

FORM PTO-1618A
Expires 08/30/99

U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

11-02-2001



101891977

10-26-2001

U.S. Patent & TMOfo/TM Mail Rpt Dt: #31

**EC COVER SHEET
TRADEMARKS ONLY**

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New *10/26/01*
- Resubmission (Non-Recordation)
Document ID #
- Correction of PTO Error
Reel # Frame #
- Corrective Document
Reel # Frame #

Conveyance Type

- Assignment License
- Security Agreement Nunc Pro Tunc Assignment
- Merger Effective Date
Month Day Year
- Change of Name
- Other

Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

Formerly

- Individual General Partnership Limited Partnership Corporation Association
- Other
- Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

- Individual General Partnership Limited Partnership Corporation Association
- Other

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

- Citizenship/State of Incorporation/Organization

11/01/2001 6TON11 00000075 76273893

FOR OFFICE USE ONLY

01 FR:481
02 FR:482

40.00 DP
425.00 DP

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20228

REEL: 002393 FRAME: 0349

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

#

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

76273893	76273894	76273896
76235000	76235013	76235004
76125236	76125235	76098843

2015509	1180964	2254097
2226974	2150821	2150806
2143819	825018	

Number of Properties

Enter the total number of properties involved.

#

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:

Enclosed

Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes

No

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. Charges to deposit account are authorized, as indicated herein.

James E. Shlesinger

10/26/01

Name of Person Signing

Signature

Date Signed

RECORDATION FORM COVER SHEET
CONTINUATION
TRADEMARKS ONLY

FORM PTO-1618C
Expires 08/30/99
OMB 0951-0027

U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

Conveying Party

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date

Month Day Year

Name

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship State of Incorporation/Organization

Receiving Party

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

Individual General Partnership Limited Partnership

Corporation Association

Other

Citizenship/State of Incorporation/Organization

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached (Designation must be a separate document from the Assignment.)

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)

Registration Number(s)

76422947	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

Registered and pending
trade-marks.



G100 9/2/12 (Computer Generated)
For use in PPSA jurisdictions only

Commerce Place
400 Burrard Street, 7th Floor
Vancouver, BC
V6C 3A6

Branch

GENERAL SECURITY AGREEMENT

For valuable consideration, the undersigned (the "Customer") agrees with CIBC as follows:

1. **Grant of Security.** The Customer mortgages, charges and assigns to CIBC, and grants to CIBC, and CIBC takes, a Security Interest in the property described in the following paragraph or paragraphs of this section (as applicable in accordance with the NOTE appearing at the end of this section), and in all property described in any schedules, documents or listings that the Customer may from time to time sign and provide to CIBC in connection with this Agreement, and in all present and future Accessions to, and all Proceeds of, any such property (collectively, the "Collateral") as a general and continuing collateral security for the due payment and performance of the Liabilities:

- (a) **Specific Personal Property:** the Personal Property described in Schedule A.
- (b) **All Personal Property:** all of the Customer's present and after-acquired undertaking and Personal Property (including any property that may be described in Schedule A and, subject to Section 9, all Intellectual Property including any Intellectual Property that may be described in Schedules C, D, E and F).
- (c) **All Real Property:** all of the Customer's present and after-acquired real property (including any property that may be described in Schedule A), together with all buildings placed, installed or erected on any such property, and all fixtures.

NOTE: Check appropriate box or boxes to indicate which of paragraphs (a), (b) or (c) are to apply. If no box is checked off, paragraph (b) will apply.

2. **Expenses.** All reasonable expenses, costs and charges incurred by or on behalf of CIBC in connection with the preparation and issuance of this Agreement, the perfection, preservation and protection of the Security Interest and the enforcement of CIBC's rights and remedies hereunder, including the realization of the Collateral, and including all legal fees (on a solicitor and solicitor's own client basis) and disbursements, court costs, receiver's or agent's remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling, licensing, transferring, delivering or obtaining payment of the Collateral, shall be added to and form a part of the Liabilities.

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

ADDITIONAL TERMS AND CONDITIONS. THE ADDITIONAL TERMS AND CONDITIONS (INCLUDING ANY SCHEDULES) ON THE FOLLOWING PAGES FORM PART OF THIS AGREEMENT.

The Customer has signed this Agreement on September 12, 2001.

SILENT WITNESS ENTERPRISES LTD.

Customer's name in full

Signature

Signature

3554 176th Street, Surrey, British Columbia V3S 4G5

Customer's address

ADDITIONAL TERMS AND CONDITIONS

4. **Places of Business.** The Customer represents and warrants that the locations of all existing Places of Business are specified in Schedule B. The Customer will promptly notify CIBC in writing of any additional Places of Business as soon as they are established.

5. **Collateral Free of Charges.** Subject to Section 9, the Customer represents and warrants that the Collateral is, and agrees that the Collateral will at all times be, free of any Charge or trust except in favour of CIBC or incurred with CIBC's prior written consent. CIBC may, but will not have to, pay any amount or take any action required to remove or redeem any unauthorized Charge. The Customer will immediately reimburse CIBC for any amount so paid and will indemnify CIBC in respect of any action so taken.

6. **Use of Collateral.** The Customer will not, without CIBC's prior written consent, sell, lease or otherwise dispose of any of the Collateral (other than Inventory, which may be sold, leased or otherwise disposed of in the ordinary course of the Customer's business). All Proceeds of the Collateral (including among other things all amounts received in respect of Receivables and Royalties), whether or not arising in the ordinary course of the Customer's business, will be received by the Customer as trustee for CIBC and will be immediately paid to CIBC.

7. **Right of Set-Off.** The Liabilities secured by this Agreement shall be paid, when due, by the Customer to CIBC without regard to any equities existing among the Customer and CIBC and without regard to any right of set-off or cross-claim or of any claim or demand of the Customer against CIBC or otherwise.

8. **Protective Disbursements.** If the Customer fails to perform any covenant on its part contained in this Agreement then CIBC may, in its absolute discretion, perform any such covenant capable of being performed by it and, if any such covenant requires the payment or expenditure of money, CIBC may make such payment but shall be under no obligation to do so, and all sums so paid or expended by CIBC shall be immediately payable by the Customer, shall bear interest at the highest rate set forth in the Credit Agreement until paid and shall be secured hereby, having the benefit of the Lien hereby created in priority to the indebtedness evidenced by this Agreement. No such performance or payment shall relieve the Customer from any default under this Agreement or any consequences of such default.

9. **Scope of Intellectual Property Security Interest.**

9.1 **Licensed Intellectual Property.** Nothing in Section 1 shall be construed as a pledge by the Customer (which term shall include a sub-license, mortgage, pledge or charge) of any Intellectual Property licensed to the Customer as licensee or any License which, as a matter of law or by its terms, may not be pledged without the consent or authorization of the licensor unless such consent or authorization has been obtained. To the extent that the creation of the Security Interest would constitute a breach or permit the acceleration of any License to which the Customer is a party, the Security Interest shall not attach to the Intellectual Property licensed thereby or the License but the Customer shall hold its interest therein in trust for CIBC, and, in the case of any such potential breach or acceleration of any License, shall use its best efforts to obtain the consent of the other party thereto. Upon the Customer obtaining the consent of such other party, the Security Interest shall be deemed to have automatically attached to such Intellectual Property and License.

9.2 **Customer's Rights.** Until the Security Interest shall have become enforceable, the grant of the Security Interest in the Intellectual Property shall not affect in any way the Customer's rights to commercially exploit the Intellectual Property, to defend the Intellectual Property, to enforce the Customer's rights therein or with respect thereto against third parties in any court or to claim and be entitled to receive any damages with respect to any infringement or violation thereof.

9.3 **CIBC Not To Assume.** CIBC will not be deemed in any manner to have assumed any obligation of the Customer under any License nor shall CIBC be liable to any official body or license counterparties by reason of any default by any person under any contract. The Customer agrees to indemnify and hold CIBC harmless of and from all liability, loss, damage or expense which it may or might incur by reason of any claim or demand against it based on its alleged assumption of the Customer's duty and obligation to perform and discharge the terms, covenants and agreements in any License.

10. **Intellectual Property Representations, Warranties and Covenants**

10.1 **Intellectual Property Listings.** The Customer hereby represents, warrants, and covenants that:

(1) A true and complete schedule setting forth all material trademark registrations, pending applications and material unregistered trademarks owned or controlled by the Customer, together with information in respect of the filing or issuance thereof and expiration dates is set forth on Schedule C attached hereto.

(2) A true and complete schedule setting forth all material patents, patent applications, industrial designs and industrial design applications owned or controlled by the Customer, together with information in respect of the filing or issuance thereof and expiration dates is set forth on Schedule D attached hereto.

(3) A true and complete schedule setting forth all material copyright applications and registrations and material unregistered copyrights owned or controlled by the Customer, together with information in respect of the filing or issuance thereof is set forth on Schedule E attached hereto.

(4) A true and complete schedule setting forth all material domain name applications and registrations owned or controlled by the Customer, together with information in respect of the filing or issuance thereof is set forth on Schedule F attached hereto.

(5) A true and complete schedule setting forth all material Intellectual Property, including but not limited to all material registered, pending, and unregistered trademarks, patents, industrial designs, copyrights and domain names, licensed to the Customer as licensee by a third party is set forth on Schedule G attached hereto.

10.2 Validity; Enforceability. To the best of the Customer's knowledge and belief, the Intellectual Property is valid and enforceable and the Customer is not currently aware of any past, present, or prospective claim by any third party, that any of the Intellectual Property is invalid or unenforceable or that the use of the Intellectual Property violates the rights of any third person, or of any basis for any such claim, with the exception of those identified in writing to CIBC by or on behalf of the Customer.

10.3 Maintenance. The Customer will maintain and preserve all its Intellectual Property so as to permit the Customer's business to be properly and advantageously conducted at all times in accordance with reasonably prudent business management

10.4 Title. To the best of the Customer's knowledge and belief, the Customer is the sole and exclusive owner of the entire and unencumbered right, title, and interest in and to the Intellectual Property identified in Schedules C, D, E and F and in and to all other Intellectual Property, except that, if any, which is licensed from third parties, free and clear of any Liens and covenants by the Customer not to sue third persons for infringing Customer's Intellectual Property.

10.5 Notice. The Customer has used and will continue to use required statutory notice in connection with its use of each of the Intellectual Property.

10.6 Quality. The Customer has used and will continue to use standards consistent with its current standards of practice as of the date of this Agreement in the manufacture, sale and delivery of products and services sold or delivered under or in connection with all the trademarks comprised within the Intellectual Property, including, to the extent applicable, in the operation and maintenance of its merchandising operations.

10.7 Perfection of Security Interest. Except for the filing of a financing statement with provincial or state personal property registries, and filings with the Canadian Intellectual Property Office's Patent Office, Copyright Office and Trademark Office, the United States Patent and Trademark Office and the United States Copyright Office, or the corresponding offices in any other country which may be necessary to perfect the Security Interest, no authorization, approval, or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either for the grant by the Customer of the Security Interest or for the execution, delivery or performance of this Agreement by the Customer or for the perfection of or the exercise by CIBC of its rights hereunder to the Collateral in Canada or the United States.

10.8 Litigation and Proceedings. The Customer shall commence and diligently prosecute in its own name, as the real party in interest, for its own benefit and at its own expense, such suits, administrative proceedings, or other actions for infringement or other causes of action relating to the Intellectual Property which it considers to be necessary in its reasonable business judgment. If the Customer chooses not to commence or prosecute any suit, administrative proceeding, or action for infringement relating to any Intellectual Property, it will promptly notify CIBC of its decision. The Customer shall diligently defend all suits, administrative proceedings or other actions brought by third parties in respect of the Intellectual Property or use thereof. The Customer shall provide to CIBC any information with respect thereto requested by CIBC. CIBC may, but shall not be required to, provide at the Customer's expense all necessary cooperation in connection with any such suits, proceedings or actions

including, without limitation, joining as a necessary party. Following the Customer becoming aware thereof, the Customer shall promptly notify CIBC of the institution of or any adverse determination in any proceeding in any patent, trademark or copyright office or other regulatory authority, or any Canadian, United States, state, provincial or foreign court regarding the Customer's claim of ownership in any Intellectual Property, its right to apply for the same or its right to keep and maintain such rights.

10.9 **Right to Inspect.** Subject to Section 11, the Customer grants to CIBC and its employees and agents the right to visit the Customer's plants and facilities in which products are manufactured, inspected, stored or processed and in which services are offered or performed in association with any of the Intellectual Property and to inspect the products and quality control records relating thereto at reasonable times during regular business hours.

11. **Acquired Intellectual Property.** The Customer agrees to inform CIBC in writing on an annual basis within 90 days after the end of the Customer's fiscal year of the acquisition by the Customer of any and all rights in or to any Intellectual Property, including but not limited to material registered or unregistered intellectual property, and of any Intellectual Property that has since become material which is not otherwise described herein or of the entitlement to the benefit of any application or registration therefore, and the Customer agrees to execute and deliver at its own expense from time to time amendments to this Agreement or the schedules hereto or additional security agreements or schedules as may be required by CIBC in order that the Security Interest shall attach to such acquired intellectual property.

12. **Insurance.** The Customer will keep the Collateral insured to its full insurable value against loss or damage by fire and such other risks as are customarily insured for property similar to the Collateral (and against such other risks as CIBC may reasonably require). At CIBC's request, all policies in respect of such insurance will contain a loss payable clause, and if the Collateral includes real property will contain a mortgage clause, in favour of CIBC and in any event the Customer assigns all proceeds of insurance on the Collateral to CIBC. The Customer will, from time to time at CIBC request, deliver such policies (or satisfactory evidence of such policies) to CIBC. If the Customer does not obtain or maintain such insurance, CIBC may, but will not have to, do so. The Customer will immediately reimburse CIBC for any amount so paid. The Customer will promptly give CIBC written notice of any loss or damage to all or any part of the Collateral.

13. **Information and Inspection.** The Customer will from time to time immediately give CIBC in writing all information requested by CIBC relating to the Collateral, the Places of Business, and the Customer's financial or business affairs. The Customer will promptly advise CIBC of the Serial Number, model year, make and model of each Serial Number Good at any time included in the Collateral that is held as Equipment, including in circumstances where the Customer ceases holding such Serial Number Good as Inventory and begins holding it as Equipment. CIBC may from time to time inspect any Books and Records and any Collateral, wherever located. For that purpose CIBC may, without charge, have access to each Place of Business and to all mechanical or electronic equipment, devices and processes where any of them may be stored or from which any of them may be retrieved. The Customer authorizes any Person holding any Books and Records to make them available to CIBC, in a readable form, upon request by CIBC.

14. **Receivables and Royalties.** If the Collateral includes Receivables and Royalties, CIBC may advise any Person who is liable to make any payment to the Customer of the existence of this Agreement. CIBC may from time to time confirm with such Persons the existence and the amount of the Receivables. Upon Default, CIBC may collect and otherwise deal with the Receivables and Royalties in such manner and upon such terms as CIBC considers appropriate.

15. **Receipts Prior to Default.** Until Default, all amounts received by CIBC as Proceeds of the Collateral will be applied on account of the Liabilities in such manner and at such times as CIBC may consider appropriate or, at CIBC's option, may be held unappropriated in a collateral account or released to the Customer.

16. **Default.**

16.1 **Events of Default.** The occurrence of any of the following events or conditions will be a Default:

- (a) the Customer does not pay any of the Liabilities when due;
- (b) the Customer does not observe or perform any of the Customer's obligations under this Agreement or any other agreement or document existing at any time between the Customer and CIBC;

- (c) any representation, warranty or statement made by or on behalf of the Customer to CIBC is untrue in any material respect at the time when or as of which it was made;
- (d) the Customer ceases or threatens to cease to carry on in the normal course the Customer's business or any material part thereof;
- (e) if the Customer is a corporation, there is, in CIBC's reasonable opinion, a change in effective control of the Customer, or if the Customer is a partnership, there is a dissolution or change in the membership of the partnership;
- (f) the Customer becomes insolvent or bankrupt or makes a proposal or files an assignment for the benefit of creditors under the Bankruptcy Act (Canada) or similar legislation in Canada or any other jurisdiction; a petition in bankruptcy is filed against the Customer; or, if the Customer is a corporation, steps are taken under any legislation by or against the Customer seeking its liquidation, winding-up, dissolution or reorganization or any arrangement or composition of its debts;
- (g) a Receiver, trustee, custodian or other similar official is appointed in respect of the Customer or any of the Customer's property;
- (h) the holder of a Charge takes possession of all or any part of the Customer's property, or a distress, execution or other similar process is levied against all or any part of such property; or
- (i) the institution by or against the Customer of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of the Customer;
- (j) the Customer makes or proposes to make any sale of its assets in bulk;
- (k) if any right of distress is levied or is threatened to be levied against the Collateral or if any encumbrance affecting the Collateral becomes enforceable against the Collateral or any part thereof;
- (l) any material portion of the Collateral is damaged or destroyed;
- (m) the Customer defaults under any agreement with respect to any indebtedness or other obligation to any person other than CIBC, if such default has resulted in, or may result, with notice or lapse of time or both, in, the acceleration of any such indebtedness or obligation or the right of such person to realize upon any Collateral; and
- (n) CIBC, in good faith and upon commercially reasonable grounds, believes that the prospect of payment or performance is or is about to be impaired or that the Collateral is or is about to be placed in jeopardy.

16.2 Rights upon Default. Upon Default, CIBC and a Receiver, as applicable, will to the extent permitted by law have the following rights:

- (a) Appointment of Receiver. CIBC may by instrument in writing appoint any Person as a Receiver of all or any part of the Collateral. CIBC may from time to time remove or replace a Receiver, or make application to any court of competent jurisdiction for the appointment of a Receiver who shall be vested with the rights and remedies which could have been exercised by CIBC in respect of the Customer or the Collateral and such other powers and discretions as are granted in the instrument of appointment and any instruments supplemental thereto. Any Receiver appointed by CIBC shall act as agent for CIBC for the purposes of taking possession of the Collateral, but otherwise and for all other purposes, will be considered to be the Customer's agent. CIBC may from time to time fix the Receiver's remuneration and the Customer will pay CIBC the amount of such remuneration. CIBC will not be liable to the Customer or any other Person in connection with appointing or not appointing a Receiver or in connection with the Receiver's actions or

omissions. The Customer agrees to ratify and confirm all actions of the Receiver acting as agent for the Customer, and to release and indemnify the receiver in respect of all such actions.

(b) Dealings with the Collateral. CIBC or a Receiver may take possession of all or any part of the Collateral and retain it for as long as CIBC or the Receiver considers appropriate, receive any rents and profits from the Collateral, carry on (or concur in carrying on) all or any part of the Customer's business or refrain from doing so, exercise any contractual, legal or other rights or interests of the Customer under or in respect of the Collateral; make payment of any Lien that may exist or be threatened against the Collateral, in which event such amount and any costs, charges and expenses incurred in connection therewith shall be added to the Liabilities, file proofs of claim and other documents to establish claims in any proceeding relating to the Customer, borrow on the security of the Collateral, repair the Collateral, process the Collateral, prepare the Collateral for sale, lease or other disposition, and sell, assign, license, sub-license, grant options or options to purchase or lease (or concur in any of the forgoing) or otherwise dispose of the Collateral on such terms and conditions (including among other things by arrangement providing for deferred payment) as CIBC or the Receiver considers appropriate. CIBC or the Receiver may (without charge and to the exclusion of all other Persons including the Customer) enter upon any Place of Business.

(c) Realization. CIBC or a Receiver may use, collect, sell, lease or otherwise dispose of, realize upon, release to the Customer or other Persons and otherwise deal with, the Collateral in such manner, upon such terms (including among other things by arrangement providing for deferred payment) and at such times as CIBC or the Receiver considers appropriate. CIBC or the Receiver may make any sale, lease or other disposition of the Collateral in the name of and on behalf of the Customer or otherwise.

(d) Application of Proceeds After Default. All Proceeds of Collateral received by CIBC or a Receiver may be applied to discharge or satisfy any expenses (including among other things the Receiver's remuneration and other expenses of enforcing CIBC's rights under this Agreement), Charges, borrowings, taxes and other outgoings affecting the Collateral or which are considered advisable by CIBC or the Receiver to preserve, repair, process, maintain or enhance the Collateral or prepare it for sale, lease or other disposition, or to keep in good standing any Charges on the Collateral ranking in priority to any Charge created by this Agreement, or to sell, lease or otherwise dispose of the Collateral. The balance of such Proceeds will be applied to the Liabilities in such manner and at such times as CIBC considers appropriate and thereafter will be accounted for as required by law.

(e) Intellectual Property. Upon Default, the Customer shall grant to CIBC a royalty-free exclusive license to use the Intellectual Property and associated goodwill to the extent necessary to enable CIBC to use, possess and realize upon the Intellectual Property and to enable any successor or assign to enjoy the benefits of all the Intellectual Property.

(f) Exercise of Rights. All such rights and remedies granted to CIBC may be exercised from time to time separately or in combination and are in addition to and not in substitution for any other rights of CIBC however created. CIBC may proceed by way of any action, suit or other proceeding available at law and no right, remedy or power of CIBC shall be exclusive of or dependent on any other. CIBC may exercise any of its rights, remedies or powers separately or in combination and at any time. CIBC shall not be bound to exercise any such rights or remedies, and the exercise of such rights and remedies shall be without prejudice to the rights of CIBC in respect of the Liabilities including the right to claim for any deficiency.

(g) Other Legal Rights. Before and after Default, in addition to the rights specifically provided in this Agreement, CIBC will have the rights of a secured party under the PPSA, the right to set-off and apply against the Liabilities, to the fullest extent permitted by law, of any monies to be paid by CIBC to the Customer under the Credit Agreement or any other agreement between CIBC and the Customer, the right to demand, commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and give valid and effectual receipts and discharges therefor and compromise or give time for the payment or performance of all or any part of the accounts or any contract or any other obligation of any third party to the Customer relating to the Collateral as well as the rights recognized at law and in equity. No right will be exclusive of or dependent upon or merge in any other right, and one or more of such rights may be exercised independently or in combination from time to time.

(h) **Deficiency.** The Customer will remain liable to CIBC for payment of any Liabilities that are outstanding following realization of all or any part of the Collateral.

17. **Dealing with the Collateral and the Security Interest.**

17.1 **CIBC Not Obligated.** CIBC shall not be obliged to exhaust its recourses against the Customer or any other person or persons or against any other security it may hold in respect of the Liabilities before realizing upon or otherwise dealing with the Collateral in such manner as CIBC may consider desirable.

17.2 **CIBC's Obligations to Collateral.** CIBC shall not be (i) bound under any circumstances to realize upon the Collateral; (ii) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral; (iii) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of CIBC and the Customer or any other persons in respect thereof; (iv) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal therewith; or (v) bound to protect the Collateral from depreciating in value or becoming worthless.

17.3 **Failure or Delay in Exercising.** CIBC will not be liable to the Customer or any other Person for any failure or delay in exercising any of its rights under this Agreement (including among other things any failure to take possession of, collect, or sell, lease or otherwise dispose of, any Collateral). None of CIBC, a Receiver or any agent of CIBC (including, in Alberta, any sheriff) 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 Chattel Paper, Securities or Instrument in possession of CIBC, a Receiver or CIBC's agent.

17.4 **Application of Moneys.** All moneys from time to time received by CIBC or the Receiver may be applied as follows: first, in discharge of all operating expenses and other ongoings affecting the Collateral; second, in keeping in good standing all Liens on the Collateral having priority over the Security Interest; third, in payment of the remuneration and disbursements of the receiver (if any); fourth, in payment to CIBC of moneys payable hereunder and under the Credit Agreement or any other agreements between CIBC and the Customer entered into pursuant thereto; and the balance, if any, shall be paid to the Customer or as a court of competent jurisdiction may direct. If there shall be a deficiency, the Customer shall remain liable for such deficiency and shall pay the amount of such deficiency to CIBC forthwith.

18. **Further Assurances.** The Customer will from time to time immediately upon request by CIBC take such action (including among other things the signing and delivery of financing statements and financing change statements, other schedules, documents or listings describing property included in the Collateral, further assignments and other documents, and the registration of this Agreement or any other Charge against any of the Customer's real property) as CIBC may require in connection with the Collateral or as CIBC may consider necessary to give effect to this Agreement. If permitted by law, the Customer waives the right to sign or receive a copy of any financing statement or financing change statement, or any statement issued by any registry that confirms any registration of a financing statement or financing change statement, relating to this Agreement.

19. **Dealings by CIBC.** CIBC may from time to time increase, reduce, discontinue or otherwise vary the Customer's credit facilities, grant extensions of time and other indulgences, take and give up any Charge, abstain from taking, perfecting or registering any Charge, accept compositions, grant releases and discharges and otherwise deal with the Customer, customers of the Customer, guarantors and others, and with the Collateral and any Charges held by CIBC, as CIBC considers appropriate without affecting the Customer's obligations to CIBC or CIBC's rights under this Agreement.

20. **Appointment of Attorney.** The Customer hereby irrevocably appoints CIBC (and any officer thereof) as attorney of the Customer (with full power of substitution) to exercise, whenever the Security Interest has become enforceable, in the name of and on behalf of the Customer any of the Customer's right (including the right of disposal), title and interest in and to the Collateral including the execution, endorsement and delivery of any agreements, documents, instruments and any notices, receipts, assignments or verifications of or in respect of Royalties. All acts of any such attorney are hereby ratified and approved, and such attorney shall not be liable for any act, failure to act or any other matter or thing in connection therewith, except for its own negligence or willful misconduct.

21. **Standards of Sale.** Without prejudice to the ability of CIBC to dispose of the Collateral in any manner which is commercially reasonable, the Customer acknowledges that a disposition of Collateral by CIBC which takes place substantially in accordance with the following provisions shall be deemed to be commercially reasonable:

- (a) Collateral may be disposed of in whole or in part;
- (b) Collateral may be disposed of by public action, public tender or private contract, with or without advertising and without any other formality;
- (c) any purchaser or licensee of such Collateral may be a customer or related party of CIBC;
- (d) a disposition of Collateral may be on such terms and conditions as to credit, deferred payment or otherwise as CIBC, in its discretion, may deem advantageous;
- (e) CIBC may establish an upset or reserve bid or price in respect of the Collateral; and
- (f) CIBC may buy in, rescind or vary any contract for the disposition of Collateral and may dispose of any Collateral again without being obligated to account or answer for any gain or loss occasioned thereby.

22. **Dealings by Third Parties.** No person dealing with CIBC or its agent or a receiver shall be required (i) to determine whether the Security Interest has become enforceable; (ii) to determine whether the powers which CIBC or such agent or receiver on behalf of CIBC is purporting to exercise have become exercisable; (iii) to determine whether any money remains due to CIBC by the Customer; (iv) to determine the necessity or expediency of the stipulations and conditions subject to which any sale or license shall be made; (v) to determine the propriety or regularity of any sale or of any other dealing by CIBC with the Collateral; or (vi) to see to the application of any money paid to CIBC.

23. **Statutory Waiver.** To the fullest extent permitted by law, the Customer waives all of the rights, benefits and protection provided to it by any statute which imposes limitations upon the rights, remedies or powers of a secured party.

24. **Definitions.** In this Agreement:

"Accessions", "Account", "Chattel Paper", "Document of Title", "Equipment", "Goods", "Instrument", "Intangible", "Inventory", "Proceeds", "Purchase-Money Security Interest" and "Security Interest" have the respective meanings given to them in the PPSA;

"Books and Records" means all books, records, files, papers, disks, documents and other repositories of data recording, evidencing or relating to the Collateral to which the Customer (or any Person on the Customer's behalf) has access;

"CIBC" means Canadian Imperial Bank of Commerce, its successors and assigns;

"Charge" means any mortgage, charge, pledge, hypothecation, lien (statutory or otherwise), assignment, financial lease, title retention agreement or arrangement, security interest or other encumbrance of any nature however arising, or any other security agreement or arrangement creating in favour of any creditor a right in respect of a particular property that is prior to the right of any other creditor in respect of such property;

"Consumer Goods" has the meaning given to it in the PPSA, except that, if this Agreement is governed by the laws of the Yukon, it does not include special consumer goods as that term is defined in the Yukon PPSA;

"Collateral" has the meaning set out in Section 1.

"Customer" means Silent Witness Enterprises Ltd. and its successors and assigns;

"Default" has the meaning set out in subsection 16.1;

"Intellectual Property" means

(a) material registered and unregistered trademarks and rights and interests which are capable of being protected as trademarks (including trademarks, service marks, certification marks, designs, logos, indicia, trade names, corporate names, company names, business names, fictitious business names, trade styles, and other source or business identifiers, and applications pertaining thereto), Licenses in respect thereof, foreign filing rights, claims of priority for filings and rights to register, renew, extend, modify and amend such trademarks and trademark rights and any and all copyrights in such trademarks;

(j) all general intangibles relating to the foregoing, including all associated goodwill; and

(k) all proceeds of and rights associated with any and all of the foregoing (including, without limitation, claims by the Customer against third parties for past, present or future infringement of the Intellectual Property, including those items listed in the Schedules to this Agreement, or for injury to the goodwill associated with the use of any of the trademarks or for breach or enforcement of any License, Royalties and proceeds of infringement suits) and, to the extent not otherwise included, all payments under insurance, or any indemnity, warranty, or guarantee, payable by reason of loss or damage to or otherwise with respect to the Collateral.

"Liabilities" means all present and future indebtedness and liability of every kind, nature and description (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured) of the Customer to CIBC, wherever and however incurred and any unpaid balance thereof;

"Licenses" means any and all licenses, sub-licenses, leases, sub-leases, agreements to license or sub-license or lease or sub-lease, rights of use or control (whether as licensee or licensor or lessee or lessor and whether exclusive or non-exclusive) in respect of or in connection with the acquisition, ownership or use of Intellectual Property, together in each case with any amendments, supplements, modifications, extensions, renewals or replacements thereof, and **"License"** means any one of them;

"Lien" includes any mortgage, pledge, lien, hypothecation, security interest or other encumbrance or charge (whether fixed, floating or otherwise) or title retention, any right of set-off (arising otherwise than by operation of law) and any deposit of moneys under any agreement or arrangement whereby such moneys may be withdrawn only upon fulfillment of any conditions as to the discharge of any other indebtedness or other obligation to any creditor, or any right of or arrangement of any kind with any creditor to have its claims satisfied prior to other creditors with or from the proceeds of any properties, assets or revenues of any kind now owned or hereafter acquired;

"Money" has the meaning given to it in the PPSA or, if there is no such definition, means a medium of exchange authorized or adopted by the Parliament of Canada as part of the currency of Canada, or by a foreign government as part of its currency;

"Person" means any natural person or artificial body (including among others any firm, corporation or government);

"Personal Property" means personal property and includes among other things Inventory, Equipment, Receivables, Books and Records, Chattel Paper, Goods, Documents of Title, Instruments, Intangibles (including intellectual property), Money, and Securities, and includes all Accessions to such property;

"Place of Business" means a location where the Customer carries on business or where any of the Collateral is located (including any location described in Schedule B);

"PPSA" means the legislation that applies in the province or territory noted in Section 3 of this Agreement, 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) as follows: in the case of Ontario, the Personal Property Security Act, 1989; in the case of Alberta, British Columbia, Manitoba, Prince Edward Island, Saskatchewan and the Yukon Territory, the Personal Property Security Act; and in the case of any other province or territory, such legislation as deals generally with Charges on personal property;

"Receivables" means all debts, claims and choses in action (including among other things Accounts and Chattel Paper) now or in the future due or owing to or owned by the Customer;

"Receiver" means a receiver or a receiver and manager;

"Royalties" means all royalties, rents, issues, proceeds, profits or other fees (including, without limitation, license fees), charges, assessments or penalties payable to the Customer or due or accruing due to the Customer pursuant to any License;

"Securities" has the meaning given to it in the PPSA or, if there is no such definition and the PPSA defines "security" instead, it means the plural of that term;

"Serial Number" means the number that the Person who manufactured or constructed a Serial Number Good permanently marked or attached to it for identification purposes or, if applicable, such other number as the PPSA stipulates as the serial number or vehicle information number to be used for registration purposes of such Serial Number Good; and

"Serial Number Good" means a motor vehicle, trailer, mobile home, aircraft airframe, aircraft engine or aircraft propeller, boat or an outboard motor for a boat.

25. **General.**

25.1 **Reservation of the Last Day of any Lease.** The Charges created by this Agreement do not extend to the last day of the term of any lease or agreement for lease; however, the Customer will hold such last day in trust for CIBC and, upon the exercise of CIBC of any of its rights under this Agreement following Default, will assign such last day as directed by CIBC.

25.2 **Attachment of Security Interest.** The Security Interests created by this Agreement are intended to attach (i) to existing Collateral when the Customer signs this Agreement, and (ii) to Collateral subsequently acquired by the Customer, immediately upon the Customer acquiring any rights in such Collateral. The parties do not intend to postpone the attachment of any Security Interest created by this Agreement.

25.3 **Purchase-Money Security Interest.** If CIBC gives value for the purpose of enabling the Customer to acquire rights in or to any of the Collateral, the Customer will in fact apply such value to acquire those rights (and will provide CIBC with such evidence in this regard as CIBC may require), and the Customer grants to CIBC, and CIBC takes, a Purchase-Money Security Interest in such Collateral to the extent that the value is applied to acquire such rights. A certificate or affidavit of any of CIBC's authorized representatives is admissible in evidence to establish the amount of any such value.

25.4 **Description of Collateral.** The fact that box (b) or box (c) of Section I has been checked without there being any property described in Schedule A, C, D, E, or F does not affect the nature or validity of CIBC's security in the Collateral.

25.5 **Entire Agreement.** CIBC has not made any representation or undertaken any obligation in connection with the subject matter of this Agreement other than as specifically set out in this Agreement, and in particular nothing contained in this Agreement will require CIBC to make, renew or extend the time for payment of any loan or other credit accommodation to the Customer or any other Person.

25.6 **Additional Security.** The Charges created by this Agreement are in addition and without prejudice to any other Charge now or later held by CIBC. No Charge held by CIBC will be exclusive of or dependent upon or merge in any other Charge, and CIBC may exercise its rights under such Charges independently or in combination.

25.7 **Joint and Several Liability.** If more than one Person signs this Agreement as the Customer, the obligations of such Persons will be joint and several.

25.8 **Severability; Headings.** If and to the extent that any provision hereof shall conflict with any mandatory provision of the PPSA (including, without limitation, an exclusion or purported exclusion of a duty or onus imposed by the PPSA or a limitation or purported limitation of the liability of or the amount of damages recoverable from a person who has failed to discharge a duty or obligation imposed by the PPSA), such provision of the PPSA shall govern. The provisions of this Agreement are intended to be severable. If any provision of this Agreement shall be held to be invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction. The headings in this Agreement are for convenience only and do not limit or extend the provisions of this Agreement.

25.9 **Interpretation.** When the context so requires, the singular will be read as the plural, and vice versa. Schedules A, B, C, D, E, F and G shall, for all purposes hereof, form an integral part of this Agreement.

25.10 **Copy of Agreement.** The Customer acknowledges receipt of a copy of this Agreement. The Customer waives the right to receive from CIBC a copy of any financing statement, financing change statement registered or verification statement issued at any time in respect of this Agreement.

25.11 **Enurement; Assignment.** This Agreement will enure to the benefit of and be binding upon (i) CIBC, its successors and assigns, and (ii) the Customer and the Customer's heirs, executors, administrators, successors and permitted assigns. The Customer will not assign this Agreement without CIBC's prior written consent.

25.12 Discharge. The Security Interest shall be released and discharged upon, but only upon, full payment of the Obligations and at the request and expense of the Customer.

25.13 No Merger, etc. No judgment recovered by CIBC shall operate by way of merger of or in any way affect the Security Interest, which is in addition to and not in substitution for any other security now or hereafter held by CIBC in respect of the Liabilities.

25.14 Waivers, etc. No amendment, consent or waiver by CIBC shall be effective unless made in writing and signed by an authorized officer of CIBC and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

25.15 Notice. All notices, requests, demands, directions and communications, including but not limited to copies of any documents required by the PPSA to be delivered by CIBC to the Customer, (in this Section 25.15, "notices") hereunder shall be sent by telex, facsimile or similar means of recorded communication or hand delivery and shall be effective when hand delivered or, in the case of successful telex, facsimile or similar means of recorded communication, when received. All notices shall be given to the respective addresses on page 1 of this Agreement or, in either case, in accordance with any unrevoked written direction as to a change of address given in accordance with this Section 25.15.

SCHEDULE A
ALL COLLATERAL EXCEPTING INTELLECTUAL PROPERTY

The following is a description of all the property in the Collateral, except Intellectual Property (*describe personal property by item or kind; if space is insufficient use a separate sheet*):

1997 Chevrolet Van, vehicle identification No. 1GCFG25M1V1088670

Wajax Forklift, vehicle identification No. D138H01382N

**SCHEDULE B
PLACES OF BUSINESS**

The following are the Places of Business (*if space is insufficient, use a separate sheet*):

6554 - 176 STREET, SURREY, BC, V3S 4G5

SCHEDULE C
TRADEMARK REGISTRATIONS, PENDING TRADEMARK APPLICATIONS
AND MATERIAL UNREGISTERED TRADEMARKS

The following is a description of all the trademark registrations, pending trademark registrations and material unregistered trademarks owned by the Customer and included as Intellectual Property (*if space is insufficient use a separate sheet*):

1. Registered or Pending Trademarks

Trade-mark	Country of Registration	Reg. Date/ App. Date	Registration No.	Application No.	Registered Owner	Expiry Dates
FASTRANS	USA	Reg. Date: November 12, 1996	2,015,509		Odetics, Inc.	Section 8/15 Affidavit Due: November 12, 2002 Renewal Due: November 12, 2006
GYR	USA	Reg. Date: December 8, 1981	1,180,964		Odetics, Inc.	December 8, 2001
CONTROLINK	USA	Reg. Date: June 15, 1999	2,254,097		Odetics, Inc.	Section 8/15 Affidavit Due: June 15, 2005 Renewal Due: June 15, 2009
MULTILINK	USA	Reg. Date: August 10, 1999	2,267,974		Odetics, Inc.	Section 8/15 Affidavit Due: August 10, 2005 Renewal Due: August 10, 2009
DCTV	USA	Reg. Date: April 14, 1998	2,150,821		Gyyr, Inc.	Section 8/15 Affidavit Due: April 14, 2004 Renewal Due: April 14, 2008
DNTV	USA	Reg. Date: April 14, 1998	2,150,806		Gyyr, Inc.	Section 8/15 Affidavit Due: April 14, 2004 Renewal Due: April 14, 2008
FASTRANS	Benelux	App. Date: April 26, 1995	571,708		Odetics Europe Limited	April 26, 2005

[Text Edited]

ARMORDOME	USA	App. Date: June 20, 2001		76/273,893	Silent Witness Enterprises Ltd.	
MAGNAVIEW	USA	App. Date: June 20, 2001		76/273,894	Silent Witness Enterprises Ltd.	
NIGHT HAWK	USA	App. Date: June 20, 2001		76273,896	Silent Witness Enterprises Ltd.	
WIRELESS WITNESS	USA	App. Date: April 3, 2001		76/235,000	Silent Witness Enterprises Ltd.	
WIRELESS WITNESS	USA	App. Date: April 3, 2001		76/235,013	Silent Witness Enterprises Ltd.	
WIRELESS WITNESS	USA	App. Date: April 3, 2001		76/235,004	Silent Witness Enterprises Ltd.	
DIGITAL WITNESS	USA	App. Date: September 8, 2000		76/125,236	Silent Witness Enterprises Ltd.	
FAREVIEW	USA	App. Date: September 8, 2000		76/125,235	Silent Witness Enterprises Ltd.	
SILENT WITNESS EVOLUTION OF CAMERAS	USA	App. Date: July 27, 2000		76/098,843	Silent Witness Enterprises Ltd.	
EXPERIENCE INNOVATION	USA	App. Date: January 23, 1998		76/422,947	Silent Witness Enterprises Ltd.	
SILENT WITNESS	USA	Reg. Date: May 17, 1998	2,143,819	74/634,643	Silent Witness Enterprises Ltd.	Section 8/15 Affidavit due: March 17, 2004 Renewal Due: March 17, 2008

Document: 873985:07

[Text Edited]