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Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002) Tab settings

U.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office



102614920

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

1. Name of conveying party(ies):

ASSANTE HOLDINGS, INC.

- Individual(s) Association General Partnership Limited Partnership Corporation-State DELAWARE

Other

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

2. Name and address of receiving party(ies)

Name: FIRST REPUBLIC BANK

Internal Address: ATTN: COMMERCIAL LOAN OPERATIONS

Street Address: 111 PINE STREET

City: SAN FRANCISCO State: CA Zip: 94111

- Individual(s) citizenship Association General Partnership Limited Partnership Corporation-State

Other CALIFORNIA BANKING CORPORATION

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

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3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name

Other

Execution Date: NOVEMBER 13, 2003

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

A. Trademark Application No.(s) 76/332,700 76/332,701

B. Trademark Registration No.(s) 2,687,093 2,749,162 2,636,877 2,632,174 2,157,578

Additional number(s) attached Yes No

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

Name WANSUN SONG, ESQ.

Internal Address PILLSBURY WINTHROP LLP

Street Address: 725 SOUTH FIGUEROA STREET SUITE 2800

City: LOS ANGELES State: CA Zip: 90017-5406

6. Total number of applications and registrations involved: 7

7. Total fee (37 CFR 3.41) \$ 190.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number: 16-1805

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

DO NOT USE THIS SPACE

9. Statement and signature.

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

WANSUN SONG

Name of Person Signing

Signature

Date 12/4/03

ECOPER 00000133 76332700

Total number of pages including cover sheet, attachments, and document: 23

12/03/2003 01 FC:8521 02 FC:8522

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SECURITY AGREEMENT

This Agreement, dated as of November 13, 2003, is made by (1) ASSANTE HOLDINGS INC., a Delaware corporation (the "Borrower"), LORING WARD INTERNATIONAL LTD., a Canadian federal corporation (the "Parent"), LORING WARD ADMINISTRATIVE SERVICES LTD., a Canadian federal corporation ("LWAS"), ASSANTE GLOBAL ADVISORS INC., a Delaware corporation ("AGA"), ASSANTE ASSET MANAGEMENT INC., a Delaware corporation ("AAM"), AGA MORTGAGE SERVICES INC., a Delaware corporation ("AGAMS"), ASSANTE ESTATE AND INSURANCE SERVICES CORPORATION, a Delaware corporation ("AEIS"), ASSANTE BUSINESS MANAGEMENT INC., a California corporation ("ABM"), ASSANTE BUSINESS MANAGEMENT (NY) INC., a New York corporation ("ABMNY"), and any and all "Additional Grantors," as defined in Section 15(d) (all of the foregoing herein called the "Grantors," and the Parent and LWAS collectively herein called the "Canadian Grantors"), whose obligations hereunder are joint and several, in favor of (2) FIRST REPUBLIC BANK, a California banking corporation (the "Bank").

Recitals

A. The Borrower, the Parent and the Bank have entered into a Credit Agreement dated as of November 13, 2003 (said Agreement, as it may hereafter be amended, restated, supplemented or otherwise modified from time to time, herein called the "Credit Agreement").

B. Terms defined in the Credit Agreement and not otherwise defined herein have the same respective meanings when used herein, and the provisions of Sections 1.2 and 1.3 of the Credit Agreement are incorporated herein by reference. Terms defined in the California Uniform Commercial Code (the "Code") and not otherwise defined herein or in the Credit Agreement are used herein as defined in the Code; provided, however, that, if a term is defined in Division 9 of the Code differently from how it is defined in another division of the Code, then the term has the meaning specified in Division 9.

C. Simultaneously herewith, the Parent, LWAS, AGA, AAM, AGAMS, AEIS, ABM and ABMNY are entering into a Guaranty (the "Guaranty") in favor of the Bank.

D. It is a condition precedent to the effectiveness of the Credit Agreement that the Grantors execute and deliver this Agreement. Accordingly, the Grantors hereby agree as set forth below.

Section 1. Grant of Security Interest. Each Grantor hereby assigns and pledges to the Bank, and hereby grants the Bank a security interest in, all of such Grantor's right, title, benefit and interest in and to its undertaking and property (other than consumer goods), including the following, whether now owned or hereafter acquired, whether now or hereafter existing and wherever located (all such property and the following for all of the Grantors herein called the

“Collateral” and for any particular Grantor herein called “its Collateral” or “such Grantor’s Collateral”):

(a) all equipment in all of its forms and all accessions and additions thereto, parts and appurtenances thereof, substitutions therefor and replacements thereof (all such equipment, accessions, additions, parts, appurtenances, substitutions and replacements herein called the “Equipment”);

(b) all inventory in all of its forms and all accessions thereto, products thereof and documents therefor (any and all such inventory, accessions, products and documents herein called the “Inventory”);

(c) all accounts, chattel paper, instruments, letter-of-credit rights, payment intangibles and other obligations of any kind for the payment of money to such Grantor, whether or not arising out of or in connection with the sale or lease of goods or the rendering of services, and all rights in and to all security agreements, leases and other contracts securing or otherwise relating to any such accounts, chattel paper, instruments, letter-of-credit rights, payment intangibles or other obligations;

(d) all of the following (the “Investment Property Collateral”):

(i) all investment property;

(ii) all certificates and instruments representing or evidencing investment property; and

(iii) all dividends, interest, distributions, cash, instruments, securities and other property from time to time received, receivable or otherwise distributed in respect of, or in exchange for, or upon conversion of, any or all of the foregoing;

(e) all of the following (the “Deposit Account Collateral”):

(i) the deposit accounts described in Schedule 1 and all other deposit accounts (all such deposit accounts, including those described in Schedule 1, herein called the “Deposit Accounts”), all funds held in the Deposit Accounts and all certificates and instruments, if any, from time to time representing or evidencing the Deposit Accounts;

(ii) all notes, certificates of deposit, deposit accounts, checks and other instruments from time to time hereafter delivered to or otherwise possessed by the Bank for or on behalf of such Grantor in substitution for or in addition to any or all of the then existing Deposit Account Collateral; and

(iii) all interest, dividends, distributions, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the then existing Deposit Account Collateral;

(f) to the extent not described above, all general intangibles, including the following: (i) all contract rights (to the extent not referred to above), tax refunds, know-how, trade secrets, engineering plans, computer software, drawings and other proprietary information; (ii) all rights to receive any assets distributed upon or in connection with the termination of any employee-benefit plan or to receive any proceeds from the sale or other divestment of any assets; (iii) all patents, patent applications, unpatented inventions (whether or not patentable) and license agreements regarding patents, whether such Grantor is a licensor or licensee under any such license agreement; (iv) all copyrights, trade names, trademarks, trade dress, service marks, trademark and service mark registrations, applications for trademark or service mark registration, and license agreements regarding any of the foregoing, whether such Grantor is a licensor or licensee under any such license agreement (herein collectively called "Trademarks"); (v) all goodwill of the business connected with the use of and symbolized by each Trademark, all license agreements regarding Trademarks, whether such Grantor is a licensor or licensee under any such license agreement, and all rights to prepare for sale, sell and advertise for sale all Inventory now or hereafter owned by such Grantor and now or hereafter covered by such licenses; and (vi) all renewals of the foregoing property described in this clause (f), all income, royalties, damages and payments now or hereafter due or payable with respect to such property (including damages for past or future infringements thereof), all rights to sue or otherwise recover for all past, present and future infringements of such property (including all rights corresponding thereto throughout the world), and all other rights of any kind whatsoever accruing under or pertaining to such property; and

(g) all supporting obligations for, and proceeds of, any and all of the foregoing Collateral (including proceeds that constitute property of any type described above in this Section 1) and, to the extent not otherwise included, all (i) payments under insurance (whether or not the Bank is an additional insured or loss payee thereof), or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing Collateral, (ii) books and records with respect to the foregoing Collateral and (iii) cash; provided, however, any escrow deposit maintained at the Bank for the purpose of holding only funds (not exceeding \$3,000,000) to be applied to the "earn-out" payment obligation described in Section 6.2(e) of the Credit Agreement shall not be included in the Collateral.

Section 2. Security for Obligations. The security interest granted by each of the Grantors under this Agreement secures the payment of all obligations of such Grantor now or hereafter existing under, in respect of or in connection with the following documents (the "Secured Documents"): (a) the Credit Agreement; (b) the Guaranty; and (c) each other Credit Document to which such Grantor is or becomes a party, including this Agreement (all such obligations herein called the "Secured Obligations").

Section 3. Grantors Remain Liable. Notwithstanding anything herein to the contrary, (a) each Grantor shall remain liable under the contracts and agreements included in the Collateral, to the extent set forth therein, to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by the Bank of any of its rights hereunder shall not release any Grantor from any of its duties or obligations under the contracts and agreements included in the Collateral, and (c) the Bank shall not (i) have any

obligation or liability under the contracts and agreements included in the Collateral by reason of this Agreement or (ii) be obligated to perform any of the obligations or duties of any Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

Section 4. Delivery of Certificates and Instruments. All certificates and instruments representing or evidencing the Investment Property Collateral shall be delivered to and held by or on behalf of the Bank pursuant hereto and shall be in suitable form for transfer by delivery, or shall be accompanied by duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to the Bank. The Bank shall have the right to exchange certificates or instruments representing or evidencing Investment Property Collateral for certificates or instruments of smaller or larger denominations.

Section 5. Representations and Warranties. Each Grantor represents and warrants to the Bank as set forth below.

(a) Such Grantor's exact legal name, type of legal entity and jurisdiction of organization are as set forth in the first paragraph of this Agreement. Schedule 2 accurately sets forth such Grantor's state organizational identification number or accurately states that such Grantor has none.

(b) The address of the chief executive office of each Canadian Grantor is set out in Schedule 3, and no Canadian Grantor shall permit its chief executive office to be moved to a new location without providing the Bank with 30 days prior written notice thereof and promptly taking other steps, if any, as the Bank reasonably requests to permit the Bank to perfect its security interest in the Collateral of such Canadian Grantor with respect to the change in location. No Canadian Grantor shall permit any of its Collateral which consists of tangible personal property (other than (i) inventory in transit, (ii) goods of a type normally used in more than one jurisdiction which are equipment or inventory leased or held for lease by such Canadian Grantor to others or (iii) tangible personal property of a value which is not material in relation to the Secured Obligations which is temporarily located out of its location as specified in Schedule 3) to be located out of the locations specified in Schedule 3 without providing the Bank with 30 days prior written notice thereof and promptly taking other steps, if any, as the Bank reasonably requests to permit the Bank to perfect its security interests in such Collateral with respect to the change in location.

(c) All of the Equipment (other than Equipment constituting mobile goods or goods in transit) and Inventory of such Grantor are located at the places therefor specified in Schedule 3. The office where such Grantor keeps its records concerning the Receivables is located in each case at the address referred to in Section 16 or specified on such Grantor's Security Agreement Supplement (as defined in Section 15(d)). None of the Inventory is or will be evidenced by any document of title. None of the Receivables is or will be evidenced by chattel paper. All of such Grantor's promissory notes and other instruments evidencing the Collateral have been delivered to the Bank (other than promissory notes solely between or among the Grantors).

(d) Such Grantor is the legal and beneficial owner of its Collateral, free and clear of any Lien other than those permitted by Section 6.1 of the Credit Agreement. No effective financing statement or other instrument similar in effect covering all or any part of such Grantor's Collateral is on file in any recording office, except such as may have been filed in favor of the Bank relating to this Agreement or as permitted by Section 6.1 of the Credit Agreement. The Grantors have no trade names.

(e) Such Grantor has exclusive possession and control of its Equipment and Inventory subject to the rights of such Grantor's landlords or equipment lessors.

(f) As of the date hereof, such Grantor has no Investment Property Collateral (including securities accounts) other than (i) in the case of the Parent, shares of capital stock of the Borrower, LWAS and M. D. Gillis and Associates Ltd., (ii) in the case of the Borrower, shares of capital stock of AGA, AAM, AGAMS, AEIS, ABM, ABMNY, Assante Capital Management Inc., Moorad Sports Management Inc., Maximum Sports Management Inc. and Fegan & Associates Inc. and (iii) Permitted Investments.

(g) Such Grantor has no deposit accounts other than those described in Schedule 1.

(h) The execution and delivery of this Agreement, the delivery of certificates (together with undated stock powers executed in blank) for the shares of capital stock of each of the Grantors other than the Parent, the execution and delivery of control agreements with respect to the Deposit Accounts, the filing of appropriate UCC financing statements and the filing of appropriate financing statements under the Personal Property Security Act ("PPSA") of any relevant Canadian jurisdiction create a valid and perfected first-priority security interest in such Grantor's Collateral. All filings and other actions necessary or desirable to perfect and protect such security interest have been duly made or taken.

(i) Except for the filing of appropriate UCC financing statements and the filing of appropriate financing statements under the PPSA of any relevant Canadian jurisdiction, no Governmental Action is required either (i) for the grant by such Grantor of the security interest granted hereby or for the execution, delivery or performance of this Agreement by such Grantor or (ii) for the perfection of or exercise by the Bank of its rights provided for in this Agreement or the remedies in respect of such Grantor's Collateral provided pursuant to this Agreement (except as may be required in connection with the disposition of Investment Property Collateral by laws affecting the offering and sale of securities generally).

(j) None of the account debtors or other persons obligated on any of the Collateral is a governmental authority covered by the Federal Assignment of Claims Act, the Financial Administration Act (Canada) or like federal, state or local statute or rule, either in Canada or in the United States, in respect of such Collateral.

Section 6. Further Assurances.

(a) Each Grantor will keep its legal name, type of legal entity, jurisdiction of organization and state organizational identification number as specified in the first paragraph of this Agreement or in Section 5(a), as applicable. If such Grantor does not now have an organizational identification number and later obtains one, such Grantor will forthwith notify the Bank of such organizational identification number.

(b) For each Deposit Account that any Grantor at any time opens or maintains with an Affiliate of the Bank, such Grantor will, at the Bank's request and option, pursuant to an agreement in form and substance reasonably satisfactory to the Bank, either (i) cause the depository bank to comply, upon the occurrence of an Event of Default, with instructions from the Bank to such depository bank directing the disposition of funds from time to time credited to such Deposit Account, without further consent of such Grantor, or (ii) arrange for the Bank to become the customer of the depository bank with respect to such Deposit Account, with such Grantor being permitted, only with the consent of the Bank, to exercise rights to withdraw funds from such Deposit Account. The provisions of this section shall not apply to any Deposit Account for which the Bank is the depository bank and is in automatic control or any Deposit Account specially and exclusively used for payroll, payroll taxes or other employee wage and benefit payments to or for the benefit of such Grantor's salaried employees.

(c) If any security hereafter acquired by any Grantor is uncertificated and is issued to such Grantor or its nominee directly by the issuer thereof, such Grantor will promptly notify the Bank thereof and, at the Bank's request and option, pursuant to an agreement in form and substance reasonably satisfactory to the Bank, either (i) cause the issuer to agree to comply, upon the occurrence of an Event of Default, with instructions from the Bank as to such security, without further consent of such Grantor or such nominee, or (ii) arrange for the Bank to become the registered owner of such security. If any security, whether certificated or uncertificated, or other investment property now or hereafter acquired by any Grantor is held by such Grantor or its nominee through a securities intermediary or a commodity intermediary that is an Affiliate of the Bank, such Grantor will promptly notify the Bank thereof and, at the Bank's request and option, pursuant to an agreement in form and substance reasonably satisfactory to the Bank, either (i) cause such securities intermediary or (as the case may be) commodity intermediary to agree to comply, upon the occurrence of an Event of Default, with entitlement orders or other instructions from the Bank to such securities intermediary as to securities or other investment property or (as the case may be) to apply any value distributed on account of any commodity contract as directed by the Bank to such commodity intermediary, in each case without further consent of such Grantor or such nominee, or (ii) in the case of financial assets or other investment property held through a securities intermediary, arrange for the Bank to become the entitlement holder with respect to such investment property, with such Grantor being permitted, only with the consent of the Bank, to exercise rights to withdraw or otherwise deal with such investment property. The provisions of this section shall not apply to any financial assets credited to a securities account for which the Bank is the securities intermediary.

(d) If any Grantor's Collateral is at any time in the possession of a bailee, such Grantor will promptly notify the Bank thereof and, at the Bank's request and option, will promptly obtain an acknowledgement from the bailee, in form and substance reasonably satisfactory to the Bank, that the bailee holds such Collateral for the benefit of the Bank and that

such bailee agrees to comply, upon the occurrence of an Event of Default, without further consent of such Grantor, with instructions from the Bank as to such Collateral.

(e) If any Grantor at any time holds or acquires an interest in any electronic chattel paper or any "transferable record," as that term is defined in Section 201 of the federal Electronic Signatures in Global and National Commerce Act or in Section 16 of the Uniform Electronic Transactions Act as in effect in any relevant jurisdiction, such Grantor will promptly notify the Bank thereof and, at the request and option of the Bank, will take such action as the Bank may reasonably request to vest in the Bank control, under Section 9105 of the Code, of such electronic chattel paper or control, under Section 201 of the federal Electronic Signatures in Global and National Commerce Act or, as the case may be, Section 16 of the Uniform Electronic Transactions Act, as so in effect in such jurisdiction, of such transferable record.

(f) If any Grantor is at any time a beneficiary under a letter of credit, such Grantor will promptly notify the Bank thereof and, at the request and option of the Bank, will, pursuant to an agreement in form and substance reasonably satisfactory to the Bank, either (i) arrange for the issuer and any confirmer or other nominated person of such letter of credit to consent to an assignment to the Bank of the proceeds of such letter of credit or (ii) arrange for the Bank to become the transferee beneficiary of such letter of credit.

(g) If any Grantor at any time holds or acquires a commercial tort claim, such Grantor will promptly notify the Bank in a writing signed by such Grantor of the particulars thereof and grant the Bank in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to the Bank.

(h) Each Grantor further agrees that at any time and from time to time, at its own expense, it will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that the Bank may otherwise reasonably request, for the attachment, perfection and first priority (except as otherwise permitted by any of the Credit Documents) of the security interest granted or purported to be granted hereby or to enable the Bank to exercise and enforce its rights and remedies hereunder with respect to any of such Grantor's Collateral. Without limiting the generality of the foregoing, each Grantor will do the following: (i) if any of such Grantor's Collateral is evidenced by a promissory note or other instrument or by chattel paper, deliver and pledge to the Bank hereunder such note, instrument or chattel paper, duly endorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance reasonably satisfactory to the Bank; (ii) authorize, execute and/or file such financing and continuation statements, amendments thereto and other instruments or notices as may be necessary or desirable, or as the Bank may otherwise reasonably request, in order to perfect and preserve the security interest granted or purported to be granted hereby; (iii) take such action as may be necessary or desirable, or as the Bank may otherwise reasonably request, to cause the Bank to receive control over all investment property and deposit accounts of such Grantor included in the Collateral; (iv) cause the Bank's name to be noted as secured party on any certificate of title for a titled good if such notation is a condition to attachment, perfection or priority of, or the ability of the Bank to enforce, the Bank's security interest in such Collateral; (v) comply with any provision of any

Governmental Rule as to any Collateral if compliance with such provision is a condition to attachment, perfection or priority of, or the ability of the Bank to enforce, the Bank's security interest in such Collateral; (vi) obtain governmental and other third party waivers, consents and approvals in form and substance reasonably satisfactory to the Bank, including any consent of any licensor, lessor or other person obligated on Collateral; (vii) obtain waivers from mortgagees and landlords in form and substance reasonably satisfactory to the Bank; and (viii) take all actions under any earlier versions of the Uniform Commercial Code or under any other Governmental Rule as determined by the Bank to be applicable in any relevant Uniform Commercial Code or other jurisdiction, including any foreign jurisdiction.

(i) Each Grantor will furnish to the Bank from time to time such statements and schedules further identifying and describing such Grantor's Collateral as the Bank may reasonably request, all in reasonable detail.

(j) If any Grantor at any time is in possession of or acquires Collateral situated in the Province of Québec, it will promptly notify the Bank of such Collateral and will execute and deliver an hypothec, in form and substance satisfactory to the Bank, which hypothec will hypothecate and create a security interest in all of such Grantor's Collateral located in the Province of Québec.

Section 7. Place of Business; Collection of Receivables.

(a) Each Grantor will keep the office where it maintains its records concerning the Collateral at the address therefor referred to in Section 16 or at another location as to which such Grantor has given the Bank at least 30 days' prior written notice.

(b) Except as otherwise provided in this Section 7(b), each Grantor will continue to collect, at its own expense, all amounts due or to become due to such Grantor under the Receivables. In connection with such collections, such Grantor may take such action as such Grantor may deem necessary or advisable to enforce collection of the Receivables; provided, however, that the Bank shall have the right at any time, upon the occurrence and during the continuation of a Default and upon written notice to the Borrower of its intention to do so, to notify the account debtors or obligors under any Receivables of the assignment of such Receivables to the Bank and to direct such account debtors or obligors to make payment of all amounts due or to become due to any Grantor thereunder directly to the Bank and, upon such notification and at the expense of the Grantors, to enforce collection of any such Receivables and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as any Grantor might have done. After receipt by the Borrower of the notice from the Bank referred to in the proviso to the preceding sentence, (i) all amounts and proceeds (including instruments) received by any Grantor in respect of the Receivables shall be received in trust for the benefit of the Bank hereunder, shall be segregated from other funds of such Grantor and shall be forthwith paid over to the Bank in the same form as so received (with any necessary endorsement) to be held as cash collateral and, if an Event of Default has occurred and is continuing, applied as provided by Section 12(c), and (ii) no Grantor will adjust, settle or compromise the amount or payment of any Receivable, release wholly or partly any account debtor or obligor thereunder or allow any credit or discount thereon.

Section 8. Rights with Respect to Investment Property Collateral.

(a) So long as no Event of Default has occurred and is continuing, the provisions set forth below shall apply.

(i) Each Grantor shall be entitled to exercise any and all voting and other consensual rights pertaining to its Investment Property Collateral or any part thereof for any purpose not inconsistent with the terms of the Secured Documents.

(ii) Each Grantor shall be entitled to receive and retain any and all dividends, interest and other distributions paid in respect of its Investment Property Collateral; provided, however, that any and all

(A) dividends, interest and other distributions paid or payable other than in cash in respect of, and instruments and other property received, receivable or otherwise distributed in respect of or exchange for, any Investment Property Collateral (other than from any other Grantor),

(B) dividends, interest and other distributions paid or payable in cash in respect of any Investment Property Collateral in connection with a partial or total liquidation or dissolution of the issuer thereof or in connection with a reduction of capital, capital surplus or paid-in surplus by such issuer (other than from any other Grantor) and

(C) cash paid, payable or otherwise distributed in respect of principal of, or in redemption of or exchange for, any Investment Property Collateral (other than from any other Grantor)

shall be, and shall be forthwith delivered to the Bank to hold as, Investment Property Collateral and shall, if received by any Grantor, be received in trust for the benefit of the Bank, be segregated from the other property or funds of such Grantor and be forthwith delivered to the Bank as Investment Property Collateral in the same form as so received (with any necessary endorsement).

(iii) The Bank will execute and deliver (or cause to be executed and delivered) to each Grantor all such proxies and other instruments as such Grantor may reasonably request for the purpose of enabling such Grantor to exercise the voting and other rights that it is entitled to exercise pursuant to Section 8(a)(i) and to receive the dividends, interest and other distributions that it is authorized to receive and retain pursuant to Section 8(a)(ii).

(b) Upon the occurrence and during the continuation of any Event of Default, the provisions set forth below shall apply.

(i) All rights of each Grantor to exercise the voting and other consensual rights that it would otherwise be entitled to exercise pursuant to Section 8(a)(i) and to receive the dividends, interest and other distributions that it would otherwise be authorized to

receive and retain pursuant to Section 8(a)(ii) shall cease, and all such rights shall thereupon become vested in the Bank, which shall thereupon have the sole right to exercise such voting and other consensual rights and to receive and hold as Investment Property Collateral such dividends, interest and other distributions.

(ii) All dividends, interest and other distributions that are received by any Grantor contrary to the provisions of Section 8(b)(i) shall be received in trust for the benefit of the Bank, shall be segregated from other funds of such Grantor and shall be forthwith paid over to the Bank as Investment Property Collateral in the same form as so received (with any necessary endorsement).

Section 9. Transfers and Other Liens. Except to the extent permitted by the Credit Agreement, no Grantor will (a) sell, assign (by operation of law or otherwise) or otherwise dispose of, or grant any option with respect to, any of the Collateral or (b) create or permit to exist any Lien upon or with respect to any of the Collateral.

Section 10. Bank Appointed Attorney-in-Fact. Each Grantor hereby irrevocably appoints the Bank as such Grantor's attorney-in-fact, with full authority in the place and stead of such Grantor and in the name of such Grantor or otherwise, from time to time in the Bank's discretion after the occurrence and during the continuation of any Event of Default, to take any action and to execute any instrument that the Bank may deem necessary or advisable to accomplish the purposes of this Agreement, including the following:

(a) to obtain and adjust insurance;

(b) to ask for, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral;

(c) to receive, endorse and collect any drafts or other instruments, documents and chattel paper in connection with clause (a) or (b) above; and

(d) to file any claims, take any action and institute any proceedings that the Bank may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Bank with respect to any of the Collateral.

Section 11. Bank May Perform; Bank's Duties.

(a) If any Grantor fails to perform any agreement thereof contained herein for a period of five Business Days after notice of such failure is delivered to such Grantor, the Parent or the Borrower, the Bank may itself perform, or cause performance of, such agreement, and the expenses of the Bank incurred in connection therewith shall be payable by such Grantor under Section 14(b).

(b) The powers conferred on the Bank under this Agreement are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such

powers. Except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Bank shall not have any duty as to any Collateral, as to ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Collateral, whether or not the Bank has or is deemed to have knowledge of such matters, or as to the taking of any necessary steps to preserve rights against any parties or any other rights pertaining to any Collateral. The Bank shall be deemed to have exercised reasonable care in the custody and preservation of any Collateral in its possession if such Collateral is accorded treatment substantially equal to that the Bank accords its own similar property.

Section 12. Remedies. If any Event of Default occurs and is continuing, the provisions set forth below shall apply.

(a) The Bank may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all of the rights and remedies of a secured party on default under the Code and/or the applicable PPSA (whether or not the Code or the PPSA applies to the affected Collateral) and may also (i) transfer to or register in the name of the Bank or any of its nominees any or all of the Investment Property Collateral, (ii) require any Grantor to, and each Grantor hereby agrees that it will at its expense and upon request by the Bank forthwith, assemble all or part of such Grantor's Collateral as directed by the Bank and make it available to the Bank at a place to be designated by the Bank that is reasonably convenient to both parties and (iii) without notice except as provided below, sell the Collateral or any part thereof in one or more parcels at public or private sale, at any of the Bank's offices or elsewhere, for cash, on credit or for future delivery and upon such other terms as the Bank may deem commercially reasonable. Each Grantor agrees that, to the extent notice of sale is required by law, at least 10 days' notice to such Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Bank shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Bank may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) Without limiting the generality of any and all rights and remedies provided for herein or otherwise available to it, the Bank may take proceedings in any court of competent jurisdiction for the appointment of a receiver (which term shall include a receiver and manager) of any Canadian Grantor's Collateral or may by appointment in writing appoint any person to be a receiver of such Collateral and may remove any receiver so appointed by the Bank and appoint another in his stead; and any such receiver appointed by instrument in writing shall, to the extent permitted by applicable law or to such lesser extent permitted, have all of the rights, benefits and powers of the Bank hereunder or under the Code or the PPSA, as applicable, or otherwise and without limitation have the power (i) to take possession of such Collateral, (ii) to carry on all or any part or parts of the business of any Canadian Grantor, (iii) to borrow money required for the seizure, retaking, repossession, holding, insurance, repairing, processing, maintaining, protecting, preserving, preparing for disposition, disposition of such Collateral or for any other enforcement of this Agreement or for the carrying on of the business of any Canadian Grantor on the security of its Collateral in priority to the security interest created under

this Agreement, and (iv) to sell, lease or otherwise dispose of the whole or any part of such Collateral at public auction, by public tender or by private sale, lease or other disposition either for cash or upon credit, at such time and upon such terms and conditions as the receiver may determine; provided that if any such disposition involves deferred payment the Bank will not be accountable for and no Canadian Grantor will be entitled to be credited with the proceeds of any such disposition until the monies therefor are actually received; and further provided that any such receiver shall be deemed the agent of the relevant Canadian Grantor, and the Bank shall not be in any way responsible for any misconduct or negligence of any such receiver.

(c) All payments of cash received by the Bank in respect of the Collateral and all cash proceeds received by the Bank in respect of any sale of, collection from or other realization upon all or any part of the Collateral may, in the discretion of the Bank, be held by the Bank as collateral for, and/or then or at any time thereafter applied (after payment of any amounts payable to the Bank pursuant to Section 14) in whole or in part by the Bank against, all or any part of the Secured Obligations in such order as the Bank may elect. Any surplus of such cash or cash proceeds held by the Bank and remaining after payment in full of the Secured Obligations shall be paid over to the relevant Grantor or to whoever may be lawfully entitled to receive such surplus.

(d) All payments received by any Grantor in respect of the Collateral shall be received in trust for the benefit of the Bank, shall be segregated from other funds of such Grantor and shall be forthwith paid over to the Bank in the same form as so received (with any necessary endorsement).

(e) The Bank may, without notice to any Grantor except as required by law and at any time or from time to time, charge, set off and otherwise apply any or all of the Deposit Account Collateral against the Secured Obligations.

Section 13. Standards for Exercising Rights and Remedies. To the extent that applicable law imposes duties on the Bank to exercise remedies in a commercially reasonable manner, each Grantor acknowledges and agrees that it is not commercially unreasonable for the Bank (a) to fail to incur expenses reasonably deemed significant by the Bank to prepare Collateral for disposition or otherwise to fail to complete raw material or work-in-process into finished goods or other finished products for disposition, (b) to fail to obtain third-party consents for access to Collateral to be disposed of or to obtain or, if not required by other law, to fail to obtain governmental or third-party consents for the collection or disposition of Collateral to be collected or disposed of, (c) to fail to exercise collection remedies against account debtors or other Persons obligated on Collateral or to fail to remove liens or encumbrances on or any adverse claims against Collateral, (d) to exercise collection remedies against account debtors and other Persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (e) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (f) to contact other Persons, whether or not in the same business as such Grantor, for expressions of interest in acquiring all or any portion of the Collateral, (g) to hire one or more professional auctioneers and/or receivers to assist in the disposition of Collateral, whether or not the collateral is of a specialized nature, (h) to dispose of Collateral by utilizing Internet sites that provide for the

auction of assets of the types included in the Collateral, that have the reasonable capability of doing so or that match buyers and sellers of assets, (i) to dispose of assets in wholesale rather than retail markets, (j) to disclaim disposition warranties, (k) to purchase insurance or credit enhancements to insure the Bank against risks of loss, collection or disposition of Collateral or to provide to the Bank a guaranteed return from the collection or disposition of Collateral or (l) to the extent deemed appropriate by the Bank, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist the Bank in the collection or disposition of any of the Collateral. Each Grantor acknowledges that the purpose of this Section 13 is to provide nonexhaustive indications of what actions or omissions by the Bank would fulfill the Bank's duties under the Code or other law of any relevant jurisdiction in the Bank's exercise of remedies against the Collateral and that other actions or omissions by the Bank shall not be deemed to fail to fulfill such duties solely on account of not being indicated in this Section 13. Without limitation upon the foregoing, nothing contained in this Section 13 shall be construed to grant any rights to any Grantor or to impose any duties on the Bank that would not have been granted or imposed by this Agreement or by applicable law in the absence of this Section 13.

Section 14. Indemnity and Expenses.

(a) Each Grantor agrees to indemnify and hold harmless the Bank and each of its Affiliates and each of its and their respective directors, officers, employees, agents and advisors (each of the foregoing an "Indemnified Party") from and against any and all claims, damages, losses, liabilities and expenses (including reasonable fees and expenses of counsel) that may be incurred by or asserted or awarded against any Indemnified Party, in each arising out of or in connection with or by reason of, or in connection with the preparation for a defense of, any investigation, litigation or proceeding arising out of, related to or in connection with any of the Credit Documents to which it is a party or any of the transactions contemplated thereby, in each case whether or not such investigation, litigation or proceeding is brought by any Credit Party, any Credit Party's directors, shareholders or creditors or any Indemnified Party, whether or not an Indemnified Party is a party thereto and whether or not the transactions contemplated hereby are consummated, except to the extent any such claim, damage, loss, liability or expense is found in a final, nonappealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct.

(b) Each Grantor agrees to pay on demand (i) all reasonable costs and expenses of the Bank in connection with the preparation, execution, delivery, modification and amendment of the Credit Documents (including (A) all due-diligence, transportation, computer, duplication, appraisal, audit, insurance, consultant, search, filing, title-insurance and recording fees and expenses and (B) the reasonable fees and expenses of counsel for the Bank (including the allocated cost of in-house counsel) with respect to the foregoing, with respect to advising the Bank as to its rights and responsibilities, and the perfection, protection or preservation of rights or interests, under the Credit Documents and with respect to negotiations with any Grantor regarding any Default or any events or circumstances that may give rise to a Default) and (ii) all costs and expenses of the Bank in connection with the enforcement of the Credit Documents, whether in any action, suit or litigation, any bankruptcy, insolvency or other similar proceeding affecting creditors' rights generally or otherwise (including the reasonable fees and expenses of counsel for the Bank (including the allocated cost of in-house counsel) with respect thereto).

Section 15. Amendments, Waivers, Etc.

(a) No amendment or waiver of any provision of this Agreement, or consent to any departure by any Grantor herefrom, shall in any event be effective unless the same is in writing and signed by the Bank, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

(b) The waiver (whether express or implied) by the Bank of any breach of any term or condition of this Agreement shall not prejudice any remedy of the Bank in respect of any continuing or other breach of the terms and conditions hereof and shall not be construed as a bar to any right or remedy that the Bank would otherwise have on any future occasion under this Agreement.

(c) No failure to exercise or delay in exercising any right, power or privilege under this Agreement by the Bank shall operate as a waiver thereof or the exercise of any other right, power or privilege.

(d) Upon the execution and delivery by any Person of a security agreement supplement substantially in the form of Exhibit A (each a "Security Agreement Supplement"), such Person shall be referred to as an "Additional Grantor" and shall be and become a Grantor, and each reference in this Agreement to "Grantor" shall also mean and be a reference to such Additional Grantor.

Section 16. Addresses for Notices. All notices and other communications provided for hereunder shall be in writing (including communication by telecopier) and shall be mailed, telecopied or delivered to any Grantor or the Bank, as the case may be, at the address therefor (or, in the case of Grantors other than the Borrower, for the Borrower) set forth in the Credit Agreement or at such other address as may be designated by any such party in a written notice to the other parties, complying with the terms of this section. All such notices and other communications shall be effective as provided in the Credit Agreement.

Section 17. Continuing Security Interest; Assignments under Credit Agreements. This Agreement shall create a continuing security interest in the Collateral and shall (a) remain in full force and effect until payment in full of the Secured Obligations and expiration or termination of the Commitments, (b) be binding upon each Grantor and its successors and assigns and (c) inure, together with the rights and remedies of the Bank hereunder, to the benefit of the Bank and its successors, transferees and assigns. Without limiting the generality of the foregoing clause (c), the Bank may assign or otherwise transfer any or all of its rights and obligations under the Credit Documents to any other Person, and such other Person shall thereupon become vested with all of the benefits in respect thereof granted to the Bank herein or otherwise.

Section 18. Attachment. The time for attachment of the security interest created hereby has not been postponed and is intended to attach to the Collateral of each Grantor when this Agreement is signed by such Grantor and attaches at that time to such Grantor's Collateral in which such Grantor then has any right, title or interest and attaches to such Grantor's Collateral

in which such Grantor subsequently acquires any right, title or interest at the time when such Grantor first acquires such right, title or interest.

Section 19. PPSA Notice. Where required to do so by the PPSA, the Bank shall give to each Grantor the written notice required by the PPSA of any intended disposition of such Grantor's Collateral by serving such notice personally on such Grantor or by mailing such notice by registered mail to the last known post office address referred to in Section 16 or by any other method authorized or permitted by the PPSA.

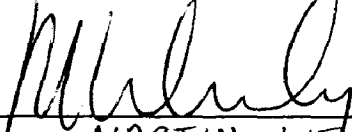
Section 20. Limitation of Civil Rights Act of Saskatchewan. The Limitation of Civil Rights Act of the Province of Saskatchewan shall have no application to this Agreement, or to any agreement or instrument renewing or extending this Agreement or to the Collateral or to the rights, powers or remedies of the Bank hereunder.

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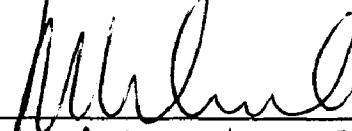
Section 21. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CALIFORNIA WITHOUT REFERENCE TO THE CHOICE-OF-LAW PRINCIPLES THEREOF.

Each Grantor has caused this Agreement to be executed by its respective duly authorized representatives as of the date first written above.

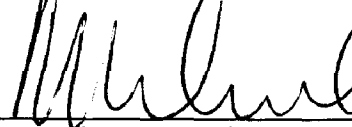
ASSANTE HOLDINGS INC.

By: 
Name: MARTIN WEINBERG
Title: PRESIDENT

LORING WARD INTERNATIONAL LTD.

By: 
Name: MARTIN WEINBERG
Title: PRESIDENT & CEO

LORING WARD ADMINISTRATIVE SERVICES LTD.

By: 
Name: MARTIN WEINBERG
Title: PRESIDENT & CEO

ASSANTE GLOBAL ADVISORS INC.

By: _____
Name: _____
Title: _____

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Each Grantor has caused this Agreement to be executed by its respective duly authorized representatives as of the date first written above.

ASSANTE HOLDINGS INC.

By: _____
Name: _____
Title: _____

LORING WARD INTERNATIONAL LTD.

By: _____
Name: _____
Title: _____

LORING WARD ADMINISTRATIVE SERVICES LTD.

By: _____
Name: _____
Title: _____

ASSANTE GLOBAL ADVISORS INC.

By: Jeff Norton
Name: Jeffrey Norton
Title: President

ASSANTE ASSET MANAGEMENT INC.

By: [Signature]
Name: MARTIN WEINBERG
Title: PRESIDENT

AGA MORTGAGE SERVICES INC.

By: _____
Name: _____
Title: _____

ASSANTE ESTATE AND INSURANCE SERVICES CORPORATION

By: _____
Name: _____
Title: _____

ASSANTE BUSINESS MANAGEMENT INC.

By: _____
Name: _____
Title: _____

ASSANTE BUSINESS MANAGEMENT (NY) INC.

By: _____
Name: _____
Title: _____

ASSANTE ASSET MANAGEMENT INC.

By: _____
Name: _____
Title: _____

AGA MORTGAGE SERVICES INC.

By: Jeff Norton
Name: Jeffrey Norton
Title: President

ASSANTE ESTATE AND INSURANCE
SERVICES CORPORATION

By: Jeff Norton
Name: Jeffrey Norton
Title: President & CEO

ASSANTE BUSINESS MANAGEMENT INC.

By: _____
Name: _____
Title: _____

ASSANTE BUSINESS MANAGEMENT (NY) INC.

By: _____
Name: _____
Title: _____