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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

Current Report  
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (date of earliest event reported): **December 4, 2013**

**LEXARIA CORP.**

*(Exact name of registrant as specified in its charter)*

**Nevada**  
*(State or other jurisdiction  
of incorporation)*

**000-52138**  
*(Commission  
File Number)*

**20-2000871**  
*(IRS Employer  
Identification No.)*

**#950 – 1130 West Pender Street, Vancouver, British Columbia, Canada V6E 4A4**  
*(Address of principal executive offices) (Zip code)*

*Registrant's telephone number, including area code: (604) 602-1675*

*(Former name or former address, if changed since last report.)*

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a -12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d -2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under Exchange Act (17 CFR 240.13e -4(c))
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**Item 1.01 Entry into a Material Definitive Agreement**

**Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

On December 4, 2013, we entered into a loan agreement and promissory note with Chris Bunka (the "Lender"), a director and officer of our company. The principal amount of the note is CAD\$51,507.50. The entering into of the loan agreement and promissory note provides that the principal and interest on the debt be payable for a period of fifteen months. The note has an interest rate of 15% per annum and a monthly principal payment of \$4,292 starting after the third month.

**ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.**

(d) Exhibits.

<b>Exhibit No.</b>	<b>Description</b>
<u><a href="#">10.1</a></u>	<u><a href="#">Debt Agreement between Chris Bunka and the Company dated December 4, 2013.</a></u>
<u><a href="#">10.2</a></u>	<u><a href="#">Security Agreement between Chris Bunka and the Company dated December 4, 2013</a></u>
<u><a href="#">99.1</a></u>	<u><a href="#">Press Release announcing the Loan Agreement</a></u>

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: December 5, 2013

Lexaria Corp.

By: \_\_\_\_\_ *"/s/Chris Bunka"*  
Chris Bunka  
President & CEO

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**LOAN AGREEMENT**

THIS AGREEMENT made the 4<sup>th</sup> day of December, 2013

AMONG:

**Chris Bunka**  
5774 Deadpine Drive  
Kelowna, BC V1P 1A3  
  
(herein called the "Lender")

OF THE FIRST PART

AND:

**LEXARIA CORP.**, of  
950 – 1130 West Pender Street,  
Vancouver BC V6E 4A4,  
Fax 604 602 1625  
  
(herein called the "Company")

OF THE SECOND PART

**WHEREAS:**

- A. This Loan Agreement (the "Loan Agreement") is entered into this date by and between the Lender and the Company on a fifteen month fixed term.
- B. The purpose of this Loan Agreement is to set out terms of the arrangement by which Lender agrees to make a loan of CAD\$51,507.50 ("Loan") available to the Company.

**1. DEFINITIONS**

- 1.1 "Collateral" means the collateral in which the Secured Parties are granted a security interest by this Agreement and which shall include the personal property of the Debtor which is defined as and limited to the Debtor's 42% gross perpetual working interest and production entitlement in and to the PPF-12-1 and PPF-12-3a and PPF-12-4 and PPF-12-5 and PPF 12-7 oil and natural gas wells located in Belmont Lake, Mississippi, and all proceeds, products and accounts thereof, including, without limitation, all proceeds from the sale or transfer of the Collateral and of insurance covering the same and of any tort claims in connection therewith, and all dividends, interest, cash, notes, securities, equity interest or other property at any time and from time to time acquired, receivable or otherwise distributed in respect of, or in exchange for the Collateral, subject only to any preferred interest in this Collateral previously granted prior to the date of this Agreement.
  - 1.2 "Indebtedness" means all loans and advances made or which may be made by the Lender to the Company and Interest thereon and all costs, charges and expenses of or incurred by the Lender in connection with any Securities and in connection with any property covered by or comprised in the Securities, whether in protecting, preserving, realizing or collecting any Securities or property aforesaid or attempting so to do or otherwise and all other obligations and liabilities, present or future, direct or indirect, absolute or contingent, mature or not, of the Company to the Lender arising under or by virtue of this Agreement, the Securities or otherwise howsoever.
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1.3 "Interest" will be simple interest at **15%** per annum.

1.4 "Principal" means the aggregate principal amount of money loaned to the Company by the Lender of CAD\$51,507.50 dollars.

1.5 "Securities" means the securities referred to in Article 3 or any renewal thereof or substitution therefore.

**2. TERMS OF THE LOAN**

2.1 The Lender will lend to the Company, and the Company will borrow from the Lender by way of one advance to be evidenced by a promissory note in the form attached hereto as Schedule "A", the Principal sum of fifty thousand dollars (USD) subject to the terms and conditions of this Agreement and the Securities.

2.2 For value received, Company promises to pay to Lender beginning in the fourth month and continuing through the fifteenth month, twelve equal monthly payments of \$4,292.29 to be applied against the principal amount outstanding from the date of the Loan Agreement, plus interest payments paid monthly in arrears beginning on the signing of this Agreement at the rate of 15% per annum on the outstanding principal balance.

2.3 Notwithstanding the above the Company may repay at any time any or all of the Principal then outstanding and accrued and unpaid Interest on giving 20 days notice to the Lender. In this event the Company may elect to repay the Principal at any time in advance of the Maturity Date.

2.4 In the event the Company sells, pledges, or hypothecates more than 20% of its assets (measured by book value on the Company's quarterly financial statements) at any time while any principal balance remains unpaid, the entire principal balance is then due and payable immediately.

**3. SECURITY FOR THE LOAN**

3.1 As an inducement for the Lender to extend the loans as evidenced herein and to secure their complete and timely payment, performance and discharge in full, as the case may be, the Debtor hereby unconditionally and irrevocably pledges, grants and hypothecates to the Lender a continuing and perfected security interest in and to, a lien upon and a right of set-off against all of their respective right, title and interest of whatsoever kind and nature in and to, the Collateral (the "Security Interest").

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#### **4. AFFIRMATIVE COVENANTS OF THE COMPANY**

4.1 At all times while any Principal or Interest on the Loan is outstanding, the Company will:

- (a) maintain the properties and assets being the subject of the Securities in good repair;
- (b) keep true records and books of account in which full, true and correct entries will be made in accordance with generally accepted accounting principles consistently applied throughout the period involved, and maintain adequate accounts and reserves for all taxes, including taxes on income and profits, all depreciation and amortization of his properties and assets and all such other reserves for contingencies as would normally be required in accordance with generally accepted accounting principles;
- (c) permit any representative of the Lender to visit and inspect the properties charged by the Securities and to examine the Company's books, records, leases and other documents relating thereto and to enquire from time to time as to particulars of any of the foregoing, all at such times and so often as may reasonably be requested; and
- (d) forthwith upon request of the Lender execute and deliver to the Lender all such further and other mortgages, deeds, documents, matters, acts, things and insurances in law (collectively, the "Ancillary Items") for the purpose of record or otherwise which the Lender may reasonably require to perfect the intentions and provisions of this Agreement; provided that the Company will not be obligated to execute and deliver any Ancillary Items where the execution and delivery of such Ancillary Items would breach the terms and conditions of any lease of real property existing on the date hereof to which the Company is a party.

#### **5. DEFAULT**

5.1 Default by the Company. The occurrence of one or more of the following events shall constitute an "event of default", namely:

- (a) if the Company fails to make payment of the Indebtedness or any part thereof as and when the same comes due and payable;
  - (b) if any representation or warranty contained herein or otherwise made in writing to the Lender in connection with any of the transactions contemplated by this Agreement is found to be false or misleading or incorrect in any material respect on the date which it was made;
  - (c) if the Company defaults in the performance of or compliance with any term, covenant or agreement contained in this Agreement or in any of the Securities and the default is not remedied within twenty (20) days after notice thereof has been given to the Company;
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- (d) the entry of a decree or order for relief by a court having jurisdiction in respect of the Company in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar laws;
- (e) the commencement by the Company of a voluntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar laws;
- (f) the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Company or for any material part of the Company's property;
- (g) the consent by the Company to the appointment of, or taking possession by, a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Company or for any material part of the Company's property;
- (h) the issuance of an order for the winding up or liquidation of the affairs of the Company and the continuance of such decree, order or appointment unstayed and in effect for a period of sixty (60) consecutive days;
- (i) the making by the Company of an assignment for the benefit of its creditors;
- (j) the institution by or against the Company of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding-up of the affairs of the Company;
- (k) the threat by the Company of ceasing to carry on business or the Company ceasing to carry on business;
- (l) the entry of a decree or order or an effective resolution passed for winding-up the Company;
- (m) the entry by the Company into any reconstruction, reorganization, amalgamation, merger or other similar arrangement with any other person; or
- (n) if any encumbrancer takes possession of the properties being the subject of the Securities or being financed with the Loan, unless the Company in good faith dispute the encumbrancer's claim and non-payment does not jeopardize the title of the Company to any such property or any way impairs any of the Securities; or

5.2 Upon the occurrence of any one of these events of default, the entire amount of the Principal and Interest then outstanding shall immediately become due and payable.

5.3 Lender's delay or failure to insist upon the strict performance of the Company's obligations under this Loan Agreement or the Securities shall not be construed as a waiver of Lender's right to later require strict performance nor as a waiver of any of Lender's legal and equitable remedies.

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## **6. PAYMENT ON MATURITY**

6.1 On the Maturity Date, the Company will deliver the Principal then outstanding and any earned Interest due Lender by wire transfer to Lender's nominated bank account or in cash or certified cheque delivered to the address of Lender.

## **7. NOTICES**

7.1 Any notice, request, demand, claim, instruction, or other document to be given to any party pursuant to this Loan Agreement shall be in writing delivered personally or sent by mail, registered or certified, postage fully prepaid, as follows:

- (a) If to, Lender to the address set forth on the first page of this Loan Agreement.
- (b) If to Company, to the addresses set forth on the first page of this Loan Agreement, with a copy to:

**Madonald Tuskey, Corporate and Securities Lawyers**  
400-570 Granville Street  
Vancouver, BC V6C 3P1  
Attention: William L. Macdonald  
Fax: 604 681 4760

7.2 Any party may give any notice, request, demand, claim, instruction, or other document under this section using any other means (including expedited courier, messenger service, telecopy, facsimile, telex, ordinary mail, or electronic mail), but no such notice, request, demand, claim, instruction, or other document shall be deemed to have been duly given unless and until it actually is received by the individual for whom it is intended. Any party may change its address for purposes of this section by giving notice of the change of address to the other party in the manner provided in this section.

## **8. TERMINATION**

8.1 This Loan Agreement may, by written notice, be terminated as follows:

- (a) by either the Company or the Lender if a material breach of any provision of this Loan Agreement has been committed by the other party and such breach has not been waived; or
- (b) by mutual written consent of the Company and Lender.

8.2 Each Party's right of termination is in addition to any other rights it may have under this Loan Agreement or otherwise, and the exercise of a right of termination will not be an election of remedies; provided, however, that if this Loan Agreement is terminated by a party because of a breach of the Loan Agreement by the other party or because one or more of the conditions to the terminating party's obligations under this Loan Agreement is not satisfied as a result of the other party's failure to comply with its obligations under this Loan Agreement, the terminating party's right to pursue all legal remedies will survive such termination unimpaired. For greater certainty, termination of this Loan Agreement does not release the Company from its obligations hereunder in respect of any Principal then outstanding.

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**9. INDEMNIFICATION**

9.1 All representations, warranties, covenants, and obligations in this Loan Agreement, and any other certificate or document delivered pursuant to this Loan Agreement will survive the Loan Agreement. The right to indemnification, payment of damages or other remedy based on such representations, warranties, covenants, and obligations will not be affected by any investigation conducted with respect to, or any knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of this Loan Agreement, with respect to the accuracy or inaccuracy of or compliance with, any such representation, warranty, covenant, or obligation. The waiver of any condition based on the accuracy of any representation or warranty, or on the performance of or compliance with any covenant or obligation, will not affect the right to indemnification, payment of damages, or other remedy based on such representations, warranties, covenants, and obligations.

9.2 The Company and the Lender mutually agree to indemnify and hold each other harmless along with their respective representatives, stockholders, controlling persons, and affiliates (collectively, the "Indemnified Persons") for, and will pay to the Indemnified Persons the amount of, any loss, liability, claim, damage (including incidental and consequential damages), expense (including costs of investigation and defense and reasonable attorneys' fees) or diminution of value, whether or not involving a third-party claim, arising, directly or indirectly, from or in connection with any breach of any representation, warrant, covenant or obligation made by the other Party in this Loan Agreement.

**10. GENERAL PROVISIONS**

10.1 The Parties agree to furnish upon request to each other such further information, and to execute and deliver to each other such other documents, and to do such other acts and things, all as the other party may reasonably request for the purpose of carrying out the intent of this Loan Agreement.

10.2 The rights and remedies of the parties to this Loan Agreement are cumulative and not alternative. Neither the failure nor any delay by any party in exercising any right, power, or privilege under this Loan Agreement or the documents referred to in this Loan Agreement will operate as a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege will preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege. To the maximum extent permitted by applicable law, (a) no claim or right arising out of this Loan Agreement or the documents referred to in this Loan Agreement can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other party; (b) no waiver that may be given by a party will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one party will be deemed to be a waiver of any obligation of such party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Loan Agreement or the documents referred to in this Loan Agreement.

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10.3 This Loan Agreement supersedes all prior agreements between the parties with respect to this loan and constitutes (along with the documents referred to in this Loan Agreement) a complete and exclusive statement of the terms of the agreement between the parties with respect to its subject matter. This Loan Agreement may not be amended except by a written agreement executed by the party to be charged with the amendment.

10.4 Neither party may assign any of its rights under this Loan Agreement without the prior consent of the other parties. This Loan Agreement will apply to, be binding in all respects upon, and inure to the benefit of the successors and permitted assigns of the parties. Nothing expressed or referred to in this Loan Agreement will be construed to give any Person other than the parties to this Loan Agreement any legal or equitable right, remedy, or claim under or with respect to this Loan Agreement or any provision of this Loan Agreement. This Loan Agreement and all of its provisions and conditions are for the sole and exclusive benefit of the parties to this Loan Agreement and their successors and assigns.

10.5 If any provision of this Loan Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Loan Agreement will remain in full force and effect. Any provision of this Loan Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

10.6 This Loan Agreement will be governed by the laws of the Province of British Columbia.

10.7 This Loan Agreement may be signed in as many counterparts as necessary and all signatures so executed shall constitute one Agreement, binding on all Parties as if each was a signatory on the original.

**11. SIGNATURES**

11.1 IN WITNESS WHEREOF, the parties have executed and delivered this Loan Agreement as of the date first written above.

Per: \_\_\_\_\_  
Chris Bunka

**LEXARIA CORP.**

Per: \_\_\_\_\_  
Bal Bhullar, CFO and Authorized Signatory

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**SCHEDULE "A"**

**PROMISSORY NOTE**

**CAD\$51,507.50**

**December 4, 2013**

FOR VALUE RECEIVED, the undersigned (the "Borrower") promise to pay to Chris Bunka of 5774 Deadpine Drive, Kelowna B.C. Canada, (the "Lender") the principal sum of fifty thousand USD dollars (CAD\$51,507.50) in lawful currency of the USD (the "Principal Sum"), as herein provided.

The Principal Sum or such amount as shall remain outstanding from time to time shall bear 15% interest thereon, both before and after each of maturity, default and judgment commencing on the day the Principal Sum is advanced by the Lender to the Borrower.

The Principal Sum aforesaid will be paid in the amount of \$4,292.29 at the end of every month for twelve months.

Extension of time of payment of all or any part of the amount owing hereunder at any time or times and failure of the Lender to enforce any of its rights or remedies hereunder shall not release the Borrower from its obligations hereunder or constitute a waiver of the rights of the Lender to enforce any rights and remedies therein.

On default in payment of any sum due hereunder for the Principal Sum or Interest or after 15 days' notice of Default to the Borrower upon the occurrence of an Event of Default as defined pursuant to the Loan Agreement, entered into between the Borrower and the Lender and dated for reference December 4, 2013, or any amendments thereto, the unpaid balance of the Principal Sum and all accrued Interest thereon shall at the option of the Lender forthwith become due and payable.

The undersigned, when not in default hereunder, will have the privilege of prepaying in whole or in part the Principal Sum, upon 20 days' notice to the Lender.

Presentment, protest, notice of protest and notice of dishonour are hereby waived.

**LEXARIA CORP.**

Per: \_\_\_\_\_  
Bal Bhullar, CFO and Authorized Signatory

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**SECURITY AGREEMENT**

SECURITY AGREEMENT, dated as of December 4, 2013 (this "Agreement"), among Lexaria Corp. (the "Company" or "Debtor") and the holder of the Loan due April 4, 2015 of CAD\$51,507.50 (the "Notes"), signatory hereto, (the "Secured Party").

**WITNESETH:**

WHEREAS, pursuant to the Notes, the Secured Party have severally agreed to extend the loans to the Company evidenced by the Notes; and

WHEREAS, in order to induce the Secured Party to extend the loans evidenced by the Notes, the Debtor has agreed to execute and deliver to the Secured Party this Agreement and to grant the Secured Party, a perfected security interest in certain property of the Debtor to secure the prompt payment, performance and discharge in full of all of the Company's obligations under the Notes.

NOW, THEREFORE, in consideration of the agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. **Certain Definitions.** As used in this Agreement, the following terms shall have the meanings set forth in this Section 1. Terms used but not otherwise defined in this Agreement that are defined in Article 9 of the UCC (such as "account", "chattel paper", "commercial tort claim", "deposit account", "document", "equipment", "fixtures", "general intangibles", "goods", "instruments", "inventory", "investment property", "letter-of-credit rights", "proceeds" and "supporting obligations") shall have the respective meanings given such terms in Article 9 of the UCC.

(a) "Collateral" means the collateral in which the Secured Party is granted a security interest by this Agreement and which shall include the personal property of the Debtor which is defined as and limited to the Debtor's 32% gross perpetual working interest and production entitlement in and to the PPF-12-1, PPF-12-3a, PP F-12-4, PP F-12-5 and PPF-12-7 oil and natural gas wells located in Belmont Lake, Mississippi, and all proceeds, products and accounts thereof, including, without limitation, all proceeds from the sale or transfer of the Collateral and of insurance covering the same and of any tort claims in connection therewith, and all dividends, interest, cash, notes, securities, equity interest or other property at any time and from time to time acquired, receivable or otherwise distributed in respect of, or in exchange for the Collateral.

(b) "Majority in Interest" shall mean, at any time of determination, the majority in interest (based on then-outstanding principal amounts of Notes at the time of such determination) of the Secured Party.

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(c) "Obligations" means all of the Debtors' obligations under this Agreement, the Notes and any other instruments, agreements or other documents executed and/or delivered in connection herewith or therewith, in each case, whether now or hereafter existing, voluntary or involuntary, direct or indirect, absolute or contingent, liquidated or unliquidated, whether or not jointly owned with others, and whether or not from time to time decreased or extinguished and later increased, created or incurred, and all or any portion of such obligations or liabilities that are paid, to the extent all or any part of such payment is avoided or recovered directly or indirectly from any of the Secured Party as a preference, fraudulent transfer or otherwise as such obligations may be amended, supplemented, converted, extended or modified from time to time. Without limiting the generality of the foregoing, the term "Obligations" shall include, without limitation: (i) principal of, and interest on the Notes and the loans extended pursuant thereto; (ii) any and all other fees, indemnities, costs, obligations and liabilities of the Debtors from time to time under or in connection with this Agreement, the Notes and any other instruments, agreements or other documents executed and/or delivered in connection herewith or therewith; and (iii) all amounts (including but not limited to post-petition interest) in respect of the foregoing that would be payable but for the fact that the obligations to pay such amounts are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving any Debtor.

(d) "Organizational Documents" means with respect to the Debtor, the documents by which the Debtor was organized (such as a certificate of incorporation, certificate of limited partnership or articles of organization, and including, without limitation, any certificates of designation for preferred stock or other forms of preferred equity) and which relate to the internal governance of the Debtor (such as bylaws, a partnership agreement or an operating, limited liability or members agreement).

(e) "UCC" means the Uniform Commercial Code of the State of Nevada and or any other applicable law of any state or states which has jurisdiction with respect to all, or any portion of, the Collateral or this Agreement, from time to time. It is the intent of the parties that defined terms in the UCC should be construed in their broadest sense so that the term "Collateral" will be construed in its broadest sense. Accordingly if there are, from time to time, changes to defined terms in the UCC that broaden the definitions, they are incorporated herein and if existing definitions in the UCC are broader than the amended definitions, the existing ones shall be controlling.

**2. Grant of Perfected Security Interest.** As an inducement for the Secured Party to extend the loans as evidenced by the Notes and to secure the complete and timely payment, performance and discharge in full, as the case may be, of all of the Obligations, the Debtor hereby unconditionally and irrevocably pledges, grants and hypothecates to the Secured Party a continuing and perfected security interest in and to, a lien upon and a right of set-off against all of their respective right, title and interest of whatsoever kind and nature in and to, the Collateral (the "Security Interest").

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3. **Delivery of Certain Collateral.** Contemporaneously or prior to the execution of this Agreement, the Debtor shall deliver or cause to be delivered to the Secured Party any and all certificates and other instruments or documents representing any of the other Collateral, in each case, together with all Necessary Endorsements requested by the Secured Party.

4. **Representations, Warranties, Covenants and Agreements of the Debtors.** The Debtor represents and warrants to, and covenants and agrees with, the Secured Party, except as otherwise provided in the Disclosure Annex to the Purchase Agreement of even date herewith, as follows:

(a) The Debtor has the requisite corporate, partnership, limited liability company or other power and authority to enter into this Agreement and otherwise to carry out its obligations hereunder. The execution, delivery and performance by the Debtor of this Agreement and the filings contemplated therein have been duly authorized by all necessary action on the part of the Debtor and no further action is required by the Debtor. This Agreement has been duly executed by the Debtor. This Agreement constitutes the legal, valid and binding obligation of the Debtor, enforceable against the Debtor in accordance with its terms except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization and similar laws of general application relating to or affecting the rights and remedies of creditors and by general principles of equity.

(b) The Debtor has no place of business or offices where their respective books of account and records are kept (other than temporarily at the offices of its attorneys or accountants) or places where Collateral is stored or located, except as set forth on Schedule A attached hereto. Except as disclosed on Schedule A, none of such Collateral is in the possession of any consignee, bailee, warehouseman, agent or processor.

(c) Except as set forth on Schedule B attached hereto, the Debtor is the sole owner of the Collateral (except for non-exclusive licenses granted by the Debtor in the ordinary course of business), free and clear of any liens, security interests, encumbrances, rights or claims and are fully authorized to grant the Security Interest. There is not on file in any governmental or regulatory authority, agency or recording office an effective financing statement, security agreement, license or transfer or any notice of any of the foregoing (other than those that will be filed in favor of the Secured Party pursuant to this Agreement) covering or affecting any of the Collateral. So long as this Agreement shall be in effect, the Debtor shall not execute and shall not knowingly permit to be on file in any such office or agency any such financing statement or other document or instrument (except to the extent filed or recorded in favor of the Secured Party pursuant to the terms of this Agreement).

(d) Except as set forth on Schedule B attached hereto, no written claim has been received that any Collateral or Debtor's use of any Collateral violates the rights of any third party. There has been no adverse decision to the Debtor's claim of ownership rights in or exclusive rights to use the Collateral in any jurisdiction or to the Debtor's right to keep and maintain such Collateral in full force and effect, and there is no proceeding involving said rights pending or, to the best knowledge of the Debtor, threatened before any court, judicial body, administrative or regulatory agency, arbitrator or other governmental authority.

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(e) The Debtor shall at all times maintain its books of account and records relating to the Collateral at its principal place of business and its Collateral at the locations set forth on Schedule A attached hereto and may not relocate such books of account and records or tangible Collateral unless it delivers to the Secured Party at least 30 days prior to such relocation (i) written notice of such relocation and the new location thereof (which must be within the United States or Canada) and (ii) evidence that appropriate financing statements under the UCC and other necessary documents have been filed and recorded and other steps have been taken to perfect the Security Interest to create in favor of the Secured Party a valid, perfected and continuing perfected first priority lien in the Collateral.

(f) This Agreement creates in favor of the Secured Party a valid, security interest in the Collateral, securing the payment and performance of the Obligations. Upon making the filings described in the immediately following paragraph, all security interests created hereunder in any Collateral which may be perfected by filing Uniform Commercial Code financing statements shall have been duly perfected. Except for the filing of the Uniform Commercial Code financing statements referred to in the immediately following paragraph, the recording of the Intellectual Property Security Agreement (as defined below) with respect to copyrights and copyright applications in the United States Copyright Office referred to in paragraph (p), and the delivery of the certificates and other instruments provided in Section 3, no action is necessary to create, perfect or protect the security interests created hereunder. Without limiting the generality of the foregoing, except for the filing of said financing statements, the recordation of said Intellectual Property Security Agreement, no consent of any third parties and no authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for (i) the execution, delivery and performance of this Agreement, (ii) the creation or perfection of the Security Interests created hereunder in the Collateral or (iii) the enforcement of the rights of the Secured Party hereunder.

(g) The Debtor hereby authorizes the Secured Party to file one or more financing statements under the UCC, with respect to the Security Interest with the proper filing and recording agencies in any jurisdiction deemed proper by them.

(h) The execution, delivery and performance of this Agreement by the Debtor does not (i) violate any of the provisions of any Organizational Documents of the Debtor or any judgment, decree, order or award of any court, governmental body or arbitrator or any applicable law, rule or regulation applicable to the Debtor or (ii) conflict with, 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 (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing the Debtor's debt or otherwise) or other understanding to which the Debtor is a party or by which any property or asset of the Debtor is bound or affected. No consent (including, without limitation, from stockholders or creditors of the Debtor) is required for the Debtor to enter into and perform its obligations hereunder.

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(i) The Debtor shall at all times maintain the liens and Security Interest provided for hereunder as valid and perfected second priority liens and security interests in the Collateral in favor of the Secured Party until this Agreement and the Security Interest hereunder shall be terminated pursuant to Section 13 hereof. The Debtor hereby agrees to defend the same against the claims of any and all persons and entities. The Debtor shall safeguard and protect all Collateral for the account of the Secured Party. At the request of the Secured Party, the Debtor will sign and deliver to the Secured Party at any time or from time to time one or more financing statements pursuant to the UCC in form reasonably satisfactory to the Secured Party and will pay the cost of filing the same in all public offices wherever filing is, or is deemed by the Secured Party to be, necessary or desirable to effect the rights and obligations provided for herein. Without limiting the generality of the foregoing, the Debtor shall pay all fees, taxes and other amounts necessary to maintain the Collateral and the Security Interest hereunder, and the Debtor shall obtain and furnish to the Secured Party from time to time, upon demand, such releases and/or subordinations of claims and liens which may be required to maintain the priority of the Security Interest hereunder.

(j) The Debtor will not transfer, pledge, hypothecate, encumber, license, sell or otherwise dispose of any of the Collateral (except for non-exclusive licenses granted by the Debtor in its ordinary course of business and sales of inventory by the Debtor in its ordinary course of business) without the prior written consent of a dollar-weighted Majority in Interest of the Debtors.

(k) The Debtor shall keep and preserve its equipment, inventory and other tangible Collateral in good condition, repair and order and shall not operate or locate any such Collateral (or cause to be operated or located) in any area excluded from insurance coverage.

(l) The Debtor shall, within twenty (20) days of obtaining knowledge thereof, advise the Secured Party promptly, in sufficient detail, of any substantial change in the Collateral, and of the occurrence of any event which would have a material adverse effect on the value of the Collateral or on the Secured Party's security interest therein.

(m) The Debtor shall promptly execute and deliver to the Secured Party such further deeds, mortgages, assignments, security agreements, financing statements or other instruments, documents, certificates and assurances and take such further action as the Secured Party may from time to time request and may in its sole discretion deem necessary to perfect, protect or enforce its security interest in the Collateral including, without limitation, if applicable, the execution and delivery of a separate security agreement with respect to the Debtor's Intellectual Property ("Intellectual Property Security Agreement") in which the Secured Party have been granted a security interest hereunder, substantially in a form acceptable to the Secured Party, which Intellectual Property Security Agreement, other than as stated therein, shall be subject to all of the terms and conditions hereof.

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(n) The Debtor shall permit the Secured Party and their representatives and agents to inspect the Collateral at any time, and to make copies of records pertaining to the Collateral as may be requested by a Secured Party from time to time.

(o) The Debtor shall take all steps reasonably necessary to diligently pursue and seek to preserve, enforce and collect any rights, claims, causes of action and accounts receivable in respect of the Collateral.

(p) The Debtor shall promptly notify the Secured Party in sufficient detail upon becoming aware of any attachment, garnishment, execution or other legal process levied against any Collateral and of any other information received by the Debtor that may materially affect the value of the Collateral, the Security Interest or the rights and remedies of the Secured Party hereunder.

(q) All information heretofore, herein or hereafter supplied to the Secured Party by or on behalf of the Debtor with respect to the Collateral is accurate and complete in all material respects as of the date furnished.

(r) The Debtor shall at all times preserve and keep in full force and effect their respective valid existence and good standing and any rights and franchises material to its business.

(s) The Debtor will not change its name, type of organization, jurisdiction of organization, organizational identification number (if it has one), legal or corporate structure, or identity, or add any new fictitious name unless it provides at least 20 days prior written notice to the Secured Party of such change and, at the time of such written notification, the Debtor provides any financing statements or fixture filings necessary to perfect and continue perfected the perfected security Interest granted and evidenced by this Agreement.

(t) The Debtor was organized and remains organized solely under the laws of the State of Nevada.

(u) At any time and from time to time that any Collateral consists of instruments, certificated securities or other items that require or permit possession by the secured party to perfect the security interest created hereby, the applicable Debtor shall deliver such Collateral to the Secured Party.

(v) The Debtor, in its capacity as issuer, hereby agrees to comply with any and all orders and instructions of the Secured Party regarding the Pledged Interests consistent with the terms of this Agreement without the further consent of the Debtor as contemplated by Section 8-106 (or any successor section) of the UCC. Further, the Debtor agrees that it shall not enter into a similar agreement (or one that would confer "control" within the meaning of Article 8 of the UCC) with any other person or entity.

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(w) The Debtor shall cause all tangible chattel paper constituting Collateral to be delivered to the Secured Party, or, if such delivery is not possible, then to cause such tangible chattel paper to contain a legend noting that it is subject to the security interest created by this Agreement. To the extent that any Collateral consists of electronic chattel paper, the applicable Debtor shall cause the underlying chattel paper to be "marked" within the meaning of Section 9-105 of the UCC (or successor section thereto).

(x) Reserved.

(y) To the extent that any Collateral is in the possession of any third party, the Debtor shall join with the Secured Party in notifying such third party of the Secured Party's security interest in such Collateral and shall use its best efforts to obtain an acknowledgement and agreement from such third party with respect to the Collateral, in form and substance satisfactory to the Secured Party.

(z) If the Debtor shall at any time hold or acquire a commercial tort claim, the Debtor shall promptly notify the Secured Party in a writing signed by the Debtor of the particulars thereof and grant to the Secured Party in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance satisfactory to the Secured Party.

(aa) The Debtor shall immediately provide written notice to the Secured Party of any and all accounts which arise out of contracts with any governmental authority and, to the extent necessary to perfect or continue the perfected status of the Security Interest in such accounts and proceeds thereof, shall execute and deliver to the Secured Party an assignment of claims for such accounts and cooperate with the Secured Party in taking any other steps required, in their judgment, under the Federal Assignment of Claims Act or any similar federal, state or local statute or rule to perfect or continue the perfected status of the Security Interest in such accounts and proceeds thereof.

(bb) The Debtor shall cause each subsidiary of the Debtor to immediately become a party hereto (an "Additional Debtor"), by executing and delivering an Additional Debtor Joinder in substantially the form of Annex A attached hereto and comply with the provisions hereof applicable to the Debtor. Concurrent therewith, the Additional Debtor shall deliver replacement schedules for, or supplements to all other Schedules to (or referred to in) this Agreement, as applicable, which replacement schedules shall supersede, or supplements shall modify, the Schedules then in effect. The Additional Debtor shall also deliver such opinions of counsel, authorizing resolutions, good standing certificates, incumbency certificates, organizational documents, financing statements and other information and documentation as the Secured Party may reasonably request. Upon delivery of the foregoing to the Secured Party, the Additional Debtor shall be and become a party to this Agreement with the same rights and obligations as the Debtor, for all purposes hereof as fully and to the same extent as if it were an original signatory hereto and shall be deemed to have made the representations, warranties and covenants set forth herein as of the date of execution and delivery of such Additional Debtor Joinder, and all references herein to the "Debtors" shall be deemed to include each Additional Debtor.

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(cc) The Debtor will from time to time, at the joint and several expense of the Debtor, promptly execute and deliver all such further instruments and documents, and take all such further action as may be necessary or desirable, or as the Secured Party may reasonably request, in order to perfect and protect any security interest granted or purported to be granted hereby or to enable the Secured Party to exercise and enforce their rights and remedies hereunder and with respect to any Collateral or to otherwise carry out the purposes of this Agreement.

(dd) None of the account debtors or other persons or entities obligated on any of the Collateral is a governmental authority covered by the Federal Assignment of Claims Act or any similar federal, state or local statute or rule in respect of such Collateral.

5. **Effect of Pledge on Certain Rights.** If any of the Collateral subject to this Agreement consists of nonvoting equity or ownership interests (regardless of class, designation, preference or rights) that may be converted into voting equity or ownership interests upon the occurrence of certain events (including, without limitation, upon the transfer of all or any of the other stock or assets of the issuer), it is agreed that the pledge of such equity or ownership interests pursuant to this Agreement or the enforcement of any of the Secured Party' rights hereunder shall not be deemed to be the type of event which would trigger such conversion rights notwithstanding any provisions in the Organizational Documents or agreements to which any Debtor is subject or to which the Debtor is party.

6. **Defaults.** The following events shall be "Events of Default":

(a) The occurrence of an Event of Default (as defined in the Notes) under the Notes;

(b) Any representation or warranty of the Debtor in this Agreement shall prove to have been incorrect in any material respect when made;

(c) The failure by the Debtor to observe or perform any of its obligations hereunder for twenty (20) days after delivery to the Debtor of notice of such failure by or on behalf of a Secured Party unless such default is capable of cure but cannot be cured within such time frame and the Debtor is using best efforts to cure same in a timely fashion; or

(d) If any provision of this Agreement shall at any time for any reason be declared to be null and void, or the validity or enforceability thereof shall be contested by the Debtor, or a proceeding shall be commenced by the Debtor, or by any governmental authority having jurisdiction over the Debtor, seeking to establish the invalidity or unenforceability thereof, or the Debtor shall deny that the Debtor has any liability or obligation purported to be created under this Agreement.

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**7. Duty To Hold In Trust.** Upon the occurrence of any Event of Default and at any time thereafter, the Debtor shall, upon receipt of any revenue, income, dividend, interest or other sums subject to the Security Interest, whether payable pursuant to the Notes or otherwise, or of any check, draft, note, trade acceptance or other instrument evidencing an obligation to pay any such sum, hold the same in trust for the Secured Party and shall forthwith endorse and transfer any such sums or instruments, or both (to the extent permitted by law), to the Secured Party, pro-rata in proportion to their initial purchases of Notes for application to the satisfaction of the Obligations (and if any Note is not outstanding, pro-rata in proportion to the initial purchases of the remaining Notes).

#### **8. Rights and Remedies Upon Default**

(a) Upon the occurrence of any Event of Default and at any time thereafter provided the same is then continuing, the Secured Party, acting through any agent appointed by them for such purpose, shall have the right to exercise all of the remedies conferred hereunder and under the Notes, and the Secured Party shall have all the rights and remedies of a secured party under the UCC. Without limitation, the Secured Party shall have the following rights and powers:

(i) The Secured Party shall have the right to take possession of the Collateral and, for that purpose, enter, with the aid and assistance of any person, any premises where the Collateral, or any part thereof, is or may be placed and remove the same, and the Debtor shall assemble the Collateral and make it available to the Secured Party at places which the Secured Party shall reasonably select, whether at the Debtor's premises or elsewhere, and make available to the Secured Party, without rent, all of the Debtor's respective premises and facilities for the purpose of the Secured Party taking possession of, removing or putting the Collateral in saleable or disposable form.

(ii) Upon notice to the Debtor by the Secured Party, all rights of the Debtor to exercise the voting and other consensual rights which it would otherwise be entitled to exercise and all rights of the Debtor to receive the dividends and interest which it would otherwise be authorized to receive and retain, shall cease. Upon such notice, the Secured Party shall have the right to receive any interest, cash dividends or other payments on the Collateral and, at the option of, to exercise in such the Secured Party's discretion all voting rights pertaining thereto. Without limiting the generality of the foregoing, the Secured Party shall have the right (but not the obligation) to exercise all rights with respect to the Collateral as it were the sole and absolute owners thereof, including, without limitation, to vote and/or to exchange, at its sole discretion, any or all of the Collateral in connection with a merger, reorganization, consolidation, recapitalization or other readjustment concerning or involving the Collateral or the Debtor or any of its direct or indirect subsidiaries.

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(iii) The Secured Party shall have the right to operate the business of the Debtor in regards to the Collateral and shall have the right to assign, sell, lease or otherwise dispose of and deliver all or any part of the Collateral, at public or private sale or otherwise, either with or without special conditions or stipulations, for cash or on credit or for future delivery, in such parcel or parcels and at such time or times and at such place or places, and upon such terms and conditions as the Secured Party may deem commercially reasonable, all without (except as shall be required by applicable statute and cannot be waived) advertisement or demand upon or notice to the Debtor or right of redemption of the Debtor, which are hereby expressly waived. Upon each such sale, lease, assignment or other transfer of Collateral, the Secured Party may, unless prohibited by applicable law which cannot be waived, purchase all or any part of the Collateral being sold, free from and discharged of all trusts, claims, right of redemption and equities of the Debtor, which are hereby waived and released.

(iv) The Secured Party shall have the right (but not the obligation) to notify any account debtors and any obligors under instruments or accounts to make payments directly to the Secured Party and to enforce the Debtors' rights against such account debtors and obligors.

(v) The Secured Party may (but is not obligated to) direct any financial intermediary or any other person or entity holding any investment property to transfer the same to the Secured Party or their designee.

(b) The Secured Party may comply with any applicable law in connection with a disposition of Collateral and such compliance will not be considered adversely to affect the commercial reasonableness of any sale of the Collateral. The Secured Party may sell the Collateral without giving any warranties and may specifically disclaim such warranties. If the Secured Party sells any of the Collateral on credit, the Debtor will only be credited with payments actually made by the purchaser. In addition, the Debtor waives any and all rights that it may have to a judicial hearing in advance of the enforcement of any of the Secured Party' rights and remedies hereunder, including, without limitation, its right following an Event of Default to take immediate possession of the Collateral and to exercise its rights and remedies with respect thereto.

**9. Applications of Proceeds.** The proceeds of any such sale, lease or other disposition of the Collateral hereunder shall be applied first, to the expenses of retaking, holding, storing, processing and preparing for sale, selling, and the like (including, without limitation, any taxes, fees and other costs incurred in connection therewith) of the Collateral, to the reasonable attorneys' fees and expenses incurred by the Secured Party in enforcing their rights hereunder and in connection with collecting, storing and disposing of the Collateral, and then to satisfaction of the Obligations pro rata among the Secured Party (based on then-outstanding proportionate principal dollar amounts of Notes at the time of any such determination), and to the payment of any other amounts required by applicable law, after which the Secured Party shall pay to the Debtor any surplus proceeds. If, upon the sale, license or other disposition of the Collateral, the proceeds thereof are insufficient to pay all amounts to which the Secured Party are legally entitled, the Debtor will be liable for the deficiency, together with interest thereon, at the rate of 18.0% per annum or the lesser amount permitted by applicable law (the "Default Rate"), and the reasonable fees of any attorneys employed by the Secured Party to collect such deficiency. To the extent permitted by applicable law, the Debtor waives all claims, damages and demands against the Secured Party arising out of the repossession, removal, retention or sale of the Collateral, unless due solely to the gross negligence or willful misconduct of the Secured Party as determined by a final judgment (not subject to further appeal) of a court of competent jurisdiction.

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10. **Costs and Expenses.** The Debtor agrees to pay all reasonable out-of-pocket fees, costs and expenses incurred in connection with any filing required hereunder, including without limitation, any financing statements pursuant to the UCC, continuation statements, partial releases and/or termination statements related thereto or any expenses of any searches reasonably required by the Secured Party. The Debtor shall also pay all other claims and charges which in the reasonable opinion of the Secured Party might prejudice, imperil or otherwise affect the Collateral or the Security Interest therein. The Debtor will also, upon demand, pay to the Secured Party the amount of any and all reasonable expenses, including the reasonable fees and expenses of its counsel and of any experts and agents, which the Secured Party may incur in connection with (i) the enforcement of this Agreement, (ii) the custody or preservation of, or the sale of, collection from, or other realization upon, any of the Collateral, or (iii) the exercise or enforcement of any of the rights of the Secured Party under the Notes. Until so paid, any fees payable hereunder shall be added to the principal amount of the Notes and shall bear interest at the Default Rate.

11. **Responsibility for Collateral.** The Debtor assumes all liabilities and responsibility in connection with all Collateral, and the Obligations shall in no way be affected or diminished by reason of the loss, destruction, damage or theft of any of the Collateral or its unavailability for any reason. The Secured Party agrees to act in accordance with commercially reasonable standards and the UCC. Without limiting the generality of the foregoing, (a) no Secured Party (i) has any duty (either before or after an Event of Default) to collect any amounts in respect of the Collateral or to preserve any rights relating to the Collateral, or (ii) has any obligation to clean-up or otherwise prepare the Collateral for sale, and (b) the Debtor shall remain obligated and liable under each contract or agreement included in the Collateral to be observed or performed by the Debtor thereunder. No Secured Party shall have any obligation or liability under any such contract or agreement by reason of or arising out of this Agreement or the receipt by any Secured Party of any payment relating to any of the Collateral, nor shall any Secured Party be obligated in any manner to perform any of the obligations of the Debtor under or pursuant to any such contract or agreement, to make inquiry as to the nature or sufficiency of any payment received by any Secured Party in respect of the Collateral or as to the sufficiency of any performance by any party under any such contract or agreement, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to any Secured Party who may be entitled at any time or times.

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12. **Security Interest Absolute.** All rights of the Secured Party and all obligations of the Debtor hereunder, shall be absolute and unconditional, irrespective of: (a) any lack of validity or enforceability of this Agreement, the Notes or any agreement entered into in connection with the foregoing, or any portion hereof or thereof; (b) any change in the time, manner or place of payment or performance of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to any departure from the Notes or any other agreement entered into in connection with the foregoing; (c) any exchange, release or nonperfection of any of the Collateral, or any release or amendment or waiver of or consent to departure from any other collateral for, or any guaranty, or any other security, for all or any of the Obligations; (d) any action by the Secured Party to obtain, adjust, settle and cancel in its sole discretion any insurance claims or matters made or arising in connection with the Collateral; or (e) any other circumstance which might otherwise constitute any legal or equitable defense available to the Debtor, or a discharge of all or any part of the Security Interest granted hereby. Until the Obligations shall have been paid and performed in full, the rights of the Secured Party shall continue even if the Obligations are barred for any reason, including, without limitation, the running of the statute of limitations or bankruptcy. The Debtor expressly waives presentment, protest, notice of protest, demand, notice of nonpayment and demand for performance. In the event that at any time any transfer of any Collateral or any payment received by the Secured Party hereunder shall be deemed by final order of a court of competent jurisdiction to have been a voidable preference or fraudulent conveyance under the bankruptcy or insolvency laws of the United States, or shall be deemed to be otherwise due to any party other than the Secured Party, then, in any such event, the Debtor's obligations hereunder shall survive cancellation of this Agreement, and shall not be discharged or satisfied by any prior payment thereof and/or cancellation of this Agreement, but shall remain a valid and binding obligation enforceable in accordance with the terms and provisions hereof. The Debtor waives all right to require the Secured Party to proceed against any other person or entity or to apply any Collateral which the Secured Party may hold at any time, or to marshal assets, or to pursue any other remedy. The Debtor waives any defense arising by reason of the application of the statute of limitations to any obligation secured hereby.

13. **Term of Agreement.** This Agreement and the Security Interest shall terminate on the date on which all payments under the Notes have been indefeasibly paid in full and all other Obligations have been paid or discharged; provided, however, that all indemnities contained in this Agreement shall survive and remain operative and in full force and effect regardless of the termination of this Agreement.

14. **Power of Attorney; Further Assurances.** On a continuing basis, the Debtor will make, execute, acknowledge, deliver, file and record, as the case may be, with the proper filing and recording agencies in any jurisdiction, including, without limitation, the jurisdictions indicated on **Schedule C** attached hereto, all such instruments, and take all such action as may reasonably be deemed necessary or advisable, or as reasonably requested by the Secured Party, to perfect the Security Interest granted hereunder and otherwise to carry out the intent and purposes of this Agreement, or for assuring and confirming to the Secured Party the grant or perfection of a perfected security interest in all the Collateral under the UCC.

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15. **Notices.** All notices, requests, demands and other communications hereunder shall be subject to the notice provision of the Subscription Agreement (as such term is defined in the Notes).

16. **Other Security.** To the extent that the Obligations are now or hereafter secured by property other than the Collateral or by the guarantee, endorsement or property of any other person, firm, corporation or other entity, then the Secured Party shall have the right, in its sole discretion, to pursue, relinquish, subordinate, modify or take any other action with respect thereto, without in any way modifying or affecting any of the Secured Party' rights and remedies hereunder.

**17. Miscellaneous.**

(a) No course of dealing between the Debtor and the Secured Party, nor any failure to exercise, nor any delay in exercising, on the part of the Secured Party, any right, power or privilege hereunder or under the Notes shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

(b) All of the rights and remedies of the Secured Party with respect to the Collateral, whether established hereby or by the Notes or by any other agreements, instruments or documents or by law shall be cumulative and may be exercised singly or concurrently.

(c) This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and is intended to supersede all prior negotiations, understandings and agreements with respect thereto. Except as specifically set forth in this Agreement, no provision of this Agreement may be modified or amended except by a written agreement specifically referring to this Agreement and signed by the parties hereto.

(d) In the event any provision of this Agreement is held to be invalid, prohibited or unenforceable in any jurisdiction for any reason, unless such provision is narrowed by judicial construction, this Agreement shall, as to such jurisdiction, be construed as if such invalid, prohibited or unenforceable provision had been more narrowly drawn so as not to be invalid, prohibited or unenforceable. If, notwithstanding the foregoing, any provision of this Agreement is held to be invalid, prohibited or unenforceable in any jurisdiction, such provision, as to such jurisdiction, shall be ineffective to the extent of such invalidity, prohibition or unenforceability without invalidating the remaining portion of such provision or the other provisions of this Agreement and without affecting the validity or enforceability of such provision or the other provisions of this Agreement in any other jurisdiction.

(e) No waiver of any breach or default or any right under this Agreement shall be considered valid unless in writing and signed by the party giving such waiver, and no such waiver shall be deemed a waiver of any subsequent breach or default or right, whether of the same or similar nature or otherwise.

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(f) This Agreement shall be binding upon and inure to the benefit of each party hereto and its successors and assigns.

(g) Each party shall take such further action and execute and deliver such further documents as may be necessary or appropriate in order to carry out the provisions and purposes of this Agreement.

(h) All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Nevada, without regard to the principles of conflicts of law thereof. The Debtor agrees that all proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and the Notes (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the State of Nevada. The Debtor hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the State of Nevada for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such proceeding is improper. Each party hereto hereby irrevocably waives personal service of process and consents to process being served in any such proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby. If any party shall commence a proceeding to enforce any provisions of this Agreement, then the prevailing party in such proceeding shall be reimbursed by the other party for its reasonable attorney's fees and other costs and expenses incurred with the investigation, preparation and prosecution of such proceeding.

(i) This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and, all of which taken together shall constitute one and the same Agreement. In the event that any signature is delivered by facsimile transmission, such signature shall create a valid binding obligation of the party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such facsimile signature were the original thereof.

(j) Nothing in this Agreement shall be construed to subject any Secured Party to liability as a partner of the Debtor or any of its direct or indirect subsidiaries that is a partnership or as a member in the Debtor or any of its direct or indirect subsidiaries that is a limited liability company, nor any Secured Party be deemed to have assumed any obligations under any partnership agreement or limited liability company agreement, as applicable, of the Debtor or any of its direct or indirect subsidiaries or otherwise, unless and until any such Secured Party exercises its right to be substituted for the Debtor as a partner or member, as applicable, pursuant hereto.

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(k) To the extent that the grant of the security interest in the Collateral and the enforcement of the terms hereof require the consent, approval or action of any partner or member, as applicable, of the Debtor or any direct or indirect subsidiary of the Debtor or compliance with any provisions of any of the Organizational Documents, the Debtor hereby grant such consent and approval and waive any such noncompliance with the terms of said documents.

IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement to be duly executed on the day and year first above written.

LEXARIA CORP.

\_\_\_\_\_  
Name: Bal Bhullar  
Title: CFO, Director

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**SCHEDULE A**

**LOCATION OF COLLATERAL**

Principal Place of Business of Debtor:  
#930 - 1150 West Pender Street  
Vancouver, B.C. V6E 4A4

Locations Where Collateral is Located or Stored:  
Belmont Lake Field,  
Wilkinson County, Mississippi  
Section 41-T2N-R4W

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**SCHEDULE B**

**EXISTING LIENS OR CLAIMS ON COLLATERAL**

None.

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**SCHEDULE C**

**JURISDICTIONS IN WHICH COLLATERAL LOCATED**

Belmont Lake Field,  
Wilkinson County, Mississippi  
Section 41-T2N-R4W

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ANNEX A  
to  
SECURITY  
AGREEMENT

FORM OF ADDITIONAL DEBTOR JOINDER

Security Agreement dated as of December 4, 2013 made by  
LEXARIA CORP.  
and its subsidiaries party thereto from time to time, as Debtors  
to and in favor of  
the Secured Party identified therein (the "Security Agreement")

Reference is made to the Security Agreement as defined above; capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in, or by reference in, the Security Agreement.

The undersigned hereby agrees that upon delivery of this Additional Debtor Joinder to the Secured Party referred to above, the undersigned shall (a) be an Additional Debtor under the Security Agreement, (b) have all the rights and obligations of the Debtors under the Security Agreement as fully and to the same extent as if the undersigned was an original signatory thereto and (c) be deemed to have made the appropriate representations and warranties set forth in this Security Agreement and the accompanying Note Purchase Agreement therein as of the date of execution and delivery of this Additional Debtor Joinder. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE UNDERSIGNED SPECIFICALLY GRANTS TO THE SECURED PARTY A SECURITY INTEREST IN THE COLLATERAL AS MORE FULLY SET FORTH IN THE SECURITY AGREEMENT AND ACKNOWLEDGES AND AGREES TO THE WAIVER OF JURY TRIAL PROVISIONS SET FORTH THEREIN.

Attached hereto are supplemental and/or replacement Schedules to the Security Agreement, as applicable.

An executed copy of this Joinder shall be delivered to the Secured Party, and the Secured Party may rely on the matters set forth herein on or after the date hereof. This Joinder shall not be modified, amended or terminated without the prior written consent of the Secured Party.

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IN WITNESS WHEREOF, the undersigned has caused this Joinder to be executed in the name and on behalf of the undersigned.

Signature:

Name: Bal Bhullar

Title: CFO and Director

Address: #950 – 1130 W Pender St, Vancouver BC V6E 4A4

Dated: December 4, 2013

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December 5, 2013

Trading Symbol: LXR: OTCBB  
LXX: CNSX**Lexaria Arranges Loan**

**Vancouver, BC—LEXARIA CORPORATION (LXX)** (the "Company" or "Lexaria") reports that the President of the Company, who is also a director, has provided a CAD \$51,507.50 loan to assist the Company. The loan agreement and promissory note provides that the principal and interest on the debt be payable for a period of fifteen months. The note has an interest rate of 15% per annum and a monthly principal payment of \$4,292 starting after the third month.

To learn more about Lexaria Corp. visit [www.lexariaenergy.com](http://www.lexariaenergy.com).

ON BEHALF OF THE BOARD

"Chris Bunka," President

FOR FURTHER INFORMATION PLEASE CONTACT:

Lexaria Corp.  
Chris Bunka President/CEO/Chairman  
(250) 765 6424

**FORWARD-LOOKING STATEMENTS**

This release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Statements which are not historical facts are forward-looking statements. The Company makes forward-looking public statements concerning its expected future financial position, results of operations, cash flows, financing plans, business strategy, products and services, competitive positions, growth opportunities, plans and objectives of management for future operations, including statements that include words such as "anticipate," "if," "believe," "plan," "estimate," "expect," "intend," "may," "could," "should," "will," and other similar expressions are forward-looking statements. Such forward-looking statements are estimates reflecting the Company's best judgment based upon current information and involve a number of risks and uncertainties, and there can be no assurance that other factors will not affect the accuracy of such forward-looking statements. It is impossible to identify all such factors but they include and are not limited to the existence of underground deposits of commercial quantities of oil and gas; cessation or delays in exploration because of mechanical, weather, operating, financial or other problems; capital expenditures that are higher than anticipated; or exploration opportunities being fewer than currently anticipated. There can be no assurance that road or site conditions will be favorable for field work; no assurance that well treatments will have any effect on oil or gas production; no assurance that oil field interconnections will have any measurable impact on oil or gas production or on field operations, and no assurance that any expected new well(s) will be drilled or have any impact on the Company. There can be no assurance that expected oil and gas production will actually materialize; and thus no assurance that expected revenue will actually occur. There is no assurance the Company will have sufficient funds to drill additional wells, or to complete acquisitions or other business transactions. Such forward looking statements also include estimated cash flows, revenue and current and/or future rates of production of oil and natural gas, which can and will fluctuate for a variety of reasons; oil and gas reserve quantities produced by third parties; and intentions to participate in future exploration drilling. Adverse weather conditions can delay operations, impact production, and cause reductions in revenue. The Company may not have sufficient expertise to thoroughly exploit its oil and gas properties. The Company may not have sufficient funding to thoroughly explore, drill or develop its properties. Access to capital, or lack thereof, is a major risk. Current oil and gas production rates may not be sustainable and targeted production rates may not occur. Factors which could cause actual results to differ materially from those estimated by the Company include, but are not limited to, government regulation, managing and maintaining growth, the effect of adverse publicity, litigation, competition and other factors which may be identified from time to time in the Company's public announcements and filings.

*The CNSX has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.*

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