

05-22-2000

FORM PTO-1594
1-31-92



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U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

101363043

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To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying Party(ies) 55-00
OSF INC

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

Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies):
Name: CANADIAN IMPERIAL BANK OF COMMERCE, as SECURITY AGENT

Internal Address: 7th FLOOR

Street Address: Commerce Court West

City: Toronto State: Ontario ZIP: M5L 1A2
Canada

Individual(s) citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership _____
 Corporation-State _____
 Other Canadian Chartered Bank

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No

(Designations must be a separate document from Assignment)
 Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance

Assignment Merger
 Security Agreement Change of Name
 Other _____

Execution Date: March 21, 2000

4. Application number(s) or registration number(s)

A. Trademark Application No. (s)
05/22/2000 ASCOTT 00000041 2224979

01 TC:481 40.00 0P

Additional numbers attached? Yes No

B. Trademark Registration No. (s)
2,224,979

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

Name: Janice Przystal

Internal Address: _____
Blake, Cassels & Graydon LLP
Suite 280C

Street Address: Box 25, Commerce Court West

City: Toronto State: Ontario ZIP: M5L 1A9

6. Total number of applications and registrations involved: 1

7. Total fee (37 CFR 3.41): \$ 40.00

Enclosed
 Authorized to be charged to deposit account

8. Deposit account number: _____

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.
To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

JANICE PRZYSTAL Janice Przystal April 27, 2000
Name of Person Signing Signature Date

Total number of pages comprising cover sheet: 1

OMB No. 0651-0011 (exp. 4/94)

Do not detach this portion

Mail documents to be recorded with required cover sheet information to:

Box ASSIGNMENTS
FEE
Assistant Commissioner for Trademarks
2900 Crystal Drive
Arlington, VA 22202-3513
U.S.A.

CANADIAN SECURITY AGREEMENT

**FROM O INTERMEDIATE CORP., OSF INC. AND
THE CANADIAN SUBSIDIARIES OF OSF INC.**

THIS SECURITY AGREEMENT is made as of March 21, 2000 by each of the Chargors in favour of **CANADIAN IMPERIAL BANK OF COMMERCE**, as Security Agent.

WHEREAS:

A. In order to induce the Secured Party Beneficiaries to make or to continue to make certain financial accommodation to OSF, the Chargors are willing to execute and deliver this Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged by each of the Chargors, each of the Chargors severally (and not jointly or jointly and severally) covenants and agrees with the Security Agent as follows:

1. **Definitions.** Capitalized terms not otherwise defined in this Agreement shall have the meanings given to them in the Security Agency Agreement, and the following terms shall have the following meanings:

"Accessions", **"Account"**, **"Chattel Paper"**, **"Consumer Goods"**, **"Document of Title"**, **"Equipment"**, **"Goods"**, **"Instrument"**, **"Intangible"**, **"Inventory"**, **"Proceeds"** and **"Security"** shall have the meanings given to them in the PPSA.

"Books and Records" shall mean, relative to any Chargor, all books, records, files, papers, disks, documents and other repositories of data recording in any form or medium, evidencing or relating to the Collateral of such Chargor and in which such Chargor (or any Person on such Chargor's behalf) at any time has any right, title or interest.

"Chargors" shall mean the signatories to this Agreement other than the Security Agent together with each other Person which from time to time becomes a Chargor under this Agreement by executing and delivering to the Security Agent a Supplement to this Agreement as provided for in Section 22 of this Agreement, and **"Chargor"** shall mean any of the Chargors.

"Collateral" shall mean, relative to any Chargor, all of the present and future undertaking, Personal Property (including any Personal Property that may be described in any schedule to this Agreement or any schedules, documents or listings that such Chargor may from time to time sign and provide to the Security Agent in connection with this Agreement) and real property (including any real property that may be described in any schedule to this Agreement or in any schedules, documents or listings that such Chargor may from time to time sign and provide to the Security Agent in connection with this Agreement and including all fixtures, improvements, buildings and other structures placed, installed or erected from time to time on any such real property) of such Chargor (including all such property now or in the future owned,

leased, licensed, possessed or acquired by such Chargor, or in which such Chargor now or in the future has any interest or to which such Chargor is now or may in the future become entitled) and all Accessions to, and all Proceeds of, all such undertaking and property, wherever located.

“Contract Assurances” shall mean, relative to any Chargor, all Financial Assistance, support arrangements (including letters of credit, letters of guarantee, bonds, indemnities or other support arrangements) and Charges given to or for the benefit of such Chargor by or on behalf of any counter party to a Contract with such Chargor in support of an obligation or liability of such counter party to such Chargor under such Contract.

“Contracts” shall mean, relative to any Chargor, all contracts, licences and agreements to which such Chargor is now or in the future a party or pursuant to which such Chargor has acquired or in the future acquires rights, as such contracts, licenses and agreements may from time to time be supplemented, amended, restated or consolidated and includes:

- (a) all rights, entitlements, privileges, benefits, powers, licences and advantages of such Chargor to be derived from any contract, licence or agreement and all covenants, obligations and agreements of the respective parties to any contract, licence or agreement under, in connection with or in respect of such contract, licence or agreement and otherwise to exercise and enforce the rights, entitlements, privileges, benefits, powers, licences and advantages of such Chargor under in connection with or in respect of any contract, licence or agreement.
- (b) all warranties and indemnities (contractual, statutory or otherwise) of the respective parties to any contract, licence or agreement under, in connection with or in respect of such contract, licence or agreement and all rights, entitlements, privileges, benefits, powers, licences and advantages of such Chargor to be derived from all such warranties and indemnities and all covenants, obligations and agreements of such parties with respect to all such warranties and indemnities and otherwise to exercise and enforce the rights, entitlements, privileges, benefits, powers, licences and advantages of such Chargor in respect of all such warranties and indemnities
- (c) all revenues and other Money now due and payable, or which may in the future become due and payable, to such Chargor under or in connection with or in respect of any contract, licence or agreement or which are now, or may in the future become, receivable by such Chargor pursuant to or in connection with or in respect of any contract, licence or agreement; and
- (d) all rights of such Chargor to perform and exercise all of its rights, entitlements, privileges, benefits, powers, licences and advantages under, in connection with or in respect of, and all remedies under, in connection with or in respect of, any contract, licence or agreement and all rights of such Chargor to damages arising out of, or for breach or default in respect of, any contract, licence or agreement.

“Credit Agreements” shall mean the Existing Senior Credit Agreement, each Confirmed Refinancing Senior Credit Agreement from time to time, the Existing Subordinate Debenture and each Confirmed Refinancing Subordinate Credit Agreement from time to time (as the terms Existing Senior Credit Agreement, Confirmed Refinancing Senior Credit Agreement, Existing Subordinate Debenture and Confirmed Refinancing Subordinate Credit Agreement are defined in the Security Agency Agreement).

“Credit Documents” shall have the meaning specified in the Security Agency Agreement.

“Event of Default” shall mean any event of default as specified in any of the Credit Agreements.

“Intellectual Property Rights” shall mean, relative to any Chargor, all present and future: trade secrets and other proprietary information; trademarks, service marks, business names, designs, logos, indicia, and/or other source and/or business identifiers of or used by such Chargor and the goodwill of the business relating thereto and all registrations or applications for registrations now or in the future issued thereon throughout the world; copyrights (including, without limitation, copyrights for computer programs) of such Chargor or in which such Chargor has any right, title or interest and copyright registrations or applications for registrations now or in the future issued throughout the world and all tangible property embodying such copyrights; unpatented inventions (whether or not patentable) of such Chargor or in which such Chargor has any right, title or interest; patent applications and patents of such Chargor or in which such Chargor has any right, title or interest; industrial designs, industrial design applications and registered industrial designs of such Chargor or in which such Chargor has any right, title or interest; integrated circuit topographies of such Chargor or in which such Chargor has any right, title or interest; license agreements related to any of the foregoing and income therefrom; books, records, writings, computer tapes or disks, flow diagrams, specification sheets, source codes, object codes and other physical manifestations, embodiments or incorporations of any of the foregoing; the right to sue for all past, present and future infringements of any of the foregoing; and all common law and other rights throughout the world in and to all of the foregoing; for greater certainty, each Chargor agrees that such Chargor’s Intellectual Property Rights include those listed in Schedule A as being Intellectual Property rights of such Chargor.

“Liabilities” shall mean, relative to any Chargor, all present and future indebtedness, liabilities and obligations of any and every kind, nature or description whatsoever and however incurred (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured and whether as principal debtor, guarantor, surety or otherwise and, for greater certainty, including interest that, but for any filing made relative to such Chargor under the provisions of any applicable bankruptcy or insolvency statute, would accrue on any such indebtedness, liabilities and obligations) of such Chargor to each of the Secured Party Beneficiaries under, in connection with or with respect to each of the Credit Documents, and any unpaid balance thereof.

“Money” shall mean a medium of exchange authorized or adopted by the Parliament of Canada as part of the currency of Canada or by any other government as part of its currency.

"OSF" shall mean OSF Inc., a corporation existing under the laws of Province of Ontario and the continuing corporation from the amalgamation on March 21, 2000 of O Acquisition Corp. and OSF Inc., together with its successors by amalgamation, merger or otherwise.

"Permits" shall mean, relative to any Chargor, all permits, by-laws, leases, licenses, waivers, exemptions, consents, certificates, authorizations, approvals, rights, agreements, orders, franchises, rights-of-way, easements and entitlements which are required from any Governmental Authority or any other Person (including without limitation environmental permits and approvals) in respect of, or which are in any way material to, the ownership, maintenance, operation, use or enjoyment of all or any part of the Collateral of such Chargor or the performance, exercise, enjoyment or enforceability of any Contract of such Chargor or any of the rights, entitlements, privileges, benefits, advantages, liabilities or obligations under or with respect to any Contract of such Chargor.

"Personal Property" shall mean, relative to any Chargor, all present and future personal property of such Chargor including all present and future Books and Records, Chattel Paper, Documents of Title, Equipment, Goods, Instruments, Intangibles (including Intellectual Property Rights, Contracts and Permits), Contract Assurances, Inventory, Money, Receivables and Securities of such Chargor, and includes all Accessions to such property.

"PPSA" shall mean the *Personal Property Security Act* (Ontario), as such legislation may be amended, renamed or replaced from time to time (and includes all regulations from time to time made under such legislation).

"Prime Rate" shall have the meaning specified in the Existing Senior Credit Agreement on the date of this Agreement.

"Receivables" shall mean, relative to any Chargor, all debts, claims and choses in action (including without limitation Accounts and any amounts owing under any Contract or any Chattel Paper) now or in the future due or owing to or owned by such Chargor.

"Receiver" shall mean a receiver, a manager or a receiver and manager.

"Secured Party Beneficiaries" shall have the meaning specified in the Security Agency Agreement.

"Security Agency Agreement" shall mean the security agency agreement dated as of March 21, 2000 between OSF, the Security Agent, Canadian Imperial Bank of Commerce, as administrative agent for a syndicate of lenders to OSF and O Intermediate Corp., as such agreement may from time to time be supplemented, amended, restated, consolidated or replaced.

"Security Agent" shall mean Canadian Imperial Bank of Commerce in its capacity as Security Agent on behalf of and for the benefit of the Secured Party Beneficiaries in accordance with the Security Agency Agreement and shall include its successors and assigns in such capacity.

“Security Interests” shall mean, relative to any Chargor, the Charges created by such Chargor in favour of the Security Agent under this Agreement.

“Senior Secured Party Beneficiaries” shall have the meaning specified in the Security Agency Agreement.

“Subordinate Secured Party Beneficiaries” shall have the meaning specified in the Security Agency Agreement.

“Subordination Agreement” shall mean the Subordination Agreement dated as of March 21, 2000 between OSF Inc., Canadian Imperial Bank of Commerce as administrative agent, CIBC Capital Partners as agent, O Holdings Corp. and O Intermediate Corp., as such agreement may from time to time be supplemented, amended, restated or consolidated.

“Supplement” shall have the meaning specified in Section 22 hereof.

“U.S. Base Rate” shall have the meaning specified in the Existing Senior Credit Agreement on the date of this Agreement.

2. **Creation of Security Interests.** As general and continuing security for the due payment and performance of its Liabilities (including the payment of any such Liabilities that would become due but for any automatic stay under the provisions of the *Bankruptcy and Insolvency Act* (Canada), the United States Bankruptcy Code or any analogous provisions of any other applicable law in Canada, the United States of America or any other jurisdiction) to each of the Senior Secured Party Beneficiaries, each Chargor, severally (and not jointly or jointly and severally), mortgages, charges and assigns to the Security Agent for the benefit of itself and the Senior Secured Party Beneficiaries, and grants to the Security Agent for the benefit of itself and the Senior Secured Party Beneficiaries a continuing security interest in, the Collateral of such Chargor. As general and continuing security for the due payment and performance of its Liabilities (including the payment of any such Liabilities that would become due but for any automatic stay under the provisions of the *Bankruptcy and Insolvency Act* (Canada), the United States Bankruptcy Code or any analogous provisions of any other applicable law in Canada, the United States of America or any other jurisdiction) to each of the Subordinate Secured Party Beneficiaries, each Chargor, severally (and not jointly or jointly and severally), mortgages, charges and assigns to the Security Agent for the benefit of itself and the Subordinate Secured Party Beneficiaries, and grants to the Security Agent for the benefit of itself and the Subordinate Secured Party Beneficiaries a continuing security interest in, the Collateral of such Chargor.

3. **Limitations on Grant of Security Interests.** If the creation of any Security Interest in respect of any Contract, Contract Assurance, Intellectual Property Right or Permit forming part of the Collateral of any Chargor would result in the termination of or a material default under such Contract, Contract Assurance, Intellectual Property Right or Permit, then such Contract, Contract Assurance, Intellectual Property Right or Permit will not be subject to such Security Interest but will be held in trust by such Chargor for the benefit of the Security Agent and, on the exercise by the Security Agent of any of its remedies under this Agreement at such time as the Security Interests relative to such Chargor shall be enforceable in accordance with Section 8.

will, where possible, be assigned by such Chargor as directed by the Security Agent. In addition, the Security Interests do not extend to the last day of the term of any lease or agreement for lease of real property. Such last day will be held by the applicable Chargor in trust for the Security Agent and, on the exercise by the Security Agent of any of its remedies under this Agreement at such time as the Security Interests relative to any Chargor shall be enforceable in accordance with Section 8 will be assigned by such Chargor as directed by the Security Agent.

4. **Attachment; No Obligation to Advance.** Each of the Chargors confirms that value has been given to such Chargor by the Security Agent and the other Secured Party Beneficiaries, that such Chargor has rights in its Collateral existing at the date of this Agreement (or the date of any Supplement, as applicable) and that such Chargor has not agreed with the Security Agent or any of the Secured Party Beneficiaries to postpone the time for attachment of any of the Security Interests to any of the Collateral of such Chargor. The Security Interests relative to the Collateral of each Chargor will have effect and be deemed to be effective whether or not all or any part of the Liabilities of such Chargor are owing or in existence before or after or upon the date of this Agreement or the date of any Supplement, as the case may be. The execution and delivery of this Agreement or any Supplement by any Chargor shall not oblige any of the Secured Party Beneficiaries to make any financial accommodation available to any Chargor.

5. **Representations and Warranties.** Each of the Chargors represents and warrants with respect to itself that:

- (a) **Places of Business, Name, Location of Collateral.** Such Chargor's place of business, or if it has more than one place of business its principal place of business and chief executive office, and the place where it keeps its Books and Records, is at the applicable address specified in Schedule B to this Agreement, and its full legal name, and any other name under which it conducts its business, is specified on the signature page of this Agreement. The location of all other places where such Chargor presently carries on business or keeps tangible Personal Property and the location of all jurisdictions in which such Chargor's account debtors are located, and the location of all real property in which such Chargor has any right, title or interest, are set out in Schedule C to this Agreement.
- (b) **No Consumer Goods.** Such Chargor does not own any Consumer Goods which are material in value or which are material to the business, operations, property, condition or prospects (financial or otherwise) of such Chargor.
- (c) **Intellectual Property Rights.** All material Intellectual Property Rights in which such Chargor has any right, title or interest (and the nature of such right, title or interest), and all rights of such Chargor to the use of any material Intellectual Property Rights, are described in Schedule A to this Agreement. Except as set out in Schedule A to this Agreement, none of such Chargor's Intellectual Property Rights has been licensed or franchised by such Chargor to any Person.

6. **Covenants.** Each of the Chargors severally (and not jointly or jointly and severally) covenants and agrees that:

- (a) **Delivery of Certain Collateral.** Promptly upon request from time to time by the Security Agent, such Chargor will deliver (or cause to be delivered) to the Security Agent, endorsed and/or accompanied by such instruments of assignment and transfer in such form and substance as the Security Agent may reasonably request, any and all Instruments, Securities, Documents of Title and Chattel Paper included in or relating to the Collateral of such Chargor as the Security Agent may specify in its request.
- (b) **Payment of Expenses; Indemnification.** Such Chargor will pay on demand, and will indemnify and save the Security Agent and the other Secured Party Beneficiaries harmless from, any and all liabilities and reasonable costs and out-of-pocket expenses (including reasonable legal fees and out-of-pocket expenses of counsel for the Security Agent and any sales, goods and services, harmonized sales and goods and services or other similar taxes payable to any Governmental Authority with respect to any such liabilities, costs and expenses) incurred by the Security Agent (i) in the preparation, registration, administration or enforcement of this Agreement, (ii) with respect to, or resulting from, any failure or delay by such Chargor in performing or observing any of its obligations under this Agreement, or (iii) in performing or observing any of the other covenants of such Chargor under this Agreement.
- (c) **Further Identification of Collateral.** Such Chargor will promptly furnish to the Security Agent such statements and schedules further identifying and describing the Collateral of such Chargor, and such other reports in connection with the Collateral of such Chargor, as the Security Agent may from time to time reasonably request.
- (d) **Notices.** Such Chargor will advise the Security Agent promptly, in reasonable detail, of (i) any change in the location of any of such Chargor's places of business (including additional locations) or the principal place of business or chief executive office of such Chargor, (ii) any change in the jurisdiction of any of the material tangible Collateral of such Chargor within 30 days of any such change of jurisdiction becoming effective, (iii) any change in the name of such Chargor within 30 days of any such change of name becoming effective, and (iv) any merger or amalgamation of such Chargor. Such Chargor agrees not to effect or permit any of the changes referred to in clauses (i) to (iv) above unless, to the extent required, all filings have been made and all other actions taken that are required in order for the Security Agent to continue at all times following such change to have a valid and perfected first priority Charge in respect of all of the Collateral of such Chargor.
- (e) **Delivery of Agreements re Intellectual Property Rights.** Such Chargor will promptly, following demand from time to time by the Security Agent, authorize,

execute and deliver any and all agreements, instruments, documents and papers that the Security Agent may reasonably request to evidence the Security Interests in any Intellectual Property Rights of such Chargor and, where applicable, the goodwill of the business of such Chargor connected with the use of, and symbolized by, any such Intellectual Property Rights.

- (f) Delivery of Agreements re Contracts. Such Chargor will promptly, following demand from time to time by the Security Agent, authorize, execute and deliver any and all agreements, instruments, documents and papers that the Security Agent may reasonably request to evidence the Security Interests relative to any Contracts or Permits of such Chargor.

7. **Survival of Representations, Warranties and Covenants**. All agreements, representations, warranties and covenants made by each Chargor in this Agreement are material, will be considered to have been relied on by the Security Agent and each of the other Secured Party Beneficiaries and will survive the execution and delivery of this Agreement and any Supplement or any investigation made at any time by or on behalf of the Security Agent or any other Secured Party Beneficiary and any disposition or payment of the Liabilities of such Chargor until payment and performance in full of the Liabilities of such Chargor and termination of all obligations and liabilities of such Chargor under the Credit Documents.

8. **Rights on Default**. If an Event of Default shall have occurred and be continuing, then and in every such case the Security Interests relative to each Chargor shall become enforceable and the Security Agent, in addition to any rights now or hereafter existing under applicable law may, personally or by agent, at such time or times as the Security Agent in its discretion may determine, do any one or more of the following

- (a) Rights under PPSA, etc. Exercise against such Chargor and any or all of the Collateral of such Chargor all of the rights and remedies granted to secured parties under the PPSA and any other applicable statute, or otherwise available to the Security Agent by contract, under statute, at law or in equity.
- (b) Require Delivery. Demand possession of any or all of the Collateral of such Chargor, in which event such Chargor will, at its own expense, immediately cause the Collateral of such Chargor designated by the Security Agent to be assembled and made available and/or delivered to the Security Agent at any place designated by the Security Agent
- (c) Take Possession. Enter on any premises where any Collateral of such Chargor is located and take possession of, disable or remove such Collateral.
- (d) Deal with Collateral. Hold, store and keep idle, or operate, lease or otherwise use or permit the use of, any or all of the Collateral of such Chargor for such time and on such terms as the Security Agent may determine, and demand, collect and retain all earnings and other sums due or to become due from any Person in respect of any of the Collateral of such Chargor.

- (e) Carry on Business. Carry on, or concur in the carrying on of, any or all of the business or undertaking of such Chargor and enter on, occupy and use (without charge by such Chargor) any of the premises, buildings, plant and undertaking of, or occupied or used by, such Chargor.
- (f) Enforce Collateral. Seize, collect, receive, enforce or otherwise deal with any Collateral of such Chargor in such manner, on such terms and conditions and at such times as the Security Agent deems advisable.
- (g) Dispose of Collateral. Realize on any or all of the Collateral of such Chargor and sell, lease, assign, give options to purchase, or otherwise dispose of and deliver any or all of the Collateral of such Chargor (or contract to do any of the above), in one or more parcels at any public or private sale, at any exchange, broker's board or office of the Security Agent or elsewhere, with or without advertising or other formality (except as required by applicable law), on such terms and conditions as the Security Agent may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery.
- (h) Court-Approved Disposition of Collateral. Obtain from any court of competent jurisdiction an order for the sale or foreclosure of any or all of the Collateral of such Chargor.
- (i) Purchase by any Secured Party Beneficiary. At any public sale, and to the extent permitted by law on any private sale, bid for and purchase, or permit any Secured Party Beneficiary to bid for and purchase, any or all of the Collateral of such Chargor offered for sale and, upon compliance with the terms of such sale, hold, retain, sell or otherwise dispose of such Collateral of such Chargor without any further accountability to such Chargor or any other Person with respect to such holding, retention, sale or other disposition, except as required by law. In any such sale to the Security Agent or any other Secured Party Beneficiary, the Security Agent or such Secured Party Beneficiary may (subject to such arrangements between the Secured Party Beneficiaries as the Secured Party Beneficiaries consider appropriate), for the purpose of making payment for all or any part of the Collateral of such Chargor so purchased, use any claim for any Liabilities of such Chargor then due and payable to or for the benefit of such Person as a credit against the purchase price.
- (j) Collect Accounts. Notify the account debtors or obligors under any Accounts of such Chargor of the assignment of such Accounts to the Security Agent and direct such account debtors or obligors to make payment of all amounts due or to become due to such Chargor in respect of such Accounts directly to the Security Agent and, upon such notification and at the expense of such Chargor, enforce collection of any such Accounts, and adjust, settle or compromise the amount or payment of such Accounts, in such manner and to such extent as the Security Agent deems appropriate in the circumstances.

- (k) Transfer of Securities. Transfer any Securities forming part of the Collateral of such Chargor into the name of the Security Agent or its nominee, with or without disclosing that the Securities are subject to the Security Interests granted by such Chargor.
- (l) Exercise of Rights. Exercise any and all rights (including without limitation voting rights), privileges, entitlements and options pertaining to any Securities forming part of the Collateral of such Chargor as if the Security Agent were the absolute owner of such Securities.
- (m) Dealing with Contracts, Contract Assurances and Permits.
 - (i) Enforce, realize, sell, assign, transfer, require continued performance under or otherwise deal with the Contracts, the Contract Assurances and the Permits of such Chargor or any one or more of them, upon such terms and conditions and at such time or times as may seem advisable to the Security Agent;
 - (ii) renew, amend or otherwise deal with the Contracts, the Contract Assurances and the Permits of such Chargor or any one or more of them (including, without limitation, the authority to demand, sue for, recover, receive and give receipts for all work, services and goods to be provided under the Contracts, the Contract Assurances and the Permits of such Chargor or any one or more of them and to give consents or waivers with respect to, or otherwise enter into agreements, understandings or arrangements respecting, the Contracts, Contract Assurances and Permits of such Chargor or any one or more of them);
 - (iii) exercise any of the rights, entitlements, privileges, powers, benefits, licences, advantages, authorities and discretions which under the terms of the Contracts, the Contract Assurances and the Permits of such Chargor, or any one or more of them, could be exercised by such Chargor;
 - (iv) perform at such Chargor's expense any and all obligations or covenants of such Chargor under the Contracts, the Contract Assurances and the Permits of such Chargor or any one or more of them or in respect thereof and enforce performance by the parties thereto of their obligations, covenants and agreements thereunder; and
 - (v) deal with the Contracts, the Contract Assurances and the Permits of such Chargor or any one or more of them to the same extent as such Chargor could do

the whole without any liability or responsibility of any kind on the part of the Security Agent or the other Secured Party Beneficiaries or their agents or any

Receiver or its agents (other than by reason of the gross negligence or wilful misconduct of such Person).

- (n) Payment of Liabilities. Pay any liability secured by any Charge against any Collateral of such Chargor. Such Chargor will immediately on demand reimburse the Security Agent for all such payments and until paid any such reimbursement obligations will form part of the Liabilities of such Chargor and will be secured by the Security Interests from such Chargor.
- (o) Borrow and Grant Security Interests. Borrow money for the maintenance, preservation or protection of any Collateral of such Chargor or for carrying on any of the business or undertaking of such Chargor and grant Charges on any Collateral of such Chargor (in priority to the Security Interests or otherwise) as security for the money so borrowed. Such Chargor will immediately on demand reimburse the Security Agent for all such borrowings and until paid, any such reimbursement obligations will form part of the Liabilities of such Chargor and will be secured by the Security Interests from such Chargor.
- (p) Appoint Receiver. Appoint by instrument in writing one or more Receivers of such Chargor or any or all of the Collateral of such Chargor with such rights, powers and authority (including any or all of the rights, powers and authority of the Security Agent under this Agreement) as may be provided for in the instrument of appointment or any supplemental instrument, and remove and replace any such Receiver from time to time. To the extent permitted by applicable law, any Receiver appointed by the Security Agent will (for purposes relating to responsibility for the Receiver's acts or omissions) be considered to be the agent of such Chargor and not of the Security Agent or the other Secured Party Beneficiaries.
- (q) Court-Appointed Receiver. Obtain from any court of competent jurisdiction an order for the appointment of a Receiver of such Chargor or of any or all of the Collateral of such Chargor.
- (r) Consultants. Require such Chargor to engage a consultant of the Security Agent's choice, or engage a consultant on behalf of the Security Agent, such consultant to receive the full cooperation and support of such Chargor and its employees and managers, including unrestricted access to the premises and Books and Records of such Chargor; all reasonable fees and expenses of such consultant shall be for the account of such Chargor and such Chargor hereby authorizes any such consultant to report directly to the Security Agent and to disclose to the Security Agent any and all information obtained in the course of such consultant's employment.

The Security Agent may exercise any or all of the foregoing rights and remedies without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except as required by applicable law) to or on such Chargor or any other Person, and such Chargor waives each such demand, presentment, protest, advertisement and notice to the extent

permitted by applicable law. None of the above rights or remedies will be exclusive of or dependent on or merge in any other right or remedy, and one or more of such rights and remedies may be exercised independently or in combination from time to time. Without prejudice to the ability of the Security Agent to dispose of the Collateral of such Chargor in any manner which is commercially reasonable, each Chargor acknowledges that a disposition of Collateral of such Chargor by the Security Agent which takes place substantially in accordance with the following provisions will be deemed to be commercially reasonable:

- (i) Collateral of such Chargor may be disposed of in whole or in part;
- (ii) Collateral of such Chargor may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (iii) any purchaser or lessee of Collateral of such Chargor may be a customer of the Security Agent or any Secured Party Beneficiary or any affiliate of the Security Agent or any Secured Party Beneficiary;
- (iv) a disposition of Collateral of such Chargor may be on such terms and conditions as to credit or otherwise as the Security Agent, in its sole discretion, may deem advantageous; and
- (v) the Security Agent may establish an upset or reserve bid or price in respect of Collateral of such Chargor.

9. **Grant of Licence.** For the purpose of enabling the Security Agent to exercise its rights and remedies under Section 8 of this Agreement when the Security Agent is entitled to exercise such rights and remedies, and for no other purpose, but subject however to the provisions of Section 3 of this Agreement, each of the Chargors grants to the Security Agent an irrevocable, non-exclusive licence (exercisable without payment of royalty or other compensation to such Chargor) to use, assign or sub-licence any or all of the Intellectual Property Rights of such Chargor in which such Chargor has any right, title or interest, including in such licence reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout of the same.

10. **Sale of Securities.** The Security Agent is authorized, in connection with any offer or sale of any Securities forming part of the Collateral of a Chargor, to comply with any limitation or restriction as it may be advised by counsel is necessary to comply with applicable law, including compliance with procedures that may restrict the number of prospective bidders and purchasers, requiring that prospective bidders and purchasers have certain qualifications, and restricting prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account or investment and not with a view to the distribution or resale of such Securities. Each Chargor further agrees that compliance with any such limitation or restriction will not result in a sale being considered or deemed not to have been made in a commercially reasonable manner, and neither the Security Agent nor any other Secured Party Beneficiary will be liable or accountable to such Chargor for any discount allowed by reason of

the fact that any Securities of such Chargor are sold in compliance with any such limitation or restriction

11. **Application of Proceeds.** All Proceeds of Collateral of a Chargor received by the Security Agent or a Receiver may be applied to discharge or satisfy any reasonable expenses (including the Receiver's remuneration and other reasonable expenses of enforcing the Security Agent's rights against such Chargor under this Agreement). Charges over the Collateral of such Chargor in favour of Persons other than the Security Agent, borrowings, taxes and other outgoings affecting the Collateral of such Chargor or which are considered advisable by the Security Agent or the Receiver to protect, preserve, repair, process, maintain or enhance the Collateral of such Chargor or prepare it for sale, lease or other disposition, or to keep in good standing any Charges on the Collateral of such Chargor ranking in priority to any of the Security Interests from such Chargor, or to sell, lease or otherwise dispose of the Collateral of such Chargor. The balance of such Proceeds may, at the sole discretion of the Security Agent, be held as collateral security for the Liabilities of such Chargor or be applied to such of the Liabilities of such Chargor (whether or not the same are due and payable) in such manner and at such times as the Security Agent considers appropriate (including in such manner as may be required to comply with any priority, subordination or security sharing arrangements between any one or more of the Secured Party Beneficiaries) and thereafter will be accounted for as required by law.

12. **Continuing Liability of Chargors.** Each of the Chargors will remain liable for any Liabilities of such Chargor that are outstanding following realization of all or any part of the Collateral of such Chargor and the application of the Proceeds thereof.

13. **Security Agent's Appointment as Attorney-in-Fact.** Each Chargor absolutely and irrevocably constitutes and appoints the Security Agent and any officer or agent of the Security Agent as such Chargor's true and lawful agent and attorney-in-fact, with full power of substitution after the occurrence of and during the continuation of an Event of Default (in the name of such Chargor): (a) to act, require, demand, receive, compound and give acquittance for any and all moneys and claims for monies due or to become due to such Chargor under or arising out of the Collateral of such Chargor, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Security Agent may reasonably deem to be necessary or advisable to protect the interests of the Secured Party Beneficiaries; (b) to execute and do all such assurances, acts and things which such Chargor is required to do but has failed to do under the covenants and provisions contained in this Agreement; (c) to take any and all such action as the Security Agent or any of its sub-agents, nominees or attorneys may, in their sole and absolute discretion, reasonably determine as necessary or advisable for the purpose of maintaining, preserving or protecting the Security Interests constituted by this Agreement or any of the rights, remedies, powers or privileges of the Security Agent by or pursuant to this Agreement, and (without prejudice to the generality of any of the foregoing) to seal and deliver or otherwise perfect any deed, assurance, agreement, instrument or act as the Security Agent may deem proper in or for the purpose of exercising any of such powers, authorities or discretions. Each Chargor ratifies and confirms, and agrees to ratify and confirm, whatever lawful acts the Security Agent or any of the Security Agent's sub-agents, nominees or attorneys shall do or purport to do in the exercise of the power of attorney

granted to the Security Agent pursuant to this Section, which power of attorney, being given for security, is coupled with an interest and is irrevocable.

14. **Performance by Security Agent of Chargers' Obligations.** If any Chargor fails to perform or comply with any of the obligations of such Chargor under this Agreement, the Security Agent may, but need not, perform or otherwise cause the performance or compliance of such obligation, provided that such performance or compliance will not constitute a waiver, remedy or satisfaction of such failure. The expenses of the Security Agent incurred in connection with any such performance or compliance will be payable by such Chargor to the Security Agent immediately on demand, and until paid, any such expenses will form part of the Liabilities of such Chargor and will be secured by the Security Interests from such Chargor

15. **Interest.** If any amount payable by a Chargor to the Security Agent or any other Secured Party Beneficiary under this Agreement is not paid when due, to the extent that the Credit Documents do not otherwise provide for interest on such unpaid amount, such Chargor will pay to the Security Agent or such other Secured Party Beneficiary, as the case may be, immediately on demand, interest on such amount from the date due until paid, at a nominal rate per annum equal at all times to the Prime Rate in effect from time to time plus 2% if such amount is payable in Cdn. Dollars or any other currency other than U.S. Dollars, or to the U.S. Base Rate in effect from time to time plus 2 % if such amount is payable in U.S. Dollars, which rate per annum will change automatically without notice to such Chargor as and when the Prime Rate or the U.S. Base Rate, as the case may be, changes. All amounts payable by any Chargor to the Security Agent or any other Secured Party Beneficiary under this Agreement, and all interest on all such amounts, will form part of the Liabilities of such Chargor and will be secured by the Security Interests from such Chargor.

16. **Severability.** Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction or against any Chargor will, as to that jurisdiction and such Chargor, be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction or against any other Chargor.

17. **Rights of Security Agent; Limitations on Security Agent's Obligations.**

- (a) **Limitations on Liability.** None of the Security Agent, the other Secured Party Beneficiaries, any Receiver or any agent of any of the foregoing (including in Alberta or British Columbia any sheriff) (i) will be liable to any Chargor or any other Person for any failure or delay in exercising any of its rights under this Agreement (including any failure to take possession of, collect, sell, lease or otherwise dispose of any Collateral, or to preserve rights against prior parties); (ii) is required to take, or will have any liability for any failure to take or delay in taking, any steps necessary or advisable to preserve rights against other Persons under any Collateral of any Chargor in its possession; or (iii) will be liable for any, and each Chargor will bear the full risk of all, loss or damage to any and all of the Collateral of such Chargor (including any Collateral of such Chargor in the

possession of any such Person) caused for any reason other than the gross negligence or wilful misconduct of such Person.

(b) Chargors Remain Liable under Accounts, Contracts and Permits.

Notwithstanding any provision of this Agreement, each Chargor will remain liable under any of the documents giving rise to the Accounts of such Chargor and under all of the Contracts and Permits of such Chargor to observe and perform all the conditions and obligations to be observed and performed by such Chargor thereunder, all in accordance with the terms of such documents, Contracts and Permits. None of the Persons referred to in subsection 17(a) of this Agreement will have any obligation or liability under any Account of any Chargor (or any document giving rise thereto) or under any Contract or Permit of any Chargor by reason of or arising out of this Agreement or the receipt by such Person of any payment relating to such Account or Contract or Permit pursuant to this Agreement, and in particular (but without limitation), will not be obligated in any manner to perform any of the obligations of any Chargor under or pursuant to any Account of such Chargor (or any document giving rise to any such Account) or under or pursuant to any Contract or any Permit of such Chargor, to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party under any such Account (or any document giving rise to any such Account) or under any such Contract or Permit, to present or file any claim, or to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time. Nothing contained in this Agreement shall render any of the Persons referred to in subsection 17(a) of this Agreement liable for the fulfilment or non-fulfilment of the obligations, covenants and agreements (including the payment of any Money under or in respect of any of such Contracts or Permits) of any Chargor under any of the Contracts or Permits of such Chargor. Each of the Chargors severally (and not jointly or jointly and severally) indemnifies and agrees to save and hold harmless the Persons referred to in subsection 17(a) of this Agreement from and against any and all claims, demands, actions, causes of action, losses, suits, damages and costs whatsoever arising directly or indirectly from or out of the Accounts (or any document giving rise to any such Account), the Contracts and the Permits of such Chargor or any of them provided that, no such obligation to indemnify and save and hold harmless shall exist with respect to any Person to the extent that the claims, demands, actions causes of action, losses, suits, damages and costs of such Person arise solely as a result of the gross negligence or wilful misconduct of such Person in the exercise of its rights and remedies under this Agreement.

(c) Collections on Accounts and Contracts Except as otherwise restricted by any Credit Document, each of the Chargors may collect the Accounts of such Chargor and payments under the Contracts of such Chargor in the normal course of the business of such Chargor and for the purpose of carrying on the same. If required

by the Security Agent at any time during the continuance of an Event of Default, any payments of Accounts of such Chargor or under Contracts of such Chargor, when collected by such Chargor, will be forthwith (and, in any event, within two Business Days) deposited by such Chargor in the exact form received, duly endorsed by such Chargor to the Security Agent if required, in a special collateral account maintained by the Security Agent on behalf of the Secured Party Beneficiaries, and until so deposited, will be held by such Chargor in trust for the Security Agent on behalf of the Secured Party Beneficiaries, segregated from the other funds of such Chargor. All such amounts while held by the Security Agent (or by a Chargor in trust for the Security Agent) and all income in respect of all such amounts will continue to be collateral security for the Liabilities of such Chargor and will not constitute payment of such Liabilities until applied as provided in this Agreement. If an Event of Default has occurred and is continuing, the Security Agent may apply all or any part of the amounts on deposit relative to such Chargor in such special collateral account on account of the Liabilities of such Chargor in such order as the Security Agent may elect. At the Security Agent's request, such Chargor will deliver to the Security Agent any documents evidencing and relating to the agreements and transactions which gave rise to the Accounts and Contracts of such Chargor, including all original orders, invoices and shipping receipts.

- (d) Use of Agents. The Security Agent may perform any of its rights or duties under this Agreement by or through agents and is entitled to retain counsel and to act in reliance on the advice of such counsel concerning all matters pertaining to its rights and duties under this Agreement.
- (e) Analysis of Accounts. At any time during the continuance of an Event of Default the Security Agent may in its own name or in the name of others (including such Chargor) communicate with account debtors under any of the Accounts of such Chargor and parties to any of the Contracts of any Chargor to verify with them to its satisfaction the existence, status, amount and terms of any such Account or any such Contract.

18. **Dealings by Security Agent** The Security Agent will not be obliged to exhaust its recourse against any Chargor or any other Person or against any other security it may hold in respect of the Liabilities of such Chargor before realizing upon or otherwise dealing with the Collateral of such Chargor in such manner as the Security Agent may consider desirable. The Security Agent and the Secured Party Beneficiaries may grant extensions of time and other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with any Chargor and any other Person, and with any or all of the Collateral of each Chargor, and with other security and sureties, as the Security Agent and the Secured Party Beneficiaries may see fit, all without prejudice to the Liabilities of any Chargor or to the rights and remedies of the Security Agent under this Agreement. The powers conferred on the Security Agent under this Agreement are solely to protect the interests of the Security Agent and the Secured Party Beneficiaries in the Collateral of each of the Chargors and will not impose any duty upon the Security Agent to exercise any such powers.

19. **Communication.** All notices and other communications given under or with respect to this Agreement will be in writing and may be sent by facsimile, mailed or delivered to the Security Agent at its address Canadian Imperial Bank of Commerce, 161 Bay Street, 8th Floor, BCE Place, Toronto, Ontario, M5J 2S8, (facsimile (416) 956-3830) for the attention of Manager-Agency, or to any Chargor care of OSF at 650 Barmac Drive, Weston, Ontario, M9L 2X9 (facsimile 416-746-3229) attention General Counsel or, as to any such Person, at such other address or facsimile number as may be designated by such Person in a notice to the others given as required hereby. Except as otherwise provided in this Agreement, all such communications will be deemed to have been duly given when (a) transmitted by facsimile if transmitted prior to 4:00 p.m. (local time at the place of delivery) on a Business Day and otherwise on the Business Day following transmission, (b) personally delivered or (c) in the case of a mailed notice, upon receipt, in each case given or addressed as aforesaid.

20. **Release of Information.** Each of the Chargors authorizes the Security Agent to provide a copy of this Agreement and such other information as may be requested of the Security Agent by any Secured Party Beneficiary or by any other Persons entitled thereto pursuant to any applicable law or court order, and otherwise with the consent of such Chargor.

21. **Waivers and Indemnity** To the extent permitted by applicable law, each of the Chargors unconditionally and irrevocably waives (i) all claims, damages and demands (other than those attributable to the gross negligence or wilful misconduct of the Security Agent or such Secured Party Beneficiary) it may acquire against the Security Agent or any Secured Party Beneficiary arising out of the exercise by the Security Agent or any Receiver of any rights or remedies under this Agreement or at law, (ii) all of the rights, benefits and protections given by any present or future statute that imposes limitations on the rights, powers or remedies of a secured party or on the methods of, or procedures for, realization of security, including any "seize or sue" or "anti-deficiency" statute or any similar provision of any other statute, and (iii) the benefits of the *Limitation of Civil Rights Act* (Saskatchewan), and the *Land Contracts (Action) Act* (Saskatchewan) which acts shall have no application to this Agreement. None of the Security Agent or any of the Secured Party Beneficiaries will, by any act or delay, be deemed to have waived any right or remedy under this Agreement or to have acquiesced in any Event of Default or in any breach of any of the terms and conditions of this Agreement. No failure to exercise, nor any delay in exercising, on the part of the Security Agent any right, power or privilege under this Agreement shall operate as a waiver of any such right, power or privilege. No single or partial exercise of any right, power or privilege under this Agreement will preclude any other or further exercise of any such right, power or privilege or the exercise of any other right, power or privilege. A waiver by the Security Agent of any right or remedy under this Agreement on any one occasion will not be construed as a bar to any right or remedy which the Security Agent would otherwise have on any future occasion. Neither the taking of any judgment nor the exercise of any power of seizure or sale will extinguish the liability of any Chargor to pay the Liabilities of such Chargor, nor will the same operate as a merger of any covenant contained in this Agreement or of any other liability, nor will the acceptance of any payment or other security constitute or create any novation. Each of the Chargors agrees severally (and not jointly or jointly and severally) to indemnify the Security Agent and the Secured Party Beneficiaries from and against any and all liabilities, obligations, losses, damages,

penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (except by reason of the gross negligence or wilful misconduct of such Person) which may be imposed on, incurred by, or asserted against the Security Agent or any Secured Party Beneficiary and arising by reason of any action (including any action referred to in this Agreement) or inaction or omission to do any act legally required by such Chargor. This indemnification will survive the satisfaction, release or extinguishment of the Liabilities of such Chargor and the Security Interests from such Chargor.

22. **Addition of New Chargors** Additional Persons may from time to time after the date of this Agreement become Chargors under this Agreement by executing and delivering to the Security Agent a supplemental agreement (a "**Supplement**") to this Agreement in substantially the form attached as Schedule D to this Agreement. Effective from and after the date of the execution and delivery by any Person to the Security Agent of a Supplement:

- (a) such Person shall be, and shall be deemed for all purposes to be, a Chargor under this Agreement with the same force and effect, and subject to the same agreements, representations, indemnities, liabilities, obligations and Security Interests, as if such Person had been an original signatory to this Agreement as a Chargor; and
- (b) all Collateral of such Person shall be, and shall be deemed for all purposes to be, "Collateral" of such Person for the purposes of this Agreement and subject to "Security Interests" from such Person in accordance with the provisions of this Agreement as security for the due payment and performance of the "Liabilities" of such Person in accordance with the provisions of this Agreement.

The execution and delivery of a Supplement by any additional Person shall not require the consent of any Chargor and all of the liabilities and obligations of each Chargor under this Agreement, and all Security Interests of each Chargor, shall remain in full force and effect notwithstanding the addition of any new Chargor to this Agreement.

23. **Amalgamation**. If any Chargor is a body corporate (which term shall include a corporation, a company and a limited liability company), such Chargor acknowledges that if it amalgamates or merges with or into any other body corporate or bodies corporate, then (i) the term "Chargor", where used in this Agreement, will extend to and include the continuing body corporate from such amalgamation or merger, (ii) the term "Liabilities", where used in this Agreement in connection with such Chargor, will extend to and include the Liabilities of each of the amalgamating or merging bodies corporate at the time of such amalgamation or merger and the Liabilities of the continuing body corporate from such amalgamation or merger arising thereafter, and (iii) the Collateral of such Chargor and the Security Interests created by this Agreement over the Collateral of such Chargor will extend to and include all of the Collateral of each of the amalgamating or merging bodies corporate at the time of such amalgamation or merger and any and all Collateral of the continuing body corporate from such amalgamation or merger thereafter owned or acquired by such continuing body corporate.

24. **Release of Chargor.** Promptly following any release of any Chargor from all of its Liabilities (including any such release effected by the operation of an express provision of the Credit Documents providing for the release of such Liabilities in specified circumstances), the Security Agent, without affecting in any manner whatsoever any of the Liabilities of any other Chargor or any of the Security Interests created by this Agreement from any other Chargor, will release such Chargor and the Collateral of such Chargor then subject to the Security Interests created by this Agreement from this Agreement and from the Security Interests created by this Agreement and such release shall serve to terminate any licence granted pursuant to Section 9 of this Agreement. Upon such release, and at the request and expense of such Chargor, the Security Agent shall execute and deliver to such Chargor such releases and discharges as such Chargor may reasonably request.

25. **Additional Security.** This Agreement is in addition to, and not in substitution of, any and all other security documents previously or concurrently delivered by any Chargor to the Security Agent or to any Secured Party Beneficiary, all of which other security documents shall remain in full force and effect.

26. **Several Agreement; Alteration or Waiver.** No provision of this Agreement may be changed, discharged, waived or terminated except with the written consent of each Chargor directly affected thereby and the written consent of the Security Agent. This Agreement shall be construed as a separate agreement with respect to each Chargor and, subject to the first sentence of this Section, may be amended, modified, supplemented, waived or released with respect to any Chargor, or any representations, agreements, contracts, indemnities, Liabilities or Collateral of, or any Security Interests from, any Chargor, without the approval of any other Chargor and without affecting the representations, agreements, contracts, indemnities, liabilities or obligations of, or the Security Interests from, any other Chargor under this Agreement.

27. **Governing Law; Attornment.** This Agreement is a contract made under, and will for all purposes be governed by and interpreted and enforced according to, the laws of the Province of Ontario (including the laws of Canada applicable in such Province), excluding any conflict of laws rule or principle that might refer these matters to the laws of another jurisdiction, and without prejudice to or limitation of any other rights or remedies available to the Security Agent under the laws of any other jurisdiction. Each of the Chargors irrevocably submits to the jurisdiction of the courts of the Province of Ontario and to the Supreme Court of Canada without prejudice to the right of the Secured Party Beneficiaries to commence an action against such Chargor in any other jurisdiction. Each of the Chargors agrees that service of all writs, processes, statements, correspondence and summonses in any suit, action or proceeding brought against such Chargor under or in respect of this Agreement may be made upon such Chargor at such Chargor's address for notice as provided in Section 19 of this Agreement, and each of the Chargors irrevocably appoints OSF as such Chargor's true and lawful attorney-in-fact in such Chargor's name, place and stead to accept such service of any and all writs, processes, statements, correspondence and summonses, and agrees that the failure of OSF to give any notice of any thereof to such Chargor shall not impair or affect the validity of such service or of any judgment based thereon. Each of the Chargors further irrevocably consents to the service of any and all writs, processes, statements, correspondence and summonses in any suit, action or proceeding in any court by the mailing thereof by registered or certified mail, postage prepaid to

such Chargor at such Chargor's address for notice as provided for in Section 19 of this Agreement. Nothing in this Section shall be deemed to in any way limit the ability of the Secured Party Beneficiaries to serve any such writs, processes, statements, correspondence or summonses in any other manner permitted by applicable law or to obtain jurisdiction over any Chargor in such other jurisdictions, and in such manner, as may be permitted by applicable law. Each of the Chargors irrevocably waives any objection which it may now or in the future have based on lack of personal jurisdiction over such Chargor or which it may have to the laying of venue of any such suit, action or proceeding brought in the courts of the Province of Ontario or the Supreme Court of Canada and further irrevocably waives any claim that any such suit, action or proceeding brought in any such court has been brought in an improper venue or in an inconvenient forum.

28. **Waiver of Jury Trial.** Because disputes arising in connection with complex financial transactions of the nature provided for under this Agreement and the other Credit Documents are most quickly and economically resolved by an experienced and expert person and the Chargors and the Secured Party Beneficiaries wish applicable laws to apply (rather than arbitration rules), the parties desire that their disputes be resolved by a judge applying such applicable laws. Therefore, to achieve the best combination of the benefits of the judicial system and of arbitration, each of the Chargors and the Secured Party Beneficiaries waive all right to trial by jury in any action, suit, or proceeding brought to resolve any dispute, whether in contract, tort, or otherwise, between such Chargor and the Secured Party Beneficiaries arising out of, connected with, related to, or incidental to the relationship established between them in connection with this Agreement or any of the other Security Documents.

29. **Delivery and Completeness of Agreement.** Upon this Agreement (or a Supplement), bearing the signature of a Person claiming to have authority to bind a Chargor, coming into the possession of the Security Agent, and irrespective of whether this Agreement (or any such Supplement) has been executed by any other Chargor, this Agreement (and such Supplement) will be deemed to be finally and irrevocably executed and delivered by, and be effective and binding on, and enforceable against, such Chargor free from any promise or condition affecting or limiting the liabilities or obligations of such Chargor under or in respect of this Agreement. No statement, representation, agreement or promise by any officer, employee or agent of the Security Agent or any Secured Party Beneficiary, unless expressly set forth in this Agreement, forms any part of this Agreement or has induced the making of this Agreement by any Chargor or in any way affects any of the liabilities or obligations of any Chargor under this Agreement. This Agreement constitutes the entire agreement between each of the Chargors and the Security Agent with respect to the subject matter of this Agreement and cancels and supersedes any prior understandings and agreements between the Security Agent and each such Chargor with respect to this Agreement (without affecting any other security previously delivered by any Chargor to any of the Secured Party Beneficiaries).

30. **Enforcement by Security Agent.** The Secured Party Beneficiaries agree that this Agreement and the Security Interests may be enforced only by the action of the Security Agent acting on behalf of the Secured Party Beneficiaries and that no other Secured Party Beneficiary shall have any rights individually to seek to enforce or to enforce this Agreement or any of the Security Interests, it being understood and agreed that such rights and remedies may be exercised

by the Security Agent for the benefit of the Secured Party Beneficiaries upon the terms of this Agreement.

31. **Interpretation**. Unless otherwise expressly provided in this Agreement, if any matter in this Agreement is subject to the consent or approval of the Security Agent or is to be acceptable to the Security Agent, such consent, approval or determination of acceptability will be in the sole discretion of the Security Agent. If any provision in this Agreement refers to any action taken or to be taken by any Chargor, or which any Chargor is prohibited from taking, such provision will be interpreted to include any and all means, direct or indirect, of taking, or not taking, such action. The division of this Agreement into sections and paragraphs, and the insertion of headings, is for convenience of reference only and will not affect the construction or interpretation of this Agreement. Unless the context otherwise requires, words importing the singular include the plural and vice versa, and words importing gender include all genders. When used in this Agreement, the word "including" or "includes" shall mean including or includes "without limitation". Any reference in this Agreement to something being permitted by the Credit Documents is intended to be a reference to such thing being permitted by all of the Credit Documents. The provisions of this Agreement are subject to the express terms of the Subordination Agreement.

32. **Successors and Assigns**. This Agreement will enure to the benefit of, and be binding on, each of the Chargors and its successors and permitted assigns, and will enure to the benefit of, and be binding on, the Security Agent and the Secured Party Beneficiaries and their respective successors and assigns. No Chargor may assign this Agreement, or any of its rights or obligations under this Agreement.

33. **Acknowledgment of Receipt/Waiver**. Each of the Chargors acknowledges receipt of an executed copy of this Agreement and, to the extent permitted by applicable law, waives the right to receive a copy of any financing statement, financing change statement or verification statement registered or issued in connection with this Agreement.

34. **Counterparts and Facsimile**. This Agreement may be executed in counterparts. Each executed counterpart shall be deemed to be an original and all counterparts taken together shall constitute one and the same Agreement. Delivery of an executed signature page to this Agreement by any Chargor by facsimile transmission shall be as effective as delivery of a manually executed copy of this Agreement by such Chargor.

35. **Language.** The parties to this Agreement expressly request and require that this Agreement and all related documents be drafted in English. Les parties aux présentes conviennent et exigent que cette Convention et tous les documents qui s'y rattachent soient rédigés en Anglais.

IN WITNESS OF WHICH each of the undersigned has executed this Agreement as of the date shown on the first page of this Agreement.

**CANADIAN IMPERIAL BANK OF
COMMERCE, as Security Agent**

by: _____
name:
title:

O INTERMEDIATE CORP.

OSF INC.

BENWIND INDUSTRIES

(by its partners OSF Inc. and 668082 Ontario
Limited)

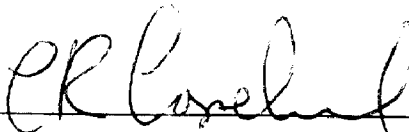
668082 ONTARIO LIMITED

**MORGANA WOODWORK AND
CONTRACTING LTD.**

J & X INTERIORS LIMITED

SEVEN CONTINENTS INC.

in each case by:

_____  _____

Authorized Signatory

**SCHEDULE A TO CANADIAN SECURITY AGREEMENT
FROM O INTERMEDIATE CORP., OSF INC. AND THE CANADIAN SUBSIDIARIES
OF OSF INC.**

INTELLECTUAL PROPERTY RIGHTS

Registered Trademarks

1 Trade-marks

(a) OSF INC.

<u>Country</u>	<u>Trade-mark</u>	<u>Application No.</u>	<u>Registration No.</u>	<u>Registration Date</u>
Canada	A CUT ABOVE	725,397	TMA458,247	May 31, 1996
Canada	CENTURY	567,161	TMA330,948	Aug. 14, 1987
Canada	OSF	735,184	TMA439,830	Feb. 24, 1995
Canada	OSF Design	735,189	TMA439,831	Feb. 14, 1995
Canada	VISTA	434,358	TMA243,882	April 25, 1995
Canada	VISTA RETAIL BACKROOM SHELVING SYSTEM	815,403	TMA484,948	Oct. 29, 1997
United States	VISTA RETAIL BACKROOM SHELVING SYSTEM	75/213120	2,224,979	Feb. 23, 1999

(b) BENWIND INDUSTRIES

<u>Country</u>	<u>Trade-mark</u>	<u>Application No.</u>	<u>Registration No.</u>	<u>Registration Date</u>
Canada	BENWIND INDUSTRIES	735,891	TMA447,606	Sept. 15, 1995

(c) SEVEN CONTINENTS INC

<u>Country</u>	<u>Trade-mark</u>	<u>Application No.</u>	<u>Registration No.</u>	<u>Application Date</u>
Canada	PLUGETTE	876,165		April 24, 1998
Canada	FORMWARE	876,161		April 24, 1998
Canada	MAGWALL	876,162		April 24, 1998
Canada	DOCKETTE	876,166		April 24, 1998
Canada	TOOLFREE	876,163		April 24, 1998
Canada	MAGWARE	876,164		April 24, 1998
Canada	STRAPWARE	876,160		April 24, 1998

2. Patents

OSF INC.

<u>Country</u>	<u>Title</u>	<u>Patent No.</u>	<u>Patent Date</u>
Canada	Backroom Shelving System	2,174,008 (appln. no.)	Not yet issued
Canada	Adjustable Valance Canopy Bracket	1,230,046	Dec. 8, 1987 (Issued in name of Ontario Store Fixtures Inc.)
United States	Backroom Shelving System	5,735,221	Apr. 7, 1998
United States	Adjustable Valance Canopy Bracket	4,667,914	May 26, 1987 (Database shows this patent as "expired")

(b) SEVEN CONTINENTS INC.

<u>Country</u>	<u>Title</u>	<u>Patent No.</u>	<u>Patent Date</u>
United States	Column Clamp	Patent application No. 09/166,469	
United States	Demountable Hanger Bar (Dockette)	Patent application No. 09/049,797	

BLAKE CASSELS & GRAYDON LLP

PARCEL LIST

SEND TO: The Commissioner of Patents and Trademarks

Disbursement Code: 53

DATE: April 27, 2000

U.S. Trademark Parcel No.: 1138

Cheque No.: 723 13 35

Waybill No.: WG01549 3928

Client Name Application No.	PIC	Client/Matter No.	Amount (Dkd)	Description	Date
CIBC 2224979	AEI	(2019/20474	\$40.00 (U.S.)	Security Agreement	
TOTAL:			\$40.00 (U.S.)		