Form **PTO-1594** (Rev. 07/05)
OMB Collection 0651-0027 (exp. 6/30/2008)

05-04-2006

103231461

S. DEPARTMENT OF COMMERCE
States Patent and Trademark Office

RECORD
TRA

To the Director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies):
Golf Town Operating Limited Partnership

☐ Individual(s) ☐ Association
☐ General Partnership ☑ Limited Partnership
☐ Corporation- State:
☐ Other

Citizenship (see guidelines) Ontario, Canada

Additional names of conveying parties attached? ☐ Yes ☑ No

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? ☐ Yes ☑ No

Name: BABC Global Finance Inc.
Internal Address:
Street Address: 200 Front Street West, Suite 2700
City: Toronto
State: Ontario
Country: Canada Zip: M5V 3L2

☐ Association Citizenship
☐ General Partnership Citizenship
☐ Limited Partnership Citizenship
☑ Corporation Citizenship Canada
☐ Other Citizenship

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)

3. Nature of conveyance)/Execution Date(s) :

Execution Date(s) April 1, 2006

☐ Assignment ☐ Merger
☑ Security Agreement ☐ Change of Name
☐ Other

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No.(s)
78/482,747; 78/606,916

B. Trademark Registration No.(s)

Additional sheet(s) attached? ☐ Yes ☑ No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):

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

Name: Ogilvy Renault LLP
Internal Address: Paul J. Field
Street Address: Suite 1600
1981 McGill College Avenue
City: Montreal
State: Qubec, Canada Zip: H3A 2Y3
Phone Number: 416 216 3903
Fax Number: 416 216 3930
Email Address: pfield@ogilvyrenault.com

6. Total number of applications and registrations involved: 2

7. Total fee (37 CFR 2.6(b)(6) & 3.41) $ 80.00

☐ Authorized to be charged by credit card
☑ Authorized to be charged to deposit account
☐ Enclosed

8. Payment Information:

a. Credit Card Last 4 Numbers
Expiration Date

b. Deposit Account Number 195113
Authorized User Name Ogilvy Renault LLP

9. Signature:

Signature — April 26, 2006 Date

Paul J. Field
Name of Person Signing

Total number of pages including cover sheet, attachments, and document: 24

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

Execution Version

GENERAL SECURITY AGREEMENT

TO: **BABC GLOBAL FINANCE INC.**

200 Front Street West, Suite 2700
Toronto, Ontario M5V 3L2
(together with its successors and assigns, hereinafter the "**Lender**")

GRANTED BY: **GOLF TOWN GP II INC.**, for and on behalf of **GOLF TOWN OPERATING LIMITED PARTNERSHIP**

having its principal office or place of business at:
3265 Highway 7, Suite 2
Markham, Ontario L3R 3P9
(hereinafter the "**Debtor**")

I GRANT OF SECURITY INTEREST

1.1 Security Interest

As a general and continuing security for the payment and performance of any and all indebtedness, obligations and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Debtor to the Lender or remaining unpaid by the Debtor to the Lender wheresoever and howsoever incurred and howsoever evidenced, whether arising from dealings between the Lender and the Debtor or from other dealings or proceedings by which the Debtor may be or become in any manner indebted, obligated or liable to the Lender, including pursuant to the Loan and Security Agreement (as such term is hereinafter defined), and wherever incurred and in any currency and whether incurred by the Debtor alone or with another or others and whether as principal, guarantor or surety, and all interest, commissions, cost of realization, legal and other costs, charges and expenses (all of the foregoing being herein collectively called the "**Obligations**") the Debtor, **IN CONSIDERATION OF THE OBLIGATIONS** and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby grants, bargains, assigns and transfers to the Lender, and grants to the Lender a continuing security interest in, all the property, assets and undertakings of the Debtor of whatsoever nature and kind, now owned or hereafter-acquired by or on behalf of the Debtor, wherever located (the "**Collateral**") including, without limitation:

TRADEMARK
REEL: 003336 FRAME: 0771

(a) **Accounts Receivable**

All debts, book debts, accounts, claims, demands, moneys and choses in action whatsoever including, without limitation, claims against the Crown and claims under insurance policies, which are now owned by or are due, owing or accruing due to the Debtor or which may hereafter be owned by or become due, owing or accruing due to the Debtor together with all contracts, securities, bills, notes, lien notes, judgments, chattel mortgages, mortgages and all other rights, benefits and documents now or hereafter taken, vested in or held by the Debtor in respect of or as security for the same and the full benefit and advantage thereof, and all rights of action or claims which the Debtor now has or may at any time hereafter have against any person or persons, firm or corporation in respect thereof (all of the foregoing being herein collectively called the "**Accounts Receivable**");

(b) **Inventory**

All inventory of whatever kind now or hereafter owned by the Debtor or in which the Debtor now or hereinafter has an interest or right of any kind, and all accessions thereto and products thereof, including, without limitation, all goods, merchandise, raw materials, goods in process, finished goods, packaging and packing material and other tangible personal property now or hereafter held for sale, lease, rental or resale or that are to be furnished or have been furnished under a contract of service or that are to be used or consumed in the business of the Debtor (all of the foregoing being herein collectively called the "**Inventory**");

(c) **Equipment**

All goods now or hereafter owned by the Debtor which are not inventory or consumer goods as defined in the Personal Property Security Act (Ontario) (the "**PPSA**") including, without limitation, all machinery, equipment, furniture, furnishings, fixtures, and other tangible personal property (except Inventory), including motor vehicles with respect to which a certificate of title has been issued, aircraft, dies, tools, jigs, and office equipment, as well as all of such types of property leased by the Debtor and all of the Debtor's rights and interests with respect thereto under such leases (including, without limitation, options to purchase); together with all present and future additions and accessions thereto, replacements therefor, component and auxiliary parts and supplies used or to be used in connection therewith, and all substitutes for any of the foregoing, and all manuals, drawings, instructions, warranties and rights with respect thereto; wherever any of the foregoing is located (all of the foregoing being herein collectively called the "**Equipment**");

(d) **Chattel Paper, Instruments, Securities, etc.**

All chattel paper, instruments, warehouse receipts, bills of lading and other documents of title, whether negotiable or non-negotiable, shares, stock, warrants,

bonds, debentures, debenture stock or other securities, now or hereafter owned by the Debtor;

(e) **Intangibles**

All intangibles now or hereafter owned by the Debtor including, without limitation, all contractual rights, goodwill, patents, trade marks, trade names, copyrights, industrial designs and other industrial or intellectual property or rights therein;

(f) **Books and Accounts, etc.**

With respect to the personal property described in Paragraphs (a) to (e) inclusive, all books, accounts, invoices, deeds, documents, writings, letters, papers, security certificates and other records in any form evidencing or relating thereto and all contracts, securities, instruments and other rights and benefits in respect thereof;

(g) **Other Property**

The uncalled capital, money, rights, bills of exchange, negotiable and non-negotiable instruments, judgments and securities not otherwise described in Paragraphs (a) to (f) inclusive;

(h) **Replacements, etc.**

With respect to the personal property described in Paragraphs (a) to (g) inclusive, all substitutions and replacements thereof, increases, additions and accessions thereto and any interest of the Debtor therein; and

(i) **Proceeds**

With respect to the personal property described in Paragraphs (a) to (h) inclusive, personal property in any form or fixtures derived directly or indirectly from any dealing with such property or that indemnifies or compensates for such property destroyed or damaged and proceeds of proceeds whether of the same type, class or kind as the original proceeds.

1.2 **Definitions and Interpretation**

In this Security Agreement:

(a) Terms used herein and defined in the PPSA shall have the same meanings as in the PPSA unless the context otherwise requires;

(b) Any reference to "Collateral" shall, unless the context otherwise requires, refer to "Collateral or any part thereof";

(c) The grant of the security interest herein provided for shall include, without limitation, a fixed mortgage, hypothecation, pledge, charge and assignment of the Collateral in favour of the Lender;

(d) The term "security interest" shall include, without limitation, a fixed mortgage, hypothecation, pledge, charge and assignment;

(e) The term "encumbrance" shall include, without limitation, a security interest, lien, hypothec, claim, charge, deemed trust or encumbrance of any kind whatsoever; and

(f) The term "Loan and Security Agreement" means the second amended and restated loan and security agreement between, amongst others, the Debtor and the Lender, dated as of April 1, 2006 and as the same may be further amended, supplemented, revised, restated or replaced from time to time.

1.3 **Leases**

The last day of the term of any lease, oral or written, or any agreement therefor, now held or hereafter acquired by the Debtor, shall be excepted from the security interest hereby granted and shall not form part of the Collateral, but the Debtor shall stand possessed of such one day remaining, upon trust to assign and dispose of the same as the Lender or any assignee of such lease or agreement shall direct. If any such lease or agreement therefor contains a provision which provides in effect that such lease or agreement may not be assigned, sub-leased, charged or encumbered without the leave, license, consent or approval of the lessor, the application of the security interest created hereby to any such lease or agreement shall be conditional upon such leave, license, consent or approval having been obtained.

1.4 **Debtor Remains Liable**

Notwithstanding anything herein to the contrary:

(a) the Debtor shall remain liable under the contracts and agreements included in the Collateral to the extent set forth therein to perform all its duties and obligations thereunder to the same extent as if this Security Agreement had not been executed;

(b) the exercise by the Lender of any of the rights or remedies hereunder shall not release the Debtor from any of its duties or obligations under the contracts and agreements included in the Collateral; and

(c) the Lender shall not have any obligation or liability under the contracts and agreements included in the Collateral by reason of this Security Agreement, nor shall the Lender be obligated 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.

II REPRESENTATIONS AND WARRANTIES

The Debtor represents and warrants to and in favour of the Lender that all of the representations and warranties given by the Debtor in the Loan and Security Agreement are true and accurate.

III COVENANTS OF DEBTOR

The Debtor covenants and agrees with the Lender that it shall comply with all covenants given by the Debtor in the Loan and Security Agreement.

3.1 Notice Regarding Change of Address, etc.

The Debtor shall notify the Lender in writing:

(a) at least thirty (30) days prior to any change of name of the Debtor;

(b) at least thirty (30) days prior to any transfer of the Debtor's interest in any part of the Collateral, not expressly permitted hereunder;

(c) promptly of any significant loss of or damage to Collateral;

(d) at least thirty (30) days prior to any change in the location(s) of the Collateral and any records relating thereto; and

(e) forthwith upon becoming aware of the existence of any condition or event which could cause or which, with the passage of time or notice, or both, constitute a Default (as such term is hereinafter defined) give the Lender written notice thereof specifying the nature and duration thereof and the action being taken or proposed to be taken with respect thereto.

IV COLLECTION OF PROCEEDS

4.1 Payments to Lender

Upon the occurrence of an Event of Default, as defined in the Loan and Security Agreement, the Debtor shall:

(a) Collect and enforce payment of all Accounts Receivable (except as provided for in Section 4.2) and shall dispose of and receive payment for all Inventory which is ordinarily disposed of in the Debtor's business;

(b) Receive and hold in trust for the Lender, all payments on or instruments received in respect of the Collateral, all rights by way of suretyship or

guarantee which the Debtor now has or may hereafter acquire to enforce payment of Collateral and all rights in the nature of a security interest whereby the Debtor may satisfy any Collateral out of property, and all non-cash proceeds of any such collection, disposition or realization of any of the Collateral shall be subject to the security interest hereby created;

(c) Endorse to the Lender and forthwith deliver to it all such payments and instruments in the form received by the Debtor; and

(d) Forthwith deliver to the Lender all property in the Debtor's possession or hereafter coming into its possession through enforcement of any such rights.

4.2 **Account Debtor**

The Lender may at any time notify an account debtor or obligors under any Account Receivable of the assignment of the Account Receivable to the Lender and require such person to make payment to the Lender in respect of any of the Accounts Receivable and the Lender may hold all amounts acquired or received from any such account debtors or obligors, together with income on such amounts, as part of the Collateral and as security for the Obligations.

V **DEFAULT**

5.1 **Defaults**

The obligations secured by this Security Agreement shall be immediately due and payable in full and the security hereby constituted shall become enforceable if the Debtor fails to make payment of any of the Obligations when due or upon the occurrence of an Event of Default as defined in the Loan and Security Agreement (herein called a "**Default**").

VI **REMEDIES ON DEFAULT**

If the security hereby constituted becomes enforceable, the Lender shall have, in addition to any other rights, remedies and powers which it may have at law, in equity or under the PPSA the following rights, remedies and powers:

6.1 **Power of Entry**

The Debtor shall forthwith upon demand assemble and deliver to the Lender possession of all of the Collateral at such place as may be specified by the Lender. The Lender may take such steps as it considers necessary or desirable to obtain possession of all or any part of the Collateral and, to that end, the Debtor agrees that the Lender, its servants or agents or Receiver may enter upon lands and premises where the Collateral may be found for the purpose of taking possession of and/or removing the Collateral or any part thereof. In the event of the Lender taking possession of the Collateral, or any part thereof, the Lender shall have the right to maintain the same upon the premises on which the Collateral may then be

situate. The Lender may, in a reasonable manner, take such action or do such things as to render any Equipment unusable.

6.2 **Power of Sale**

The Lender may sell, lease or otherwise dispose of all or any part of the Collateral, as a whole or in separate parcels, by public auction, private tender or by private contract, with or without notice, except as otherwise required by applicable law, with or without advertising and without any other formality, all of which are hereby waived by the Debtor. Such sale, lease or disposition shall be on such terms and conditions as to credit and otherwise and as to upset or reserve bid or price as to the Lender, in its sole discretion, may seem advantageous. If such sale, transfer or disposition is made on credit or part cash and part credit, the Lender need only credit against the Obligations the actual cash received at the time of the sale. Any payments made pursuant to any credit granted at the time of the sale shall be credited against the Obligations as they are received. The Lender may buy in or rescind or vary any contract for sale of all or any of the Collateral and may resell without being answerable for any loss occasioned thereby. Any such sale, lease or disposition may take place whether or not the Lender has taken possession of the Collateral. The Lender may, before any such sale, lease or disposition, perform any commercially reasonable repair, processing or preparation for disposition and the amount so paid or expended shall be deemed advanced to the Debtor by the Lender, shall become part of the Obligations, shall bear interest at the highest rate per annum charged by the Lender on the Obligations or any part thereof and shall be secured by this Security Agreement.

6.3 **Validity of Sale**

No person dealing with the Lender or its servants or agents shall be concerned to inquire whether the security hereby constituted has become enforceable, whether the powers which the Lender is purporting to exercise have become exercisable, whether any money remains due on the security of the Collateral, as to the necessity or expedience of the stipulations and conditions subject to which any sale, lease or disposition shall be made, otherwise as to the propriety or regularity of any sale or any other dealing by the Lender with the Collateral or to see to the application of any money paid to the Lender. In the absence of fraud on the part of such persons, such dealings shall be deemed, so far as regards the safety and protection of such person, to be within the powers hereby conferred and to be valid and effective accordingly.

6.4 **Receiver-Manager**

The Lender may, in addition to any other rights it may have, appoint by instrument in writing a receiver or receiver and manager (both of which are herein called a "**Receiver**") of all or any part of the Collateral or may institute proceedings in any court of competent jurisdiction for the appointment of such a Receiver. Any such Receiver is hereby given and shall have the same powers and rights and exclusions and limitations of liability as the Lender has under this Security Agreement, at law or in equity. In exercising any such powers, any such Receiver shall, to the extent permitted by law, act as and for all purposes

shall be deemed to be the agent of the Debtor and the Lender shall not be responsible for any act or default of any such Receiver. The Lender may appoint one or more Receivers hereunder and may remove any such Receiver or Receivers and appoint another or others in his or their stead from time to time. Any Receiver so appointed may be an officer or employee of the Lender. A court need not appoint, ratify the appointment by the Lender of or otherwise supervise in any manner the actions of any Receiver. Upon the Debtor receiving notice from the Lender of the taking of possession of the Collateral or the appointment of a Receiver, all powers, functions, rights and privileges of each of the directors and officers of the Debtor with respect to the Collateral shall cease, unless specifically continued by the written consent of the Lender.

6.5 **Carrying on Business**

The Lender may carry on, or concur in the carrying on of, all or any part of the business or undertaking of the Debtor, may, to the exclusion of all others, including the Debtor, enter upon, occupy and use all or any of the premises, buildings, plant and undertaking of or occupied or used by the Debtor and may use all or any of the tools, machinery, equipment and intangibles of the Debtor for such time as the Lender sees fit, free of charge, to carry on the business of the Debtor and, if applicable, to manufacture or complete the manufacture of any Inventory and to pack and ship the finished product.

6.6 **Dealing with Collateral**

After the occurrence of Default, the Lender may seize, collect, realize, dispose of, enforce, release to third parties or otherwise deal with the Collateral or any part thereof in such manner, upon such terms and conditions and at such time or times as may seem to it advisable, all of which without notice to the Debtor except as otherwise required by any applicable law. The Lender may demand, sue for and receive any Accounts Receivable with or without notice to the Debtor, give such receipts, discharges and extensions of time and make such compromises in respect of any Accounts Receivable which may, in the Lender's absolute discretion, seem bad or doubtful. The Lender may charge on its own behalf and pay to others, sums for costs and expenses incurred including, without limitation, legal fees and expenses on a solicitor and his own client scale and Receivers' and accounting fees, in or in connection with seizing, collecting, realizing, disposing, enforcing or otherwise dealing with the Collateral and in connection with the protection and enforcement of the rights of the Lender hereunder including, without limitation, in connection with advice with respect to any of the foregoing. The amount of such sums shall be deemed advanced to the Debtor by the Lender, shall become part of the Obligations, shall bear interest at the highest rate per annum charged by the Lender on the Obligations or any part thereof and shall be secured by this Security Agreement.

6.7 **Retention of Collateral**

Upon notice to the Debtor and subject to any obligation to dispose of any of the Collateral, as provided in the PPSA, the Lender may elect to retain all or any part of the Collateral in satisfaction of the Obligations or any of them.

6.8 **Pay Encumbrances**

The Lender may pay any encumbrance that may exist or be threatened against the Collateral. In addition, the Lender may borrow money required for the maintenance, preservation or protection of the Collateral or for the carrying on of the business or undertaking of the Debtor and may grant further security interests in the Collateral in priority to the security interest created hereby as security for the money so borrowed. In every such case the amounts so paid or borrowed together with costs, charges and expenses incurred in connection therewith shall be deemed to have been advanced to the Debtor by the Lender, shall become part of the Obligations, shall bear interest at the highest rate per annum charged by the Lender on the Obligations or any part thereof and shall be secured by this Security Agreement.

6.9 **Application of Payments Against Obligations**

Any and all payments made in respect of the Obligations from time to time and moneys realized on the Collateral may be applied to such part or parts of the Obligations as the Lender may see fit. The Lender shall, at all times and from time to time, have the right to change any appropriation as it may see fit. Any insurance moneys received by the Lender pursuant to this Security Agreement may, at the option of the Lender, be applied to rebuilding or repairing the Collateral or be applied against the Obligations in accordance with the provisions of this Section.

6.10 **Set-Off**

The Obligations will be paid by the Debtor without regard to any equities between the Debtor and the Lender or any right of set-off or cross-claim. Any indebtedness owing by the Lender to the Debtor may be set off and applied by the Lender against the Obligations at any time or from time to time either before or after maturity, without demand upon or notice to anyone.

6.11 **Deficiency**

If the proceeds of the realization of the Collateral are insufficient to repay the Lender all moneys due to it, the Debtor shall forthwith pay or cause to be paid to the Lender such deficiency.

6.12 **Lender Not Liable**

The Lender shall not be liable or accountable for any failure to seize, collect, realize, dispose of, enforce or otherwise deal with the Collateral, shall not be bound to institute proceedings for any such purposes or for the purpose of preserving any rights of the Lender, the Debtor or any other person, firm or corporation in respect of the Collateral and shall not be liable or responsible for any loss, cost or damage whatsoever which may arise in respect of any such failure including, without limitation, resulting from the negligence of the Lender or any of its officers, servants, agents, solicitors, attorneys, Receivers or otherwise. Neither

the Lender nor its officers, servants, agents or Receivers shall be liable by reason of any entry into possession of the Collateral or any part thereof, to account as a mortgagee in possession, for anything except actual receipts, for any loss on realization, for any act or omission for which a mortgagee in possession might be liable, for any negligence in the carrying on or occupation of the business or undertaking of the Debtor as provided in Section 6.5 or for any loss, cost, damage or expense whatsoever which may arise in respect of any such actions, omissions or negligence.

6.13 **Extensions of Time**

The Lender may grant renewals, extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, perfect or fail to perfect any securities, release any part of the Collateral to third parties and otherwise deal or fail to deal with the Debtor, debtors of the Debtor, Guarantors, sureties and others and with the Collateral and other securities as the Lender may see fit, all without prejudice to the liability of the Debtor to the Lender or the Lender's rights and powers under this Security Agreement.

6.14 **Rights in Addition**

The rights and powers conferred by this Section 6 are in supplement of and in addition to and not in substitution for any other rights or powers the Lender may have from time to time under this Security Agreement or under applicable law. The Lender may proceed by way of any action, suit, remedy or other proceeding at law or in equity and no such remedy for the enforcement of the rights of the Lender shall be exclusive of or dependent on any other such remedy. Any one or more of such remedies may from time to time be exercised separately or in combination.

VII DEALING WITH COLLATERAL BY THE DEBTOR

7.1 **Sale of Inventory**

Prior to the occurrence of a Default, the Debtor may, in the ordinary course of its business and on customary trade terms, lease or sell items of Inventory, so that the purchaser thereof takes title clear of the security interest hereby created. If such sale or lease results in an Account Receivable, such Account Receivable shall be subject to the security interest hereby created.

VIII GENERAL

8.1 **Security in Addition**

The security hereby constituted is not in substitution for any other security for the Obligations or for any other agreement between the parties creating a security interest in all or part of the Collateral, whether heretofore or hereafter made, and such security and such agreements shall be deemed to be continued and not affected hereby unless expressly

provided to the contrary in writing and signed by the Lender and the Debtor. The taking of any action or proceedings or refraining from so doing, or any other dealing with any other security for the Obligations or any part thereof, shall not release or affect the security interest created by this Security Agreement and the taking of the security interest hereby created or any proceedings hereunder for the realization of the security interest hereby created shall not release or affect any other security held by the Lender for the repayment of or performance of the Obligations.

8.2 **Waiver**

Any waiver of a breach by the Debtor of any of the terms or provisions of this Security Agreement or of a Default under Section 5.1 must be in writing to be effective against and bind the Lender. No such waiver by the Lender shall extend to or be taken in any manner to affect any subsequent breach or Default or the rights of the Lender arising therefrom.

8.3 **Further Assurances**

The Debtor shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all and singular every such further acts, deeds, conveyances, instruments, transfers, assignments, security agreements and assurances as the Lender may reasonably require in order to give effect to the provisions and purposes of this Security Agreement including, without limitation, in respect of the Lender's enforcement of the security and its realization on the Collateral, and for the better granting, transferring, assigning, charging, setting over, assuring, confirming and/or perfecting the security interest of the Lender in the Collateral pursuant to this Security Agreement. The Debtor hereby constitutes and appoints the Manager or acting Manager of the Lender at its above address, or any Receiver appointed by the Court or the Lender as provided herein, the true and lawful attorney of the Debtor irrevocably with full power of substitution to do, make and execute all such assignments, documents, acts, matters or things which the Debtor has herein agreed to do, make or execute or which may be required by the Lender or a Receiver to give effect to this Agreement, with the right to use the name of the Debtor whenever and wherever it may be deemed necessary or expedient. The Debtor hereby authorizes the Lender to file such proofs of claim and other documents as may be necessary or advisable in order to prove its claim in any bankruptcy, proposed winding-up or other proceeding relating to the Debtor.

8.4 **Continuing Security Interest and Discharge**

This Security Agreement shall create a continuing security interest in the Collateral and shall remain in full force and effect until payment and performance in full of the Obligations, notwithstanding any dealing between the Lender and the Debtor or any Guarantor in respect of the Obligations or any release, exchange, non-perfection, amendment, waiver, consent or departure from or in respect of any or all of the terms or provision of any security held for the Obligations.

8.5 **Governing Law**

This Security Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT MAY BE BROUGHT IN THE COURTS OF THE PROVINCE OF ONTARIO OR OF THE FEDERAL COURTS OF CANADA THEREIN, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, THE DEBTOR CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THOSE COURTS. THE DEBTOR IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF THIS AGREEMENT. THE DEBTOR WAIVES PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS, WHICH MAY BE MADE BY ANY OTHER MEANS PERMITTED BY THE LAW OF ONTARIO.

8.6 **Security Interest Effective Immediately**

Neither the execution or registration of this Security Agreement nor any partial advances by the Lender shall bind the Lender to advance any other amounts to the Debtor. The parties intend the security interest created hereby to attach and take effect forthwith upon execution of this Security Agreement by the Debtor and the Debtor acknowledges that value has been given and that the Debtor has rights in the Collateral and that it has received a copy of this Security Agreement.

8.7 **Invalidity**

In the event that any term or provision of this Security Agreement shall, to any extent, be invalid or unenforceable, the remaining terms and provisions of this Security Agreement shall be unaffected thereby and shall be valid and enforceable to the fullest extent permitted by law.

8.8 **Indemnity and Expenses**

(a) The Debtor agrees to indemnify and save harmless the Lender from and against any and all claims, losses and liabilities arising out of or resulting out of or resulting from this Security Agreement (including, without limitation, enforcement of this Security Agreement), except claims, losses or liabilities resulting from the Lender's gross negligence or wilful misconduct.

(b) The Debtor will upon demand pay to the Lender the amount of any and all expenses, including the fees and disbursements of its counsel and of any experts and agents, which the Lender may incur in connection with (i) the

administration of this Security Agreement, (ii) the custody, preservation, use or operation of, or the sale of, collection from, or other realization upon, any of the Collateral, (iii) the exercise or enforcement of any of the rights or remedies of the Lender hereunder or (iv) the failure by the Debtor to perform or observe any of the provisions hereunder.

8.9 **Binding Effect**

All rights of the Lender hereunder shall enure to the benefit of its successors and assigns and all obligations of the Debtor hereunder shall bind the Debtor and its successors and assigns.

8.10 **Precedence**

In the event that any provisions of this Security Agreement contradict or are otherwise incapable of being construed in conjunction with the provisions of the Loan and Security Agreement, the provisions of the Loan and Security Agreement shall take precedence over those contained in this Security Agreement and, in particular, if any act of the Debtor is expressly permitted under the Loan and Security Agreement but is prohibited under this Security Agreement, any such act shall be deemed to be permitted under this Security Agreement.

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IN WITNESS WHEREOF the Debtor has duly executed this Security Agreement as of the 1st day of April, 2006.

GOLF TOWN GP II INC., for and on behalf of **GOLF TOWN OPERATING LIMITED PARTNERSHIP**

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory

U.S. TRADE-MARK APPLICATIONS AND REGISTRATIONS OWNED BY GOLF TOWN OPERATING LIMITED PARTNERSHIP

A. – Active Trade-Marks

No.	Trade-Mark	App. No	Reg. No.	App. Date	Reg. Date	Current Status	Wares/Services
1.	GOLF TOWN LEADER BOARD MEMBERSHIP PRIVILEGES	78/482747		09/13/2004		Pending	Wares: Retail store services and on-line retail services featuring golf equipment, golf accessories, golf apparel and golf simulators
2.	GORDON COOPER	78/606916		04/12/2005		Pending	Wares: Golfing apparel namely, t-shirts, shirts, sweatshirts, sweaters, pullovers, jackets, jerseys, vests, shorts, pants, socks, shoes, gloves; Headwear namely, hats, headbands, visors and caps; Rainwear namely, slickers, raincoats, rain pants, anoraks and windproof jackets

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CANADIAN APPLICATIONS AND REGISTRATIONS OWNED BY GOLF TOWN OPERATING LIMITED PARTNERSHIP

A. – Active Trade-Marks

No.	Trade-Mark	App. No	Reg. No.	App. Date	Reg. Date	Current Status	Wares/Services
3.	2ND SWING	1104795		05/30/2001		Allowed	Wares: New and used golf equipment, namely, golf equipment namely clubs, metal woods, irons, putters, wedges, golf club headcovers, golf grips, golf shafts, golf balls, golf tees, golf gloves and golf bags Services: Retail store services and on-line retail services for the sale to consumers and businesses of golf equipment, golf accessories and golf apparel and the use of golf simulators; repair services for golf equipment
4.	ALL FOR THE GAME	0885949	TMA525484	07/29/1998	03/22/2000	Registered	Wares: Pre-recorded videocassettes and publications Services: Retail store services and on-line retail services for the sale to consumers and businesses of golf equipment, golf accessories and golf apparel and the use of golf simulators; repair services for golf equipment; and golf instruction services
5.	**ALL FORE THE GAME DESIGN** *All fore the Game*	0887986	TMA525485	08/19/1998	03/22/2000	Registered	Wares: Pre-recorded videocassettes and publications Services: Retail store services and on-line retail services for the sale to consumers and businesses of golf equipment, golf accessories and golf

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No.	Trade-Mark	App. No	Reg. No.	App. Date	Reg. Date	Current Status	Wares/Services
							apparel and the use of golf simulators; repair services for golf equipment; and golf instruction services
6.	**CLUB DES MENEURS & Design**	1209497		03/12/2004		Allowed	Wares: Pre-recorded videocassettes and publications, namely magazines Services: (1) Retail store services and on-line retail services for the sale to consumers and businesses of golf equipment, golf accessories and golf apparel and the use of golf simulators (2) Repair services for golf equipment (3) Golf instruction services
7.	**GOLFSURFACE**	1081575	TMA568979	11/06/2000	10/17/2002	Registered	Services: Magasin au détail d'articles de golf
8.	**GOLF TOWN**	0885832	TMA525487	07/29/1998	03/22/2000	Registered	Wares: Pre-recorded videocassettes and publications, namely magazines Services: Retail store services and on-line retail services for the sale to consumers and businesses of golf equipment, golf accessories and golf apparel and the use of golf simulators; repair services for golf equipment; and golf instruction services
9.	**GOLF TOWN & ALL FORE THE GAME DESIGN**	0887985	TMA525489	08/19/1998	03/22/2000	Registered	Wares: Pre-recorded videocassettes and publications, namely magazines Services: Retail store services and on-line retail services for the sale to consumers and businesses of golf equipment, golf accessories and golf apparel and the use of golf simulators; repair services for golf equipment; and

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No.	Trade-Mark	App. No	Reg. No.	App. Date	Reg. Date	Current Status	Wares/Services
							golf instruction services
10.	**GOLF TOWN BUSINESS PRO SHOP & Design**	1176904	TMA617526	05/07/2003	08/24/2004	Registered	Wares: Pre-recorded videocassettes and publications, namely magazines Services: Retail store services and on-line retail services for the sale to consumers and businesses of golf equipment, golf accessories and golf apparel and the use of golf simulators; repair services for golf equipment; and golf instruction services; advertising services, namely arranging for the custom manufacturing of promotional gift items
11.	**GOLF TOWN Design**	0887987	TMA525482	08/19/1998	03/22/2000	Registered	Wares: Pre-recorded videocassettes and publications, namely magazines Services: Retail store services and on-line retail services for the sale to consumers and businesses of golf equipment, golf accessories and golf apparel and the use of golf simulators; repair services for golf equipment; and golf instruction services
12.	**GOLF TOWN SELECT**	1135767	TMA615487	03/28/2002	07/22/2004	Registered	Wares: Pre-recorded videocassettes and publications, namely magazines Services: Retail store services and on-line retail services for the sale to consumers and businesses of golf equipment, golf accessories and golf apparel and the use of golf simulators; repair services for golf equipment; and golf instruction services
13.	**GOLF TOWN SELECT &**	1135768	TMA615526	03/28/2002	07/22/2004	Registered	Wares: Pre-recorded videocassettes and

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No.	Trade-Mark	App. No	Reg. No.	App. Date	Reg. Date	Current Status	Wares/Services
	Design						publications, namely magazines Services: Retail store services and on-line retail services for the sale to consumers and businesses of golf equipment, golf accessories and golf apparel and the use of golf simulators; repair services for golf equipment; and golf instruction services
14.	**GORDON COOPER**	1233642		10/13/2004		Pending	Wares: (1) Golfing apparel namely, t-shirts, shirts, sweatshirts, sweaters, pullovers, jackets, jerseys, vests, shorts, pants, socks, shoes, gloves. (2) Headwear namely, hats, headbands, visors and caps. (3) Rainwear namely, slickers, raincoats, rain pants, anoraks and windproof jackets
15.	**GT PROMOTIONS Logo**	1286848		01/20/2006		Pending	Wares: Clothing, namely, t-shirts, shirts, golf shirts, sweatshirts, sweaters, pullovers, jackets, jerseys, vests, shorts, pants, socks, shoes, rain suits, gloves; leisure products for home and garden, namely, blankets, coolers, collapsible chairs, air mattresses, umbrellas, luggage, bags; awards namely, badges, plaques, trophies, medallions, ribbons and medals; travel products, namely, clothes/fabric steamers, foreign voltage converters and adapters, travel irons, luggage, rolling carry-on bags, overnight bags; automotive accessories, namely, car blankets, safety kits, key tags, maps, sun visors, floor mats; sporting goods, namely, bicycles, camping equipment, skis, ski boots and ski poles, watercrafts and oars, golf clubs and golf sets, golf balls, snow shoes, backpacks, basketballs, baseballs,

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No.	Trade-Mark	App. No	Reg. No.	App. Date	Reg. Date	Current Status	Wares/Services
							volleyballs, soccer balls, basket ball nets; desk accessories, namely, blotters, pencil holders, paper holders; calendars, namely, wall calendars, desk calendars, namely engagement calendars, postcard calendars, desk diary/appointment calendars, photo frame calendars; writing instruments, namely, pens, roller pens and mechanical pencils; headwear, namely, toques, caps, visors; jewellery, namely, watches and clocks; drinkware, namely, mugs, drinking glasses Services: Advertising, marketing and promotion of golf products and services for the benefit of others, namely providing advertising, marketing and promotional material via print and electronic media and organizing, conducting and sponsoring contests, entertainment events, sports events and social events
16.	**LEADER BOARD & Design** 	1209495	TMA642097	03/12/2004	06/15/2005	Registered	Wares: Pre-recorded videocassettes and publications, namely magazines. Services: (1) Retail store services and on-line retail services for the sale to consumers and businesses of golf equipment, golf accessories and golf apparel and the use of golf simulators. (2) Repair services for golf equipment. (3) Golf instruction services
17.	**LOGO GOLFSURFACE Dessin**	115806	TMA628444	10/16/2002	12/15/2004	Registered	Services: Magasin au détail d'articles de golf

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No.	Trade-Mark	App. No	Reg. No.	App. Date	Reg. Date	Current Status	Wares/Services
18.	**TOUT POUR LE GOLF**	1135769	TMA607868	03/28/2002	04/16/2004	Registered	Wares: (1) Pre-recorded videocassettes and publications, namely magazines. (2) Clothing, namely t-shirts, jackets, rain coats, rain jackets, rain pants, rain hats, wind breakers, shell jackets, sweaters, vests, shirts, caps, visors, toques, hats, gloves, belts, ties, towels. (3) Key chains, pins, badges, crests, wall plaques, clocks. (4) Glasses, mugs, plastic beverage cups, coasters, placemats. (5) Pens, pencils, markers, umbrellas, writing paper and envelopes. (6) Greeting cards, posters, calendars Services: Retail store services and on-line retail services for the sale to consumers and businesses of golf equipment, golf accessories and golf apparel and the use of golf simulators; repair services for golf equipment; golf instruction services; the provision of travel services of others, namely, arranging tours and other travel packages; travel agency and booking agency services, namely, making reservations and bookings for transportation; online travel agency and booking services, namely, making reservations and bookings for transportation via the Internet; travel

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No.	Trade-Mark	App. No	Reg. No.	App. Date	Reg. Date	Current Status	Wares/Services
							information services; consulting services related to the foregoing

RECORDED: 05/02/2006

B. – Inactive Trade-Marks

No.	Trade-Mark	App. No	Reg. No.	App. Date	Reg. Date	Current Status	Wares/Services
19.	**GOLF TOWN EXPRESS**	1128711		01/22/2002		Abandoned	Wares: Pre-recorded videocassettes and publications, namely magazines. Services: Retail store services and on-line retail services for the sale to consumers and businesses of golf equipment, golf accessories and golf apparel and the use of golf simulators; repair services for golf equipment; and golf instruction services
20.	**GOLFWEAR EVERYWHERE**	1069333		08/02/2000		Abandoned	Wares: Golfing apparel, namely, t-shirts, shirts, sweatshirts, sweaters, pullovers, jackets, jerseys, vests, shorts, pants, socks, shoes, gloves; headwear namely, hats, headbands, visors and caps; rainwear namely, slickers, raincoats, rainpants, anoraks and windproof jackets. Services: Retail store services and on-line retail services for the sale to consumers and businesses of golf equipment, golf accessories and golf apparel
21.	**LOGO À GO GO**	1135770		03/28/2002		Abandoned	Services: Advertising services, namely arranging for the custom manufacturing of promotional gift items
22.	**LOGO À GO GO & Design**	1135771		03/28/2002		Abandoned	Services: Advertising services, namely arranging for the custom manufacturing of promotional gift items

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