



02-13-2003  
102365545

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

1. Name of conveying party(ies): 2-7-03  
Ice-Pak Inc.  
 Individual(s)                     Association  
 General Partnership            Limited Partnership  
 Corporation-Massachusetts  
Other: \_\_\_\_\_

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

3. Nature of conveyance:  
 Assignment                     Merger  
 Security Agreement            Change of Name  
Other: \_\_\_\_\_

Execution Date: October 16, 2002

2. Name and address of receiving party(ies):  
Name: HSBC Bank Canada  
Address: Ste. 200 - 885 West Georgia Street  
Vancouver, British Columbia  
Canada V6C 3E9

Individual(s) Citizenship \_\_\_\_\_  
 Association \_\_\_\_\_  
 General Partnership \_\_\_\_\_  
 Limited Partnership \_\_\_\_\_  
 Corporation-State \_\_\_\_\_  
 Other Chartered Bank - Canada

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

4. Application number(s) or registration number(s):  
A. Trademark Application No.(s)

B. Trademark Registration No.(s)  
2,441,453; 2,432,349; 2,100,314; 1,320,241

Additional numbers attached?  Yes  No

5. Name and address of party to whom correspondence concerning document should be mailed:  
Name: Adrienne L. White  
Address: BURNS, DOANE, SWECKER & MATHIS, L.L.P.  
P.O. Box 1404  
Alexandria, Virginia 22313-1404

6. Total number of applications and registrations involved: 4

7. Total fee (37 CFR 3.41): \$ 115.00  
 Enclosed  
 Authorized to be charged to deposit account, if necessary

8. Deposit account number:  
02-4800

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.*

Bryce J. Maynard  
Name of Person Signing

Bryce J. Maynard  
Signature

February 7, 2003  
Date

Total number of pages including cover sheet, attachments, and document: 22

02/12/2003 ECDOPER 00000098 2441453  
01 FC:8521 40.00 OP  
02 FC:8522 75.00 OP

# INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement dated for reference the 16<sup>th</sup> day of October, 2002 by **ICE-PAK INC.**, a corporation incorporated under the laws of the State of Massachusetts having its registered office c/o CT Corporation System, 101 Federal Street, Boston, Massachusetts, 02110 (the "Debtor") in favour of **HSBC BANK CANADA**, a chartered Bank of Canada having a branch office at Ste. 200 - 885 West Georgia Street, Vancouver, British Columbia, V6C 3E9 (the "Lender").

## W I T N E S S E T H

WHEREAS, the Lender has entered or is about to enter into certain financing arrangements with the Debtor, pursuant to which the Lender may make loans and provide other financial accommodations to Cryopak Industries Inc.; and

NOW, THEREFORE, in consideration of the mutual conditions and agreements set out below, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

### 1. DEFINITIONS

All terms used in this Agreement which are defined in the PPSA or the Facility Letter shall have the meanings given to them there unless otherwise defined in this Agreement. All references to the plural shall also mean the singular and to the singular shall also mean the plural. All references to the Debtor and the Lender or to any other person shall include its or their respective successors and assigns. The words "hereof", "herein", "hereunder", "this Agreement" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not any particular provision of this Agreement and as this Agreement now exists or may in the future be amended, modified, supplemented, extended, renewed, restated or replaced. References in this Agreement to any statute or any provision thereof include such statute or provision as amended, revised, re-enacted and/or consolidated from time to time and any successor statute. For the purposes of this Agreement, the following terms shall have the respective meanings given to them below:

- (a) "**Business**" shall mean all of the business carried on by the Debtor through each of its divisions now or in the future, and all goodwill associated with it.
- (b) "**Business Day**" shall mean any day of the week except Saturday, Sunday or any statutory or civic holiday observed in Canada.
- (c) "**Collateral**" shall mean all of the Intellectual Property, the Records, the Replacements and the Proceeds, wherever located, and any item or part thereof.
- (d) "**Confidential Information**" shall mean the trade secrets, confidential information and confidential know-how in which the Debtor now or hereafter has an interest. Confidential Information includes, without limitation, the following aspects of the Business:
  - (i) all unpatented inventions,

- (ii) all customer and supplier lists for the Business,
  - (iii) all unpublished studies and data, prototypes, drawings, design and construction specifications and production, operating and quality control manuals used in the Business,
  - (iv) all marketing strategies and business plans,
  - (v) all current or proposed business opportunities, and
  - (vi) all documents, materials and media embodying other items of Confidential Information.
- (e) **"Copyrights"** shall mean all copyrights that the Debtor now or in the future owns, including, without limitation, all copyrights in the works listed in Schedule "A", if any. Copyrights include:
- (i) all registrations and applications that have been or shall be made or filed in the Canadian Copyright Office or any similar office in any country in the world and all records thereof and all reissues, extensions or renewals thereof, and
  - (ii) all common law and other rights in the above.
- (f) **"Designs"** shall mean all industrial designs, design patents and other designs that the Debtor now or hereafter owns, including, without limitation, all industrial designs, design patents and other designs listed in Schedule "B", if any. Designs include:
- (i) all registrations and applications that have been or shall be made or filed in the Canadian Industrial Design Office or any similar office in any country in the world and all records thereof and all reissues, extensions or renewals thereof, and
  - (ii) all common law and other rights in the above.
- (g) **"Encumbrance"** shall mean any encumbrance of any kind whatever, choate or inchoate, and includes, without limitation, a security interest, mortgage, lien, hypothec, assignment, conditional assignment, pledge, hypothecation, charge and trust or deemed trust, whether arising through contract, statute or otherwise.
- (h) **"Event of Default"** shall have the meaning set out in Section 6.1 of this Agreement.
- (i) **"Facility Letter "** shall mean the facility letter dated October 16, 2002 from the Lender to Cryopak Industries Inc., and as may be further amended, modified, supplemented, extended, renewed, restated or replaced from time to time.
- (j) **"Financing Agreements"** shall mean, collectively, the Facility Letter, this Agreement and all notes, guarantees, security agreements and other agreements, documents and

instruments now or at any time in the future executed or delivered by the Debtor or any other Obligor in connection with the Facility Letter.

- (k) **"Intellectual Property"** shall mean all Confidential Information, Copyrights, Designs, Licence Agreements, Patents, Software and Trade-marks.
- (l) **"Licence Agreements"** shall mean the Licensor Licence Agreements and the Licensee Licence Agreements.
- (m) **"Licensee Licence Agreements"** shall mean all agreements pursuant to which the Debtor has obtained rights or an option to acquire rights to use any copyright, patent, trade-mark, industrial design, confidential information or other intellectual or industrial property owned by a Person including, without limitation, those agreements listed in Schedule "C", if any.
- (n) **"Licensor Licence Agreements"** shall mean all agreements pursuant to which the Debtor has granted to a Person rights or an option to acquire rights to use any copyright, patent, trade-mark, industrial design, confidential information or other intellectual or industrial property owned by the Debtor or licensed to the Debtor, including, without limitation, those agreements listed in Schedule "D", if any.
- (o) **"Obligations"** shall mean any and all obligations, liabilities and indebtedness of every kind, nature and description owing by the Debtor to the Lender, including principal, interest, charges, fees, costs and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, whether arising under the Facility Letter, this Agreement or otherwise, whether now existing or arising in the future, whether direct or indirect, absolute or contingent, joint or several, due or not due, primary or secondary, liquidated or unliquidated, secured or unsecured, and however acquired by the Lender.
- (p) **"Obligor"** shall mean any guarantor, endorser, acceptor, surety or a person other than the Debtor liable on or with respect to the Obligations or who is the owner of any property which is security for the Obligations.
- (q) **"Patents"** shall mean all letters patent of invention and all applications for letters patent, renewals, reissues, extensions, divisions, continuations and continuations-in-part thereof which the Debtor now or hereafter owns, including, without limitation, all letters patent, applications, renewals, reissues, extensions, divisions, continuations and continuations-in-part listed in Schedule "E", if any. Patents include:
  - (i) all registrations and applications that have been or shall be made or filed in the Canadian Patent Office or any similar office in any country in the world and all records thereof and all reissues, extensions or renewals thereof, and
  - (ii) all other rights in the above.
- (r) **"Person"** or **"person"** shall mean any individual, sole proprietorship, partnership, corporation, business trust, unincorporated association, joint stock corporation, trust, joint venture or other entity or any government or any agency or instrumentality or political subdivision thereof.

- (s) "PPSA" shall mean the *Personal Property Security Act (British Columbia)*.
- (t) "Proceeds" shall mean all fixtures, accounts, chattel paper, documents of title, instruments, money, securities, proceeds, earnings, income, royalties, rents, issues, profits and personal property in any form derived directly or indirectly from any dealing with or use of any item or part of the Collateral, or that indemnifies or compensates for such property destroyed, damaged, infringed upon or used without authorization and proceeds of Proceeds whether or not of the same type, class or kind as the original Proceeds, and any item or part thereof.
- (u) "Records" shall mean:
- (i) all copies and representations of the Intellectual Property in any form now known or in the future developed or discovered including, without limitation, those on paper, magnetic and optical media, and all working papers, notes, charts, drawings, materials and diagrams created in the process of developing the Intellectual Property,
  - (ii) all books, accounts, invoices, letters, papers, security certificates, documents and other records in any form evidencing or relating in any way to the Collateral,
  - (iii) all contracts, securities, instruments and other rights and benefits in respect of the Collateral, and
  - (iv) any item or part of any of the preceding.
- (v) "Replacements" shall mean all increases, additions and accessions to, and all substitutions for and replacements of, and all corrections, updates, enhancements, translations, modifications, adaptations and new versions of, any item or part of the Collateral, and any item or part thereof.
- (w) "Software" shall mean all computer programs and databases owned by the Debtor in whatever form and on whatever medium those programs or databases are expressed, fixed, embodied or stored from time to time, and the copyright therein including, without limitation, those listed in Schedule "F", if any. Software includes both the object code and source code versions of each such program and all corrections, updates, enhancements, translations, modifications, adaptations and new versions thereof together with both the media upon or in which such software and databases are expressed, fixed, embodied or stored (such as disks, diskettes, tapes and semiconductor chips) and all flow charts, manuals, instructions, documentation and other material relating thereto.
- (x) "Trade-marks" shall mean all trade-marks that the Debtor now or in the future owns, including, without limitation, those listed in Schedule "G", if any. Trade-marks include:
- (i) trade-marks both registered and unregistered,
  - (ii) designs, logos, indicia, trade-names, corporate names, company names, business names, trade styles and other source or business identifiers,
  - (iii) fictitious characters,

- (iv) prints and labels on which any of the foregoing have appeared or appear or shall appear,
- (v) all registrations and applications that have been or shall be made or filed in the Canadian Trade-marks Office or any similar office in any country in the world and all records thereof and all reissues, extensions, or renewals thereof,
- (vi) all domain names and addresses, and
- (vii) all common law and other rights in the above.

## 2. GRANT OF SECURITY INTEREST

- (a) As general and continuing security for the due payment and performance of all Obligations, the Debtor grants to the Lender, a security interest (the "Security Interest") in the Collateral, together with the goodwill of the business associated with said Trade-marks, and in the Debtor's rights with respect to intellectual property not owned by it.
- (b) The last day of the term of each licence granted to the Debtor pursuant to the Licensee Licence Agreements shall be excepted from the Security Interest and shall not form part of the Collateral. The Debtor shall stand possessed of that day in trust to assign and dispose of as the Lender directs.

## 3. REPRESENTATIONS AND WARRANTIES OF THE DEBTOR

The Debtor represents and warrants to and in favour of the Lender as follows:

- (a) Subject only to Encumbrances in favour of the Lender and the Encumbrances listed in Schedule "H", if any, the Debtor holds and will hold its interest in the Collateral free and clear of all Encumbrances whatsoever.
- (b) Schedule "A" contains a complete list of all registered Copyrights, Schedule "B" contains a complete list of all registered Designs, Schedule "E" contains a complete list of all Patents, Schedule "F" contains a complete list of all Software and Schedule "G" contains a complete list of all registered and unregistered Trade-marks held by the Debtor as at the date of this Agreement.
- (c) Schedules "C" and "D" contain a complete list of all Licence Agreements. All Licence Agreements are in effect and unamended. There have been no defaults under or breach of any of the Licence Agreements.
- (d) Each of the Copyrights and Trade-marks, and each applicable registration of them, is, to the Debtor's knowledge, after due inquiry and investigation, valid, subsisting and enforceable and each of the copyrights and trade-marks in which the Debtor has an interest, otherwise than by way of ownership, and each applicable registration of them is, to the best of the knowledge of the Debtor, valid, subsisting and enforceable.
- (e) The Debtor has disclosed in this Agreement all material patent, trade-mark, trade secret, copyright, moral rights, personality rights, privacy rights, publicity rights, semi-conductor

chip rights or other intellectual property or contractual rights used by it in connection with the Business.

- (f) The Debtor has obtained from all appropriate Persons written unrestricted waivers of all moral rights with respect to the Copyright, if any.
- (g) To the Debtor's knowledge, after due inquiry and investigation, the use of the Intellectual Property does not contravene any law and does not violate or infringe upon the rights of any Person.
- (h) No present claim has been made that the use of any of the Intellectual Property does or may contravene any law or violate or infringe upon the rights of any Person.
- (i) Except for the rights granted pursuant to the Licensor Licence Agreements, the Debtor is the sole legal and beneficial owner of all rights in the Intellectual Property free and clear of all Encumbrances other than Encumbrances in favour of the Lender and any Encumbrances which may be listed in Schedule "H".
- (j) The Debtor has used proper notice indicating ownership of and the right to use the Intellectual Property to the extent necessary to protect the Intellectual Property.
- (k) The Debtor has used consistent standards of high quality in its manufacture, sale, distribution, provision, advertising, packaging and labelling of products subject to one or more of the Patents and/or on which one or more of the Trade-marks or Designs appear.

All representations and warranties of the Debtor made in this Agreement or in any certificate or other document delivered by or on behalf of the Debtor for the benefit of the Lender are material and shall continue without time limit. The Lender shall be deemed to have relied upon each such representation and warranty despite any investigation the Lender may have made.

#### 4. COVENANTS OF DEBTOR

- (a) The Debtor shall maintain and use the Collateral and shall conduct its business in a proper and efficient manner so as to preserve and protect the Collateral and the Proceeds.
- (b) The Debtor shall keep proper books of account in accordance with generally accepted accounting principles and shall furnish all information and statements relating to the Business and the Collateral that the Lender requests. The Debtor shall permit the Lender or its authorized agent at any time to have access to all premises occupied by the Debtor or any place where any Collateral may be found in order to inspect any Collateral and to examine the books of account and other financial records and reports of the Debtor including, but not limited to, the Records, and to have temporary custody of, make copies of and take extracts from such books, records and reports.
- (c) Except for Encumbrances in favour of the Lender and any Encumbrances which may be listed in Schedule "H", the Debtor shall keep the Collateral free at all times from Encumbrances and shall defend the title to the Collateral against all Persons. The Debtor shall not permit any Collateral to become an accession to any property other than other Collateral. Nothing in this Agreement shall in any way prevent the Lender from, at any time, contesting the validity, enforceability or priority of any Encumbrance.

- (d) The Debtor shall duly comply with all requirements of any governmental authority applicable to any Collateral or its use and with all covenants, terms or conditions upon which any Collateral or intellectual property used by the Debtor in the Business is held or used.
- (e) The Debtor shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, deeds, transfers, assignments, agreements and assurances as the Lender may reasonably require in order to give effect to the provisions of this Agreement.
- (f) The Debtor shall notify the Lender in writing:
  - (i) forthwith of any significant loss of or damage to any Collateral,
  - (ii) forthwith of the failure of any account debtor or licensee to pay or perform any obligations due to the Debtor in respect of the Collateral;
  - (iii) forthwith of any proceedings before any court, administrative board or other tribunal which could materially adversely affect the Debtor or any Collateral and of any action or proceeding that may affect the Debtor's rights in the Collateral and of each allegation that the Intellectual Property infringes upon or violates the rights of any Person; and
  - (iv) at least 30 Business Days prior to any change of name of the Debtor, any transfer or license of the Collateral or any part thereof or any change in the location of the Collateral or any part thereof.
- (g) The Debtor shall do everything reasonably necessary or desirable to preserve and maintain the Intellectual Property and the intellectual property used by it in the Business. In particular, unless it receives the prior written consent of the Lender to the contrary, the Debtor shall do each of the following:
  - (i) apply to register all existing and future Copyrights, Trade-marks, Designs and Patents, whenever it is commercially reasonable to do so;
  - (ii) renew all Copyright, Trade-mark, Design and Patent registrations, whenever it is commercially reasonable to do so;
  - (iii) file all assignments of Copyright, Trade-marks, Designs and Patents necessary or desirable to maintain the Debtor's rights therein, whenever it is commercially reasonable to do so;
  - (iv) pay all fees necessary to maintain the Intellectual Property;
  - (v) cause all Persons who have access to the Confidential Information to enter into non-disclosure agreements in a form acceptable to the Lender, acting reasonably;
  - (vi) ensure that all Licence Agreements executed by the Debtor adequately protect the Debtor's rights in the Intellectual Property;



- (vii) perform all obligations pursuant to Licence Agreements;
  - (viii) commence and prosecute, at its own expense, such suits, proceedings or other actions for infringement, passing off, unfair competition, dilution or other damage as are necessary to protect the Collateral;
  - (ix) diligently, at its own expense, enforce its rights under any agreements which enhance the value of or protects the Collateral;
  - (x) promptly notify the Lender in writing when it commences any steps referred to in subsections 4.1(viii) or 4.1(ix) above, and provide the Lender with such information in this regard as the Lender may reasonably request; and
  - (xi) on request from the Lender, put all source codes for the Software in trust with a trustee as provided in a Software Trust Agreement in a form acceptable to the Lender.
- (h) The Debtor shall not, without the prior written consent of the Lender, enter into or renew any agreement, oral or written, or any indenture, instrument or undertaking relating to the Collateral including, without limitation, any licence agreements.
- (i) The Debtor appoints any officer or director of the Lender to be its attorney in accordance with the Power of Attorney Act (British Columbia) with full power of substitution and to do on the Debtor's behalf anything that the Debtor can lawfully do by an attorney to preserve and protect the Collateral and to carry out the Debtor's obligations under this Agreement. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.
- (j) The Debtor hereby authorizes the Lender to file one or more U.S. UCC Financing Statements or continuation statements in respect thereof, and amendments thereto, relating to all or any part of the Collateral without the signature of the Debtor where permitted by law.

## 5. INTELLECTUAL PROPERTY INDEMNITY

- (a) The Debtor will defend the Lender against any claim that the Intellectual Property infringes upon or violates any rights of a third party including, without limitation, patent, trade-mark, trade secret, copyright, moral rights, personality rights, privacy rights, publicity rights or semi-conductor chip rights or other intellectual property or contractual rights. The Debtor shall fully indemnify and save harmless the Lender against all loss, liability and expense arising out of:
- (i) any misrepresentation with respect to the Intellectual Property made by the Debtor; or
  - (ii) any claim that the Intellectual Property infringes upon or violates any rights of a third party including, without limitation, patent, trade-mark, trade secret, copyright, moral rights, personality rights, privacy rights, publicity rights or semi-conductor chip rights or other intellectual property or contractual rights or that it is unlawful.

Such indemnity shall include, without limitation, reasonable expenses of investigation and legal fees, damages, costs and expenses in connection with any action against the Lender.

## 6. EVENTS OF DEFAULT AND REMEDIES

- (a) Events of Default. The occurrence or existence of a breach, default or omission of any term or condition under the Facility Letter is referred to herein individually as an "Event of Default", and collectively as "Events of Default".
- (b) Remedies.
  - (i) At any time an Event of Default exists or has occurred and is continuing, the Lender shall have all rights and remedies provided in this Agreement, the other Financing Agreements, and applicable law, all of which rights and remedies may be exercised without notice to or consent by the Debtor or any Obligor, except as such notice or consent is expressly provided for hereunder or required by applicable law. All rights, remedies and powers granted to the Lender hereunder, under any of the other Financing Agreements, and applicable law, are cumulative, not exclusive and enforceable, in the Lender's discretion, alternatively, successively, or concurrently on any one or more occasions, and shall include, without limitation, the right to apply to a court of equity for an injunction to restrain a breach or threatened breach by the Debtor of this Agreement or any of the other Financing Agreements.
  - (ii) Upon receiving written demand from the Lender at any time an Event of Default has occurred and is continuing, the Debtor shall assign or license the Intellectual Property to whomever the Lender directs, including to the Lender. The Debtor appoints any officer or director of the Lender to be its attorney in accordance with the Power of Attorney Act (British Columbia)) with full power of substitution and to do on the Debtor's behalf anything that is required to assign, license or transfer, and to record any assignment, license or transfer of, the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

## 7. DEBTOR REMAINS LIABLE

Notwithstanding any other provision in this Agreement, the Debtor shall remain liable under all Licence Agreements. The Debtor shall perform all of its duties and obligations under the Licence Agreements as if this Agreement had not been executed. The Debtor shall not be released from any of its duties or obligations under the Licence Agreements by the exercise of any rights by the Lender. The Lender shall not have any obligation or liability under the Licence Agreements by reason of this Agreement, nor shall the Lender be obliged to perform any of the obligations or duties of the Debtor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder. The rights and powers conferred on the Lender hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers.

## 8. WAIVERS AND CONSENTS

- (a) Waiver of Notices. The Debtor hereby expressly waives demand, presentment, protest and notice of protest and notice of dishonour with respect to any and all instruments and commercial paper, included in or evidencing any of the Obligations or the Collateral, and any and all other demands and notices of any kind or nature whatsoever with respect to the Obligations, the Collateral and this Agreement, except such as are expressly provided for herein. No notice to or demand on the Debtor which the Lender may elect to give shall entitle the Debtor to any other or further notice or demand in the same, similar or other circumstances.
- (b) Amendments and Waivers. Neither this Agreement nor any provision hereof shall be amended, modified, waived or discharged orally or by course of conduct, but only by a written agreement signed by an authorized officer of the Lender. The Lender shall not, by any act, delay, omission or otherwise be deemed to have expressly or impliedly waived any of its rights, powers and/or remedies unless such waiver shall be in writing and signed by an authorized officer of the Lender. A waiver by the Lender of any right, power and/or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power and/or remedy which the Lender would otherwise have on any future occasion, whether similar in kind or otherwise.
- (c) Waiver of Counterclaims. The Debtor waives all rights to interpose any claims, deductions, setoffs or counterclaims of any nature (other than compulsory counterclaims) in any action or proceeding with respect to this Agreement, the Obligations, the Collateral or any matter arising therefrom or relating hereto or thereto.
- (d) Indemnification. The Debtor shall indemnify and hold the Lender, and its directors, agents, employees and counsel, harmless from and against any and all losses, claims, damages, liabilities, costs or expenses imposed on, incurred by or asserted against any of them in connection with any litigation, investigation, claim or proceeding commenced or threatened related to the negotiation, preparation, execution, delivery, enforcement, performance or administration of this Agreement, any other Financing Agreements, or any undertaking or proceeding related to any of the transactions contemplated hereby or any act, omission, event or transaction related or attendant thereto, including, without limitation, amounts paid in settlement, court costs, and the fees and expenses of counsel, except as a result of the Lender's own gross negligence or wilful misconduct as determined pursuant to a final order of a court of competent jurisdiction which order is either non-appealable or has not been appealed by the Lender within the time period fixed by law. To the extent that the undertaking to indemnify, pay and hold harmless set forth in this Section may be unenforceable because it violates any law or public policy, the Debtor shall pay the maximum portion which it is permitted to pay under applicable law to the Lender in satisfaction of indemnified matters under this Section. The foregoing indemnity shall survive the payment of the Obligations, the termination of this Agreement and the termination or non-renewal of the Loan Agreement. All of the foregoing costs and expenses shall be part of the Obligations and secured by the Collateral.

9. MISCELLANEOUS

- (a) Notices. All notices, requests and demands hereunder shall be in writing and (a) made to the Lender at Ste. 200 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3E9 and to the Debtor at its registered and records office set forth below, or to such other address as either party may designate by written notice to the other in accordance with this provision, and (b) deemed to have been given or made: if delivered in person, immediately upon delivery; if by facsimile transmission, immediately upon sending and upon confirmation of receipt; if by nationally recognized overnight courier service with instructions to deliver the next business day, one (1) business day after sending; and if by registered mail, return receipt requested, five (5) days after mailing.
- (b) Partial Invalidity. If any provision of this Agreement is held to be invalid or unenforceable, such invalidity or unenforceability shall not invalidate this Agreement as a whole, but this Agreement shall be construed as though it did not contain the particular provision held to be invalid or unenforceable and the rights and obligations of the parties shall be construed and enforced only to such extent as shall be permitted by applicable law.
- (c) Successors. This Agreement, the other Financing Agreements and any other document referred to herein or therein shall be binding upon the Debtor and its successors and assigns and inure to the benefit of and be enforceable by the Lender and its successors and assigns, except that the Debtor may not assign its rights under this Agreement, the other Financing Agreements and any other document referred to herein or therein without the prior written consent of the Lender.
- (d) No Merger. This Agreement shall not merge with the other Financing Agreements or any other document referred to herein or therein. To the extent that there is an inconsistency or conflict between the terms of this Agreement and the terms of the other Financing Agreements or any other document referred to herein or therein, the terms of the other Financing Agreements or any other document referred to herein or therein shall prevail.
- (e) Attachment. The Security Interest created hereby is intended to attach when this Agreement is executed by the Debtor and delivered to the Lender.
- (f) Headings. The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

- (g) Acknowledgement. The Debtor acknowledges receipt of a copy of this Agreement. The Debtor further acknowledges that the Lender may register copies of this Agreement and in such event it will be available to the public for inspection. The Debtor shall co-operate and assist the Lender, as requested by the Lender, with respect to any registrations of or relating to this Agreement which the Lender deems appropriate.

IN WITNESS WHEREOF, the Debtor has caused these presents to be duly executed as of the day and year first above written.

**ICE-PAK INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



REGISTERED AND RECORDS OFFICE

[CORPORATE SEAL]

c/o CT Corporation System  
101 Federal Street  
Boston, Massachusetts  
02110

Fax number: c/o (604) 515-7978

**Schedule "A"**

**Copyrights**

No copyright registrations or applications have been filed in any jurisdiction.

**Schedule "B"**

**Designs**

**NIL**

**Schedule "C"**

**Licensee Licence Agreements**

1. Permission from 7-UP (U.S.) dated July 31, 1984 to use various representations of 7-UP and Diet 7-UP packages on ICE-PAK packaging;
2. Permission from COCA-COLA LIMITED (U.S.) dated October 25, 1984 permitting ICE-PACK to utilize the trademark "COCA COLA" on packaging;
3. Permission from PEPSI-COLA (U.S.) dated September 11, 1984 permitting the use by ICE-PAK on packaging.



**Schedule "D"**

**Licensor Licence Agreements**

**NIL**

**Schedule "E"**

**Patents**

**N I L**

**Schedule "F"**

**Software**

**NIL**

Schedule "G"

Trade-marks

UNREGISTERED TRADEMARKS

ICE-PAK MINI RAP  
ICE-PAK COMFORT  
ICE-PAK FLEXPAK  
ICE-PAK RAP

U.S. APPLICATIONS

<u>Application Number</u>	<u>Mark</u>	<u>Formalized Date</u>
NIL		

U.S. REGISTRATIONS

<u>Serial Number</u>	<u>Registration Number</u>	<u>Mark</u>	<u>Registered</u>
75623425	2441453	PERMA-GEL	April 3, 2001
75580650	2432349	ICE-PAK MIN-EEZ	February 27, 2001
75089277	2100314	FREEZIT	September 23, 1997
*1050070123	41770	ICE-PAK	May 4, 1982

(\* denotes Illinois registered mark)

Design only

Serial No. 73385049  
Registration No. 1320241  
Registered: February 19, 1985

Schedule "H"

Encumbrances

**Security Registered in Canadian Jurisdictions**

Conventional hypothec without delivery

Creditor: Banque de Montréal  
Debtor: Ice-Pak Inc.  
Registration number: 00-0125927-0001  
Date of registration: May 16, 2000  
Constituting deed: Deed under private writing dated May 11, 2000  
Charged property: a) Toutes les sommes d'argent reçues, prises ou retirées en tout temps et à l'occasion, par le titulaire des sommes d'argent constituant et qui peuvent ensuite être déduites par le titulaire dans le ou les comptes désignés comme comptes-espèce 3909 4502-331 et 3909 4501-549 en gage d'avances à Ice-Pak Ltd.  
b) Tous les titres, documents, registres et reçus constatant ces sommes d'argent ou de sommes d'argent qui s'y rapportent.

Amount: \$500,000.00 US

Conventional hypothec without delivery

Creditor: Banque de Montréal  
Debtor: Ice-Pak Inc.  
Registration number: 94-0013749-0001  
Date of registration: February 7, 1994  
Constituting deed: Deed under private writing dated February 4, 1994  
Charged property: All present and future claims of the grantor including, without limitation, all present and future customer accounts, accounts receivable, rights of action, demands, judgments, contract rights, amounts on deposit, proceeds of sale, assignment or lease of any property, and any indemnities payable under any contract of insurance whether or not such insurance is on property forming part of the hypothecated property, the whole which are now due or which may become due to the grantor, together with all judgments and all other rights, benefits, guarantees and securities for the said claims which are now or may hereafter exist in favour of the grantor, and together with all books and accounts, titles, letters, invoices, papers and documents in any way evidencing or relating to all or any of the claims;

All present and future inventory of the grantor including, without limitation, all present and future property in stock, moveable property in reserve, raw materials, goods in process, finished products, animals, wares, packaging material, as well as property held for sale or lease or furnished or to be furnished under contracts of lease or service by the grantor in the ordinary course of operation of its enterprise;

The proceeds of any sale, assignment, lease or other disposition of the property described above, any claim resulting from such a sale, assignment, lease or other disposition, as well as any property acquired in replacement thereof;

Any indemnity or proceeds of insurance payable in respect of the hypothecated property;

Any rights attached to the hypothecated property, as well as the fruits and revenues thereof;

All titles, documents, records, invoices and accounts evidencing the hypothecated property or relating thereto.

Amount: \$1,080,000.00 with interest at the rate of 25%

#### **Security Registered in U.S. Jurisdictions**

UCC Lien on accounts receivable, inventory and intangible property of Ice-Pak Inc. registered on 5/21/1999 in Massachusetts under registration number 99633688, which is noted to be a reinstatement of security registered 2/10/1994 under registration number 215469.