

March 1, 2010

Nu-Gro is a licensed supplier of malathion products, formulated from FYFANON, a product line registered for sale in Canada by Cheminova Canada Inc., and which product is manufactured by Cheminova A/S of Denmark.

Malathion products have been identified by Health Canada as the preferred solution for control of adult mosquito infestations which may be carrying West Nile virus, and for this purpose we understand the Board of Health for City of Winnipeg seeks to purchase such products with an active ingredient manufactured by Cheminova A/S.

Nu-Gro as "Seller" is prepared to supply malathion to you as "Buyer" for your 2010 programs, but due to the emergency nature of the use of malathion as part of your West Nile response plan, we will require acceptance of the following terms as part of the consideration to be provided prior to any such sale.

#### ***LIABILITY, INDEMNITY AND HOLD HARMLESS AGREEMENT***

If any claim, demand or proceeding is made or commenced by anyone as a result of the actual or alleged use of or exposure to malathion or any product containing malathion allegedly manufactured by Cheminova A/S (hereinafter the "Products"), Buyer shall indemnify Seller and Cheminova Canada Inc., Cheminova Inc., Cheminova A/S, Auriga Industries A/S, their directors, officers, agents, employees, representatives, warehousemen, shippers, storage facilities, truckers, rail carriers, distributors, suppliers, formulators and/or vendors (each being hereinafter "Indemnitees") and hold them harmless from any liability, cost or obligation of any kind, for whatever reason, including, but not limited to, claims alleging any manner of wrongdoing on the part of Indemnitees.

Buyer hereby acknowledges that its purchase and use of the Product is made necessary by emergency circumstances and participation by the Indemnitees is required for timely supply of Product by Seller. It is therefore understood and agreed that the terms of this agreement shall prevail over any conflicting terms or conditions in any other contract or agreement which otherwise may arise or be concluded or be implied between Buyer and Seller or anyone identified as an Indemnitee in this agreement, except as provided herein.

Buyer acknowledges that this agreement shall be considered a full assumption of liability on the part of Buyer, and agrees that the limitations of liability and rights of indemnity provided to Indemnitees shall apply even if an Indemnitee or any other party which hereby has its liability limited or is indemnified, is also the

party at fault, is negligent in any manner, is in breach of implied or statutory obligations, conditions or warranties, or is strictly liable, in any of which circumstances the limitations of liability and indemnities provided herein are agreed and understood to extend to Indemnitees and all such additional parties as are made known to Buyer as defined herein.

No other terms, conditions, warranties or obligations shall replace the provisions of this agreement, except as expressly agreed in writing by an Indemnitee by direct reference to this agreement, and then only for that Indemnitee's own interests and entitlement. In addition to Seller's entitlement to enforce this agreement on behalf of any Indemnitee, Buyer acknowledges that this agreement is executed for the benefit of each Indemnitee separately and may be enforced by each as a limitation of liability and/or an indemnity and hold harmless agreement for its benefit, regardless of any separate terms, contract or agreement by which any other Indemnitee waives or replaces this agreement.

Buyer agrees that the limitations of liability and rights of indemnity hereby provided to Indemnitees shall also extend to such other parties as any Indemnitees may, from time to time, advise Buyer in writing, at the time Products are supplied. Buyer agrees that all such parties shall be entitled to be indemnified and held harmless on the same terms as Indemnitees, as a result of any claim, demand or proceeding made or commenced by anyone against one or more of them, as a result of the actual or alleged use of or exposure to Products supplied.

In the event of any claim, demand or proceeding becoming known to Indemnitees or any party entitled to be indemnified or held harmless, written notice shall be given to Buyer on a reasonably timely basis, and thereafter Buyer shall at its own expense defend, protect and save harmless those parties. In the further event that Buyer fails to defend and/or indemnify and save harmless, then all Indemnitees shall have full rights to defend, pay or settle said claim without further notice to Buyer, and thereafter through Seller, or directly in their own right, each may enforce this agreement to recover from Buyer all fees, costs, expenses and payments made or agreed to be paid to discharge any such claim, demand or proceeding. Buyer further agrees to pay all legal costs incurred by any one or more Indemnitees to enforce this agreement.

Please indicate your agreement to these terms by completing this document as provided below.

Very truly yours,

NU-GRO LTD



