensor, the Licensor hereby grants to the Licensee the right and license under any and all of the Intellectual Property during the term of this Agreement to use, disclose, reproduce, publish, publicly perform, publicly display, develop, make, have made, sell, offer for sale, advertise, market, distribute, supply, import, use, adapt, prepare derivative works of and otherwise exploit the Intellectual Property. The Licensor expressly grants to the Licensee the right to

AT

- 2 -

sublicense to one or more wholly-owned subsidiaries of the Licensor, any and all of the rights licensed to the Licensee pursuant to this Agreement.

**3. TERM AND TERMINATION**

3.1 The term of this Agreement commences on the date hereof and will terminate on the earlier of:

3.1.1 the Licensee fulfilling its obligations in favour of the Licensor with respect to the payments evidenced by the Promissory Note dated of even date herewith and delivered at Closing pursuant to the APA (the "Payments"); or

3.1.2 the Licensee defaulting on its obligations in favour of the Licensor to make the Payments.

**3.2 Effect of Termination.**

3.2.1 Upon the termination of this Agreement in accordance with Section 3.1.1, the Licensor shall transfer to the Licensee the Intellectual Property pursuant to the terms of an Assignment Agreement of even date herewith.

3.2.2 Upon the termination of this Agreement in accordance with Section 3.1.2, the Licensee may continue to exercise the rights granted to it under Section 2.1 in connection with any products made in conjunction with the Intellectual Property that have been manufactured, included in work in process or are called for pursuant to contracts or purchase orders from existing customers of the Licensee as of the date of such termination.

**4. THIRD PARTY INFRINGEMENT**

4.1 If either party becomes aware of any unauthorized use, misappropriation or infringement of the proprietary rights granted to Licensee under this Agreement, the party having such knowledge shall immediately give written notice of the details of the unauthorized use or infringement to the other party. Within 30 days of such notice, both parties shall confer to determine the course of action to be taken with respect to such unauthorized use or infringement. In the event Licensor does not take within 60 days of such notice all reasonable steps and actions necessary to prevent such unauthorized use or infringement from continuing, Licensee shall have the right to take such action as reasonably necessary and appropriate in its own name or the name of Licensor. The parties shall cooperate with each other to the extent reasonably necessary in any legal actions brought pursuant to this provision, including consulting with each other in the conduct of the proceedings as may effect their respective interests. Any damages and other amounts recovered in such proceeding shall be first applied to the reasonable costs and expenses incurred in prosecuting such actions, and any remaining amounts shall be payable to Licensee.

A3.

- 3 -

**5. REPRESENTATIONS AND WARRANTIES**

5.1 Licensor represents and warrants that Licensor is the sole owner or licensee of the entire right, title, and interest in and to the Intellectual Property; that it has the right and power to grant the license and other rights granted herein; that there are no other agreements with any third party in conflict with such grant; and that it knows of no prior art or any facts or circumstances that would invalidate any of the Intellectual Property. Licensor further represents and warrants that the use of the Intellectual Property contemplated hereby does not and will not infringe any Intellectual Property Rights of any third party, and that there are no commenced actions against the Licensor for infringement with respect to items embodying the Intellectual Property. Licensor represents and warrants that all information and assistance relating to the Intellectual Property conveyed by it under this Agreement shall be provided with reasonable care and in accordance with industry standards.

**6. GENERAL**

6.1 **Governing Law.** This Agreement shall be governed in all respects by the laws of the Province of British Columbia and the laws of Canada applicable therein and shall be treated in all respects as a British Columbia contract.

6.2 **Severability.** If any provision of this Agreement is held by a court of law to be illegal, invalid or unenforceable, (i) that provision shall be deemed amended to achieve as nearly as possible the same economic effect as the original provision, and (ii) the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected or impaired thereby.

6.3 **Waiver.** The waiver of a term or provision of this Agreement, or of a breach of any provision of this Agreement, shall not be effective unless such waiver is in writing signed by the party making the waiver. No waiver of, or consent to, a breach, will constitute a waiver of, consent to or excuse of any other or subsequent breach. This Agreement may be amended or modified only with the written consent of both the Licensor and the Licensee. No oral waiver, amendment or modification shall be effective under any circumstances whatsoever.

6.4 **Entire Agreement.** This Agreement represents the Licensor's entire understanding with the Licensee with respect to the subject matter of this Agreement and supersedes all previous understandings, written or oral.

6.5 **Enurement and Assignment.** This Agreement shall be binding upon and shall enure to the benefit of the parties and their respective heirs, administrators, executors, successors, and permitted assigns. This Agreement shall not be assigned in whole or in part by the Licensor, nor shall the Licensor subcontract any of his duties or obligations hereunder, to any other person, firm or company without the prior written consent of the Licensee, which consent may be arbitrarily withheld. This Agreement may be assigned by the Licensee to a wholly-owned subsidiary without Licensor's consent.

A.J.

6.6 **Counterparts.** This Agreement may be executed in counterpart and may be executed and delivered by facsimile or other electronic means and all such counterparts shall together constitute one and the same agreement.

**VEGHERB, LLC**

**CONTECH ENTERPRISES INC.**

Per:   
Authorized Signatory

Per: \_\_\_\_\_  
Authorized Signatory

ATJ

\_\_\_\_\_

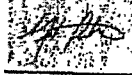
- 4 -

6.6 **Counterparts.** This Agreement may be executed in counterpart and may be executed and delivered by facsimile or other electronic means and all such counterparts shall together constitute one and the same agreement.

**VEGHERB, LLC**

Per: \_\_\_\_\_  
Authorized Signatory

**CONTECH ENTERPRISES INC.**

Per:  \_\_\_\_\_  
Authorized Signatory



This is Exhibit N referred to in the  
affidavit of Mart Grambart  
made before me on this 12  
day of January 2015

  
A Commissioner for taking  
Affidavits for British Columbia

**PENN & ASSOCIATES, LLP**

ATTORNEYS AT LAW  
99 PARK AVENUE - SUITE 330  
NEW YORK, NEW YORK 10016-1601

TEL (212) 661-5700  
FAX (888) 506-3339  
www.cpennlaw.com

1 NORTH BROADWAY - SUITE 1502  
WHITE PLAINS, NEW YORK 10601-2305

November 7, 2014

**By Facsimile and Regular Mail**

HSBC BANK CANADA  
100-771 Vernon Avenue  
Victoria, BC V8X 5A7

Attention: Manager Commercial Banking  
Fax No: 250 405 7196

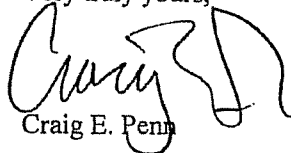
**Re: VEGHERB, LLC v. CONTECH ENTERPRISES INC.**

Dear Manager of Commercial Banking and Mr. Grambart:

On behalf of my client, VEGHERB, LLC, I am writing to inform you that CONTECH ENTERPRISES INC. failed to make payment to VEGHERB, LLC in the amount of \$300,000.00 on or before October 30, 2014 in accordance with the terms of CONTECH ENTERPRISES INC.'s Promissory Note dated February 23, 2013. CONTECH ENTERPRISES INC. remains in default under the terms of said Promissory Note at this time. As a consequence, all remaining principal payments under and pursuant to the Promissory Note are due and owing to VEGHERB, LLC.

VEGHERB, LLC will be commencing suit against CONTECH ENTERPRISES INC. in the Supreme Court of the State of New York in and for the County of Westchester to recover \$1,500,000.00 in principal, plus interest thereon at the rate of eight (8%) per annum, plus legal fees and expenses. A copy of the promissory note is enclosed.

Very truly yours,



Craig E. Penn

Enc.

Manager Commercial Banking  
HSBC BANK CANADA  
Page Two  
November 7, 2014

cc: **By Facsimile and Regular Mail**  
FASKEN MARTINEAU DUMOULIN LLP  
2900 - 550 Burrard Street  
Vancouver, BC V6C 0A3

Attention: Prentice Durbin  
Fax No: 604.632.4986

**By Facsimile and Regular Mail**  
CONTECH ENTERPRISES INC.  
CONTECH (U.S.) INC.  
Unit 115 - 19 Dallas Road  
Victoria, BC V8V 5A6

Attention: Mark Grambart, President  
Facsimile No.: 250.383.3163

## PROMISSORY NOTE

Date of Issue: February 22, 2013

Port Chester, New York

Amount: USD \$2,301,650.00

FOR VALUE RECEIVED, the undersigned, CONTECH ENTERPRISES INC., a corporation amalgamated under the laws of the Province of British Columbia, Canada, having a principal place of business at Unit 115, 19 Dallas Road, Victoria, British Columbia, Canada, V8V 5A6 (the "Maker"), promises to pay to or to the order of VEGHERB, LLC, a limited liability company organized and existing under the laws of the State of New York and having its principal place of business at 222 Grace Church Street, Port Chester, New York 10573 (the "Payee") the principal sum of Two Million Three Hundred One Thousand Six Hundred Fifty and 00/100 United States Dollars (\$2,301,650.00) (the "Principal").

The Principal amount of this Promissory Note shall be due and payable in accordance with the following schedule of payments:

### Schedule of Payments:

- (i) \$551,650.00 on or before June 15, 2013;
- (ii) \$50,000.00 on or before September 30, 2013;
- (iii) \$200,000.00 on or before April 1, 2014;
- (iv) \$300,000.00 on or before October 30, 2014;
- (v) \$300,000.00 on or before October 30, 2015;
- (vi) \$300,000.00 on or before October 30, 2016;
- (vii) \$300,000.00 on or before October 30, 2017; and
- (viii) \$300,000.00 on or before October 30, 2018.

1. **Prepayment** - The Maker may prepay in full any and all remaining portion of the outstanding Principal at any time prior to the time a payment is due without bonus or penalty.

2. **Renewal** - The Payee may renew, extend (repeatedly and for any length of time) or modify this Promissory Note so long as such modification is not more onerous on the Maker, from time to time, or release the Maker. The Maker shall be obliged under and pursuant to this Promissory Note until the entire debt evidenced hereby is paid in full, notwithstanding any actions, whether by foreclosure or otherwise, which may be brought to recover any amount payable under this Promissory Note.

3. **Costs and Expenses** - The Maker shall pay the following costs, expenses, and attorney fees paid or incurred by the Payee, or adjudged by a court: (i) all costs of collection and costs, expenses, and attorneys' fees paid or incurred in connection with the collection or enforcement of this Promissory Note, regardless of whether a legal suit is filed; (ii) all costs, expenses, and attorneys' fees paid or incurred in connection with representing the Payee in any bankruptcy, reorganization, receivership, or other proceedings affecting creditors' rights and involving a claim under this Promissory Note; and (iii) all costs of suit and such sum as the a Court may

adjudge as attorneys' fees in any action to enforce payment of this Promissory Note or any part of it.

4. Payee's Non-Waiver of Rights - Failure of the Payee to enforce any of its rights or remedies under this Promissory Note shall not constitute a waiver of the rights of the Payee to enforce such rights and remedies thereafter.

5. Maker's Waivers - The Maker hereby waives demand and presentment for payment, protest and notice of protest of this Promissory Note.

6. Transferability - This Promissory Note may not be assigned or transferred by Payee without Maker's prior written consent. This Promissory Note may not be assigned or transferred by Maker without Payee's prior written consent.

7. Tax Gross Up - All payments under this Promissory Note shall be made without defense, setoff or counterclaim, free and clear of and without deduction for any taxes of any nature now or hereafter imposed.

8. Default - In the event that Maker fails to pay when due an amount owed under this Promissory Note and such failure continues for five (5) Business Days, any and all of the remaining portion of the Principal shall become immediately due and payable. The outstanding balance of any amount owing under this Promissory Note which is not paid when due shall bear interest at the rate of eight percent (8%) per annum.

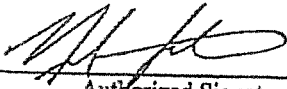
9. Governing Law - This Promissory Note and the obligations of the undersigned shall be governed by and construed in accordance with the laws of the State of New York. For purposes of any proceeding involving this Promissory Note or any of the obligations of the undersigned, the undersigned hereby submits to the exclusive jurisdiction of the courts of the State of New York and of the United States having jurisdiction in the State of New York and County of Westchester, and agree not to raise and waive any objection to or defense based upon the venue of any such court and any objection or defense based upon *forum non conveniens*. The undersigned agrees not to bring any action or other proceeding with respect to this Promissory Note or with respect to any of its obligations in any other court unless such courts of the State of New York and of the United States determine that they do not have jurisdiction in the matter.

10. Amendment - This Promissory Note may not be amended without the prior written approval of the Payee.

11. Asset Purchase Agreement - This Promissory Note is intended to secure payments owed to Payee by Maker in accordance with the terms and conditions of an asset purchase agreement by and between the Maker and Payee of even date herewith.

IN WITNESS WHEREOF the Maker has caused its respective duly authorized signatory to execute and deliver this Promissory Note to the Payee as of the day and year first above written.

CONTECH ENTERPRISES INC.

Per:   
Authorized Signatory  
Name: Mark Grambart  
Title: President

This is Exhibit 0 referred to in the  
affidavit of Mark Grambart  
made before me on this 12  
day of January 2015

~~.....~~  
A Commissioner for taking  
Affidavits for British Columbia

**PENN & ASSOCIATES, LLP**

ATTORNEYS AT LAW  
99 PARK AVENUE - SUITE 330  
NEW YORK, NEW YORK 10016-1601  
TEL (212) 661-5700  
FAX (888) 506-3339  
www.cpennlaw.com

1 NORTH BROADWAY - SUITE 1502  
WHITE PLAINS, NEW YORK 10601-2305

November 7, 2014

**By Facsimile and Regular Mail**

FIRST WEST CREDIT UNION  
6470 201 Street  
Langley, BC V2Y 2X4  
Attention: Kristi Miller  
Fax No: 604.501.4261

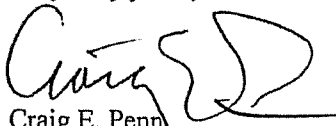
**Re: VEGHERB, LLC v. CONTECH ENTERPRISES INC.**

Dear Ms. Miller::

On behalf of my client, VEGHERB, LLC, I am writing to inform you that CONTECH ENTERPRISES INC. failed to make payment to VEGHERB, LLC in the amount of \$300,000.00 on or before October 30, 2014 in accordance with the terms of CONTECH ENTERPRISES INC.'s Promissory Note dated February 23, 2013. CONTECH ENTERPRISES INC. remains in default under the terms of said Promissory Note at this time. As a consequence, all remaining principal payments under and pursuant to the Promissory Note are due and owing to VEGHERB, LLC.

VEGHERB, LLC will be commencing suit against CONTECH ENTERPRISES INC. in the Supreme Court of the State of New York in and for the County of Westchester to recover \$1,500,000.00 in principal, plus interest thereon at the rate of eight (8%) per annum, plus legal fees and expenses. A copy of the promissory note is enclosed.

Very truly yours,

  
Craig E. Penn

Enc.



Ms. Kristi Miller  
FIRST WEST CREDIT UNION  
Page Two  
November 7, 2014

cc: **By Facsimile and Regular Mail**  
FASKEN MARTINEAU DUMOULIN LLP  
2900 - 550 Burrard Street  
Vancouver, BC V6C 0A3

Attention: Prentice Durbin  
Fax No: 604.632.4986

**By Facsimile and Regular Mail**  
CONTECH ENTERPRISES INC.  
CONTECH (U.S.) INC.  
Unit 115 - 19 Dallas Road  
Victoria, BC V8V 5A6

Attention: Mark Grambart, President  
Facsimile No.: 250.383.3163

## PROMISSORY NOTE

Date of Issue: February 22, 2013  
Port Chester, New York  
Amount: USD \$2,301,650.00

FOR VALUE RECEIVED, the undersigned, CONTECH ENTERPRISES INC., a corporation amalgamated under the laws of the Province of British Columbia, Canada, having a principal place of business at Unit 115, 19 Dallas Road, Victoria, British Columbia, Canada, V8V 5A6 (the "Maker"), promises to pay to or to the order of VEGHERB, LLC, a limited liability company organized and existing under the laws of the State of New York and having its principal place of business at 222 Grace Church Street, Port Chester, New York 10573 (the "Payee") the principal sum of Two Million Three Hundred One Thousand Six Hundred Fifty and 00/100 United States Dollars (\$2,301,650.00) (the "Principal").

The Principal amount of this Promissory Note shall be due and payable in accordance with the following schedule of payments:

### Schedule of Payments:

- (i) \$551,650.00 on or before June 15, 2013;
- (ii) \$50,000.00 on or before September 30, 2013;
- (iii) \$200,000.00 on or before April 1, 2014;
- (iv) \$300,000.00 on or before October 30, 2014;
- (v) \$300,000.00 on or before October 30, 2015;
- (vi) \$300,000.00 on or before October 30, 2016;
- (vii) \$300,000.00 on or before October 30, 2017; and
- (viii) \$300,000.00 on or before October 30, 2018.

1. **Prepayment** - The Maker may prepay in full any and all remaining portion of the outstanding Principal at any time prior to the time a payment is due without bonus or penalty.

2. **Renewal** - The Payee may renew, extend (repeatedly and for any length of time) or modify this Promissory Note so long as such modification is not more onerous on the Maker, from time to time, or release the Maker. The Maker shall be obliged under and pursuant to this Promissory Note until the entire debt evidenced hereby is paid in full, notwithstanding any actions, whether by foreclosure or otherwise, which may be brought to recover any amount payable under this Promissory Note.

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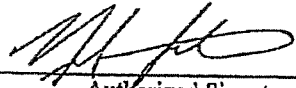
9. **Governing Law** - This Promissory Note and the obligations of the undersigned shall be governed by and construed in accordance with the laws of the State of New York. For purposes of any proceeding involving this Promissory Note or any of the obligations of the undersigned, the undersigned hereby submits to the exclusive jurisdiction of the courts of the State of New York and of the United States having jurisdiction in the State of New York and County of Westchester, and agree not to raise and waive any objection to or defense based upon the venue of any such court and any objection or defense based upon *forum non conveniens*. The undersigned agrees not to bring any action or other proceeding with respect to this Promissory Note or with respect to any of its obligations in any other court unless such courts of the State of New York and of the United States determine that they do not have jurisdiction in the matter.

10. **Amendment** - This Promissory Note may not be amended without the prior written approval of the Payee.

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IN WITNESS WHEREOF the Maker has caused its respective duly authorized signatory to execute and deliver this Promissory Note to the Payee as of the day and year first above written.

CONTECH ENTERPRISES INC.

Per:   
Authorized Signatory  
Name: Mark Grambart  
Title: President

Province: British Columbia  
Bankruptcy Division  
Vancouver Registry  
Court No. B144740  
Estate No. 11-1946231

**IN THE SUPREME COURT OF BRITISH  
COLUMBIA  
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE PROPOSAL OF  
CONTECH ENTERPRISES INC.**

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**AFFIDAVIT #1 OF MARK GRAMBART**

---

**FASKEN MARTINEAU DUMOULIN LLP**  
Barristers and Solicitors  
2900 - 550 Burrard Street  
Vancouver, BC, V6C 0A3  
+1 604 631 3131

Counsel: Kibben Jackson/Danielle Toigo  
Matter No: 249349.35