

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Kinectrics Inc.		10/25/2006	CORPORATION: CANADA

RECEIVING PARTY DATA

Name:	Canadian Imperial Bank of Commerce
Street Address:	199 Bay Street
Internal Address:	3rd Floor
City:	Toronto, Ontario
State/Country:	CANADA
Postal Code:	M5L 1A2
Entity Type:	CORPORATION: CANADA

PROPERTY NUMBERS Total: 5

Property Type	Number	Word Mark
Serial Number:	78680711	KINECTS
Registration Number:	2807697	IDEAS INTO ENERGY
Registration Number:	2781090	K KINECTRICS
Registration Number:	2781089	KINECTRICS
Registration Number:	3014800	SORBWEB

CORRESPONDENCE DATA

Fax Number: (216)241-0816
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 216.622.8200
 Email: ipdocket@calfee.com
 Correspondent Name: Diane H. Dobra
 Address Line 1: 800 Superior Avenue
 Address Line 2: Suite 1400
 Address Line 4: Cleveland, OHIO 44114-2688

CH \$140.00 78680711

ATTORNEY DOCKET NUMBER:

21090/03901

DOMESTIC REPRESENTATIVE

Name:

Address Line 1:

Address Line 2:

Address Line 3:

Address Line 4:

NAME OF SUBMITTER:

Diane H. Dobrea

Signature:

/diane h. dobrea/

Date:

11/16/2006

Total Attachments: 20

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GENERAL SECURITY AGREEMENT

THIS AGREEMENT, dated as of October 25, 2006 between Kinectrics Inc., a corporation existing under the laws of the Province of Ontario (the "Debtor"), with its principal place of business at 800 Kipling Avenue, Toronto, Ontario M8Z 6C4, and Canadian Imperial Bank of Commerce, as lender under the Credit Agreement hereinafter defined (together with its successors and assigns in such capacity, the "Lender"), with its office at 199 Bay Street, 3rd Floor, Toronto, Ontario M5L 1A2.

WHEREAS the Debtor, as borrower, has entered into a Credit Agreement dated as of October 25, 2006 (as the same may be amended, restated or replaced from time to time, the "Credit Agreement") with the Lender; and

WHEREAS it is a condition of the Credit Agreement that the Debtor enter into this Agreement; and

WHEREAS to secure the due payment and performance of the Liabilities (this term and certain other capitalized terms having the meanings specified in Section 1 hereof), the Debtor has agreed to grant to the Lender certain Liens in accordance with the terms of this Agreement;

WITNESSETH THAT, for good and valuable consideration (the receipt and sufficiency of which are acknowledged by the Debtor), it is agreed as follows:

1. Definitions. In this Agreement capitalized terms used but not defined herein, including "Affiliate", "Business Day", "Lien", "Permitted Liens" and "Person", shall have the meanings specified in the Credit Agreement, and the following terms shall have the meanings set out below:

"Accessions" means Goods that are installed in or affixed to other Goods.

"Accounts" means all accounts receivable, book debts and other forms of liabilities now owned or hereafter received or acquired by or belonging or owing to the Debtor (including under any trade names, styles or divisions thereof) whether arising out of property leased by it or services rendered by it or from any other transaction, whether or not the same involves the lease of property or performance of services by the Debtor and all of the Debtor's rights in, to and under all orders now held or hereafter received or acquired by it for property or services, and all of the Debtor's rights to any property represented by any of the foregoing (including returned or repossessed property and unpaid lessor's rights) and including all rights to payment for goods sold or leased or for services rendered which are not evidenced by an Instrument or Chattel Paper, whether or not it has been earned by performance, and all moneys due or to become due to the Debtor under all Contracts for the sale or lease of property and/or the performance of services by it (whether or not yet earned by performance) or in connection with any other transaction, now in existence or hereafter arising, including the right to receive the proceeds of said orders and contracts, and all collateral security and guarantees of any kind given by any Person with respect to any of the foregoing.

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

"Chattel Paper" means one or more than one writing or agreement that evidences both a monetary obligation and a Lien on or a lease of specific Goods.

"Collateral" means all present and future undertaking of the Debtor, all Personal Property in which the Debtor at any time has any right, title or interest (including any Personal Property that may be described in any schedule to this Agreement or in any document that the Debtor may from time to time sign and provide to the Lender in connection with this Agreement), and all real property in which the Debtor at any time has any right, title or interest (including any real property that may be described in any schedule to this Agreement or in any document that the Debtor may from time to time sign and provide to the Lender in connection with this Agreement, and including all fixtures, improvements, buildings and other structures placed, installed or erected from time to time on any such real property), wherever located.

"Consumer Goods" means Goods that are used or acquired for use primarily for personal, family or household purposes.

"Contracts" means all contracts and agreements to which the Debtor is at any time a party or pursuant to which the Debtor has at any time acquired rights, and includes all rights of the Debtor to receive Money or other amounts in connection with a contract or agreement; all rights of the Debtor to damages arising out of, or for breach or default in respect of, a contract or agreement; and all rights of the Debtor to perform and exercise remedies in connection with a contract or agreement.

"Credit Agreement" has the meaning specified in the first recital in this Agreement.

"Debtor" has the meaning specified in the first paragraph of this Agreement, and includes its successors and permitted assigns.

"Default" means any Event of Default as defined in the Credit Agreement.

"Document of Title" means any writing that purports to be issued by or addressed to a person and purports to cover such Goods in such person's possession as are identified or fungible portions of an identified mass, and that in the ordinary course of business is treated as establishing that the Person in possession of it is entitled to receive, hold and dispose of the document and the Goods it covers, including any warehouse receipt or bill of lading, whether or not negotiable.

"Equipment" means all Goods that are not Inventory or Consumer Goods, including all machinery, equipment and furniture now owned or hereafter acquired by the Debtor or in which the Debtor now has or hereafter may acquire any right, title or interest and any and

all additions, substitutions and replacements thereof, wherever located, together with all attachments, components, parts, equipment and accessories installed therein or affixed thereto.

“Goods” means all corporeal movable property other than Chattel Paper, Contracts, Documents of Title, Instruments, Money and Securities.

“Instrument” means a bill, note or cheque within the meaning of the *Bills of Exchange Act* (Canada) or any other writing that evidences a right to the payment of money and is of a type that in the ordinary course of business is transferred by delivery with any necessary endorsement or assignment, or a letter of credit and an advice of credit if the letter or advice states that it must be surrendered upon claiming payment thereunder, but does not include a writing that constitutes part of Chattel Paper, a Document of Title or Securities.

“Intangible” means all movable property, including choses in action, that is not Goods, Chattel Paper, Contracts, Documents of Title, Instruments, Money or Securities, and includes Intellectual Property Rights.

“Intellectual Property Rights” means industrial and intellectual property rights, including copyrights, patents, trade-marks, industrial designs, know how and trade secrets and all Contracts related to any such industrial and intellectual property rights.

“Inventory” means all inventory, wherever located, now owned or hereafter acquired by the Debtor or in which the Debtor now has or hereafter may acquire or become entitled to any right, title or interest, including all Goods and other personal property now or hereafter owned by the Debtor which are held for sale or lease or are furnished or are to be furnished under a contract of service or that are raw materials, work in process or materials used or consumed or to be used or consumed in the Debtor’s business or profession, or in the processing, packaging or shipping of the same, and all finished Goods.

“Lender” has the meaning specified in the first recital in this Agreement.

“Liabilities” means all present and future indebtedness, liabilities and obligations of the Debtor pursuant to or in respect of the Credit Agreement, and any ultimate unpaid balance thereof.

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

“Permits” means all permits, licences, authorizations, approvals, rights-of-way, easements and entitlements that the Debtor has, requires or is obliged to have, to own, possess or operate any of its property or carry on any of its business.

“Personal Property” means personal property of all types and includes Accounts, Books and Records, Chattel Paper, Contracts, Documents of Title, Equipment, Goods,

Instruments, Intangibles (including Intellectual Property Rights and Permits), Inventory, Money and Securities.

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

"Proceeds" means identifiable or traceable personal or movable property in any form derived directly or indirectly from any sale, exchange, collection, disposition or other dealing with Collateral or the proceeds therefrom, and includes any payment representing insurance recoveries, indemnity or compensation for loss or damage to Collateral or proceeds therefrom.

"Receiver" means a receiver, a manager or a receiver and manager.

"Security" means a document that is (i) issued in bearer, order or registered form, (ii) of a type commonly dealt with upon securities exchanges or markets or commonly recognized in any area in which it is issued or dealt in as a medium for investment, (iii) one of a class or series or which by its terms is divisible into a class or series of documents, and (iv) evidence of a share, participation or other interest in property or in an enterprise or is evidence of a liability of the issuer.

2. Creation of Liens. As general and continuing collateral security for the due payment and performance of the Liabilities, the Debtor mortgages, charges and assigns to the Lender, and grants to the Lender a security interest in, the Collateral.

3. Limitations on Liens. If the creation hereby of any Lien in respect of any Contract, Intellectual Property Right or Permit would result in the termination or breach of such Contract, Intellectual Property Right or Permit, then such Contract, Intellectual Property Right or Permit will not be subject to such Lien but will be held in trust by the Debtor for the benefit of the Lender and, on the exercise by the Lender of any of its remedies hereunder following Default, will be assigned by the Debtor as directed by the Lender. In addition, the Liens created hereby do not extend to the last day of the term of any lease of real property or agreement for lease of real property. Such last day will be held by the Debtor in trust for the benefit of the Lender and, on the exercise by the Lender of any of its remedies hereunder following Default, will be assigned by the Debtor as directed by the Lender.

4. Attachment: No Obligation to Advance. The Debtor confirms that value has been given by the Lender to the Debtor, and that the Debtor and the Lender have not agreed to postpone the time for attachment of any of the Liens created hereby. The Liens created hereby will have effect and be deemed to be effective whether or not the Liabilities or any part thereof are owing or in existence before or after or upon the date of this Agreement. Neither the execution of this Agreement nor any advance of credit shall oblige the Lender to advance any credit or any additional credit.

5. Representations and Warranties. The Debtor represents and warrants to the Lender that:

(a) Places of Business; Name; Location of Collateral. The Debtor's principal place of business and chief executive office, and the place where it keeps its Books and Records, is at the address specified in the initial paragraph of this Agreement, and its full legal name (including to the extent applicable the English and French versions thereof), and any other name under which it conducts its business, is specified on the signature page of this Agreement. The Debtor does not own any real property.

(b) No Consumer Goods. The Debtor does not own any Consumer Goods which are material in value or which are material to the business, operations, property, condition or prospects (financial or otherwise) of the Debtor.

(c) Intellectual Property Rights. All Intellectual Property Rights (except unregistered copyrights) in which the Debtor has any right, title or interest (and the nature of such right, title or interest) are described in Schedule A to this Agreement (as supplemented from time to time pursuant to section 6(f) hereof). To the best of the Debtor's knowledge, each such Intellectual Property Right is valid, subsisting, unexpired, enforceable and has not been abandoned. Except as set out in such Schedule, none of such Intellectual Property Rights has been licensed or franchised by the Debtor to any Person.

6. Covenants. The Debtor covenants and agrees with the Lender that:

(a) Delivery of Certain Collateral. Promptly upon request from time to time by the Lender, the Debtor will deliver (or cause to be delivered) to the Lender (if not then held by the Lender), endorsed and/or accompanied by such instruments of assignment and transfer in such form and substance as the Lender may reasonably request, any and all Instruments, Securities, Documents of Title and Chattel Paper included in or relating to the Collateral as the Lender may specify in its request.

(b) Maintenance of Records. The Debtor will keep and maintain accurate and complete records of the Collateral, including a record of all payments received and all credits granted with respect to the Accounts and Contracts. At the written request of the Lender, the Debtor will mark any Collateral specified by the Lender to evidence the existence of the Liens created hereby.

(c) Receipt of Proceeds. So long as any Default is continuing, all Proceeds of any Collateral (including all amounts received in respect of Accounts) received by or on behalf of the Debtor, whether or not arising in the ordinary course of the Debtor's business, will be received by the Debtor as trustee for the Lender and will be immediately paid to the Lender.

(d) Limitations on Modifications, Waivers, Extensions. Other than in the ordinary course of business of the Debtor consistent with its previous practices or with general industry practices, the Debtor will not amend, modify, terminate or waive any provision of any document giving rise to an Account in any manner which is or could reasonably be expected to be

materially adverse to the Debtor or the Lender, or fail to exercise promptly and diligently its rights under each document giving rise to an Account if such failure is or could reasonably be expected to be materially adverse to the Debtor or the Lender.

(e) Limitations on Discounts, Compromises, Extensions of Accounts. Other than in the ordinary course of business of the Debtor consistent with its previous practices or with general industry practices, the Debtor will not grant any extension of the time for payment of any Account, or compromise, compound or settle any Account for less than its full amount, or release, wholly or partially, any Person liable for the payment of any Account, or allow any credit or discount of any Account, if such action is or could reasonably be expected to be materially adverse to the Debtor or the Lender.

(f) Further Identification of Collateral. The Debtor will promptly furnish to the Lender such statements and schedules further identifying and describing the Collateral (including supplemental schedules describing additional Intellectual Property Rights acquired by the Debtor subsequent to the date hereof), and such other reports in connection with the Collateral, as the Lender may from time to time reasonably request.

(g) Right of Inspection. The Lender may, upon reasonable notice at any time during normal business hours, without charge, examine and make copies of all Books and Records, and may discuss the affairs, finances and accounts of the Debtor with its officers and accountants. The Lender may also, without charge, during normal business hours and then so long as the Debtor has received reasonable notice and such inspection will not result in a material disruption of normal business activities, enter the premises of the Debtor where any of the Collateral is located for the purpose of inspecting the Collateral and observing its use.

(h) Maintenance of Collateral. The Debtor will maintain all tangible Collateral in good operating condition, ordinary wear and tear excepted, and the Debtor will provide all maintenance, service and repairs necessary for such purpose.

(i) Insurance. The Debtor will keep all tangible Collateral insured with financially sound and reputable companies to its full insurable value against loss or damage by fire, explosion, theft and such other risks as are customarily insured against by persons carrying on similar businesses or owning similar property within the vicinity in which the Debtor's applicable business or property is located. The applicable insurance policies will be in form and substance satisfactory to the Lender, and will (i) contain a breach of warranty clause in favour of the Lender, (ii) provide that no cancellation, material reduction in amount or material change in coverage will be effective until at least 30 days after receipt of written notice thereof by the Lender, (iii) contain by way of endorsement a mortgagee clause in form and substance satisfactory to the Lender, and (iv) name the Lender as loss payee as its interest may appear. The Debtor will, from time to time at the Lender's request, deliver the applicable insurance policies (or satisfactory evidence of such policies) to the Lender. If the Debtor does not obtain or maintain such insurance, the Lender may, but need not, do so, in which event the Debtor will immediately on demand reimburse the Lender for all payments made by the Lender in connection with obtaining and maintaining such insurance, and until reimbursed any such payment will form part of the Liabilities and will be secured by the Liens created hereby.

Neither the Lender nor its correspondents or its agents will be responsible for the character, adequacy, validity or genuineness of any insurance, the solvency of any insurer, or any other risk connected with insurance.

(j) Notices. The Debtor will advise the Lender promptly, in reasonable detail, of (i) any Lien (other than the Liens created hereby and any Lien permitted by the Credit Agreement) on, or claim asserted against, any of the Collateral, (ii) the occurrence of any event, claim or occurrence that could reasonably be expected to have a material adverse effect on the value of the Collateral or on the Liens created by this Agreement, (iii) any change in the location of any place of business (including additional locations) or the chief executive office of the Debtor, (iv) any change in the location of any of the tangible Collateral (including additional locations), (v) any acquisition of any real property or any Intellectual Property Rights by the Debtor, (vi) any change in the name of the Debtor, (vii) any merger or amalgamation of the Debtor with any other Person, (viii) any additional jurisdiction in which material accounts debtors of the Debtor are located, and (ix) any material loss of or damage to any of the Collateral. The Debtor agrees not to effect or permit any of the changes referred to in clauses (iii) to (viii) above unless all filings have been made and all other actions taken that are required in order for the Lender to continue at all times following such change to have a valid and perfected Lien in respect of all of the Collateral.

7. Rights on Default. If a Default has occurred and is continuing, the Lender may, personally or by agent, at such time or times as the Lender in its discretion may determine, do any one or more of the following:

(a) Rights under PPSA, etc. Exercise all of the rights and remedies granted to secured parties under the PPSA and any other applicable statute, or otherwise available to the Lender at law or in equity.

(b) Require Delivery. Demand possession of any or all of the moveable Collateral, in which event the Debtor will, at the expense of the Debtor, immediately cause such Collateral designated by the Lender to be assembled and made available and/or delivered to the Lender at any place designated by the Lender.

(c) Take Possession. Enter on any premises where any Collateral is located and take possession of, disable or remove such Collateral and any other Collateral.

(d) Deal with Collateral. Hold, store and keep idle, or operate, lease or otherwise use or permit the use of, any or all of the Collateral for such time and on such terms as the Lender may determine, and demand, collect and retain all earnings and other sums due or to become due from any Person in respect of any of the Collateral.

(e) Carry on Business. Carry on, or concur in the carrying on of, any or all of the business or undertaking of the Debtor and enter on, occupy and use (without charge by the Debtor) any of the premises, buildings, plant and undertaking of, or occupied or used by, the Debtor.

(f) Dispose of Collateral. Realize on any or all of the Collateral and sell, lease, assign, give options to purchase, or otherwise dispose of and deliver any or all of the Collateral (or contract to do any of the above), in one or more parcels at any public or private sale, at any exchange, broker's board or office of the Lender or elsewhere, with or without advertising or other formality, on such terms and conditions as the Lender may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery.

(g) Court-Approved Disposition of Collateral. Apply to a court of competent jurisdiction for the sale or foreclosure of any or all of the Collateral.

(h) Purchase by Lender. At any public sale, and to the extent permitted by law on any private sale, bid for and purchase any or all of the Collateral offered for sale and, upon compliance with the terms of such sale, hold, retain and dispose of such Collateral without any further accountability to the Debtor or any other Person with respect to such holding, retention or disposition, except as required by law. In any such sale to the Lender, the Lender may, for the purpose of making payment for all or any part of the Collateral so purchased, use any claim for Liabilities then due and payable to it as a credit against the purchase price.

(i) Collect Accounts. Notify the account debtors or obligors under any Accounts of the assignment of such Accounts to the Lender and direct such account debtors or obligors to make payment of all amounts due or to become due to the Debtor in respect of such Accounts directly to the Lender and, upon such notification and at the expense of the Debtor, enforce collection of any such Accounts, and adjust, settle or compromise the amount or payment of such Accounts, in such commercially reasonable manner in the circumstances as the Lender deems appropriate.

(j) Transfer of Securities. Transfer any Securities forming part of the Collateral into the name of the Lender or its nominee, with or without disclosing that the Securities are subject to the Liens created hereby.

(k) Exercise of Rights. Exercise any and all rights, privileges, entitlements and options pertaining to any Securities forming part of the Collateral as if the Lender were the absolute owner of such Securities.

(l) Payment of Liabilities. Pay any liability secured by any Lien against any Collateral. The Debtor will immediately on demand reimburse the Lender for all such payments.

(m) Borrow and Grant Liens. Borrow money for the maintenance, preservation or protection of any Collateral or for carrying on any of the business or undertaking of the Debtor and grant Liens on any Collateral (in priority to the Liens created hereby or otherwise) as security for the money so borrowed. The Debtor will immediately on demand reimburse the Lender for all such borrowings.

(n) Appoint Receiver. Appoint by instrument in writing one or more Receivers of the Debtor or any or all of the Collateral with such rights, powers and authority (including any or all of the rights, powers and authority of the Lender under this Agreement) as may be provided for

in the instrument of appointment or any supplemental instrument, and remove and replace any such Receiver from time to time. To the extent permitted by applicable law, any Receiver appointed by the Lender will (for purposes relating to responsibility for the Receiver's acts or omissions) be considered to be the agent of the Debtor and not of the Lender.

(o) Court-Appointed Receiver. Apply to a court of competent jurisdiction for the appointment of a Receiver of the Debtor or of any or all of the Collateral.

The Lender may exercise any or all of the foregoing rights and remedies without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except as required by applicable law) to or on the Debtor or any other Person, and the Debtor by this Agreement waives each such demand, presentment, protest, advertisement and notice to the extent permitted by applicable law. None of the above rights or remedies will be exclusive of or dependent on or merge in any other right or remedy, and one or more of such rights and remedies may be exercised independently or in combination from time to time.

8. Grant of Licence. For the purpose of enabling the Lender to exercise its rights and remedies under Section 7 hereof when the Lender is entitled to exercise such rights and remedies, and for no other purpose, the Debtor grants to the Lender an irrevocable, non-exclusive licence (exercisable without payment of royalty or other compensation to the Debtor) to use, assign or sublicense any or all of the Intellectual Property Rights in which the Debtor has any right, title or interest, including in such licence reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout of the same, but in any such case only to the extent that such licence is not prohibited by any relevant arms-length terms to which the Debtor is subject in respect of the applicable Intellectual Property Rights.

9. Sale of Securities. The Lender is authorized, in connection with any offer or sale of any Securities forming part of the Collateral, to comply with any limitation or restriction as it may be advised by counsel is necessary to comply with applicable law, including compliance with procedures that may restrict the number of prospective bidders and purchasers, requiring that prospective bidders and purchasers have certain qualifications, and restricting prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account or investment and not with a view to the distribution or resale of such Securities. The Debtor further agrees that compliance with any such limitation or restriction will not result in a sale being considered or deemed not to have been made in a commercially reasonable manner, and the Lender will not be liable or accountable to the Debtor for any discount allowed by reason of the fact that such Securities are sold in compliance with any such limitation or restriction.

10. Application of Proceeds. All Proceeds of Collateral received by the Lender or a Receiver may be applied to discharge or satisfy any expenses (including the Receiver's remuneration and other expenses of enforcing the Lender's rights under this Agreement), Liens in favour of Persons other than the Lender having priority over the Liens created hereby, borrowings, taxes and other outgoings affecting the Collateral or which are considered advisable by the Lender or the Receiver to protect, preserve, repair, process, maintain or enhance the

Collateral or prepare it for sale, lease or other disposition, or to keep in good standing any Liens on the Collateral ranking in priority to any of the Liens created hereby, or to sell, lease or otherwise dispose of the Collateral. The balance of such Proceeds shall be applied in payment of Liabilities in the manner determined by the Lender, and thereafter will be accounted for as required by law.

11. Continuing Liability of Debtor. The Debtor will remain liable for any Liabilities that are outstanding following realization of all or any part of the Collateral and the application of the Proceeds thereof.

12. Appointment of Lender as Attorney-in-Fact. The Debtor constitutes and appoints the Lender and any officer or agent of the Lender, with full power of substitution, as the Debtor's true and lawful attorney-in-fact with full power and authority in the place of the Debtor and in the name of the Debtor or in its own name, from time to time in the Lender's discretion, so long as any Default has occurred and is continuing, to take any and all appropriate action and to execute any and all documents and instruments as, in the opinion of such attorney acting reasonably, may be necessary or desirable to accomplish the purposes of this Agreement. These powers are coupled with an interest and are irrevocable until the Liabilities have been paid in full and this Agreement is terminated and the Liens created hereby are released. Nothing in this Section affects the right of the Lender as secured party or any other Person on the Lender's behalf, to sign and file or deliver (as applicable) all such financing statements, financing change statements, notices, verification agreements and other documents relating to the Collateral and this Agreement as the Lender or such other Person considers appropriate.

13. Performance by Lender of Debtor's Obligations. If the Debtor fails to perform or comply with any of the obligations of the Debtor under this Agreement, the Lender may, but need not, perform or otherwise cause the performance or compliance of such obligation, provided that such performance or compliance will not constitute a waiver, remedy or satisfaction of such failure. The expenses of the Lender incurred in connection with any such performance or compliance will be payable by the Debtor to the Lender immediately on demand, and until paid, any such expenses will form part of the Liabilities and will be secured by the Liens created hereby.

14. Interest. If any amount payable to the Lender under this Agreement is not paid when due, the Debtor will pay to the Lender interest on such amount in arrears as more particularly specified in the Credit Agreement.

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

16. Rights of Lender: Limitations on Lender's Obligations.

(a) Limitations on Lender's Liability. The Lender will not be liable to the Debtor or any other Person for any failure or delay in exercising any of the rights of the Lender or the Debtor under this Agreement (including any failure to take possession of, collect, sell, lease or otherwise dispose of any Collateral, or to preserve rights against prior parties). Neither the Lender nor any Receiver nor any agent of the Lender is required to take, or will have any liability for any failure to take or delay in taking, any steps necessary or advisable to preserve rights against other Persons under any Collateral in its possession. Neither the Lender nor any Receiver will be liable for any, and the Debtor will bear the full risk of all, loss or damage to any and all of the Collateral (including any Collateral in the possession of the Lender or any Receiver) caused for any reason other than the gross negligence or willfull misconduct of the Lender or such Receiver.

(b) Debtor Remains Liable under Accounts and Contracts. Notwithstanding any provision of this Agreement, the Debtor will remain liable under each of the documents giving rise to the Accounts and under each of the Contracts to observe and perform all the conditions and obligations to be observed and performed by the Debtor thereunder, all in accordance with the terms of each such document and Contract. The Lender will have no obligation or liability under any Account (or any document giving rise thereto) or Contract by reason of or arising out of this Agreement or the receipt by the Lender of any payment relating to such Account or Contract pursuant hereto, and in particular (but without limitation), the Lender will not be obligated in any manner to perform any of the obligations of the Debtor under or pursuant to any Account (or any document giving rise thereto) or under or pursuant to any Contract, to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party under any Account (or any document giving rise thereto) or under any Contract, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time.

(c) Collections on Accounts and Contracts. The Lender hereby authorizes the Debtor to collect the Accounts and payments under the Contracts in the normal course of the business of the Debtor and for the purpose of carrying on the same. All payments of Accounts or under Contracts, when collected by the Debtor, will be forthwith (and, in any event, within two Business Days) deposited by the Debtor in an account in the name of the Debtor with the Lender. All credit balances in such account and all income in respect thereof will continue to be collateral security for the Liabilities and will not constitute payment thereof until applied by the Lender as hereinafter provided. If a Default has occurred and is continuing, the Lender may apply all or any part of such amounts on deposit on account of the Liabilities in such order as is specified in the Credit Agreement, or otherwise as the Lender may elect. Prior to the occurrence of a Default the Debtor may disburse such amounts on deposit in the ordinary course of business in a manner consistent with the Credit Agreement. At the Lender's request at any time that a Default shall have occurred and be continuing, the Debtor will deliver to the Lender any documents evidencing and relating to the agreements and transactions which gave rise to the Accounts and Contracts.

(d) Analysis of Accounts. The Lender will have the right to analyze and verify the Accounts as it reasonably considers advisable, and the Debtor will furnish all such assistance and information as the Lender may reasonably require in connection therewith. The Lender may in its own name or in the name of others (including the Debtor), at any time that a Default shall have occurred and be continuing, communicate with account debtors on the Accounts and parties to the Contracts to verify with them to its satisfaction the existence, status, amount and terms of any Account or any Contract.

17. Dealings by Lender. The Lender will not be obliged to exhaust its recourse against the Debtor or any other Person or against any other security it may hold in respect of any of the Liabilities before the Lender is entitled to realize upon or otherwise deal with the Collateral in such manner as the Lender may consider desirable. The Lender may grant extensions of time and other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Debtor and any other Person, and during the continuance of any Default with any or all of the Collateral, and with other security and sureties, as they may see fit, all without prejudice to the Liabilities or to the rights and remedies of the Lender under this Agreement. The powers conferred on the Lender under this Agreement are solely to protect the interests of the Lender in the Collateral and will not impose any duty upon the Lender to exercise any such powers.

18. Communications. Any notice or communication to be given hereunder may be effectively given in the manner specified in the Credit Agreement.

19. Release of Information. The Debtor authorizes the Lender to provide a copy of this Agreement and such other information as may be requested of the Lender by Persons entitled thereto pursuant to any applicable legislation, and otherwise with the consent of the Debtor.

20. Waivers and Amendments. To the extent permitted by applicable law, the Debtor unconditionally and irrevocably waives all of the rights, benefits and protections given by any present or future statute that imposes limitations on the rights, powers or remedies of a secured party or on the methods of, or procedures for, realization of security, including any "seize or sue" or "anti-deficiency" statute or any similar provision of any other statute. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Lender. The Lender will not, by any act or delay, be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Lender, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder will preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Lender of any right or remedy hereunder on any one occasion will not be construed as a bar to any right or remedy which the Lender would otherwise have on any future occasion. Neither the taking of any judgement nor the exercise of any power of seizure or sale will extinguish the liability of the Debtor to pay the Liabilities, nor will the same operate as a merger or any covenant contained in this Agreement or of any other liability, nor will the acceptance of any payment or other security constitute or create any novation.

21. Indemnities.

(a) The Debtor shall indemnify the Lender and each of its directors, officers and agents (collectively the "Indemnitees") from and against any and all claims, demands, liabilities, damages, losses, costs, penalties, actions, judgements, suits and expenses of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against any of the Indemnitees and arising by reason of any action (including any action referred to in this Agreement) or inaction or omission to do any act legally required by the Debtor.

(b) The Debtor shall indemnify and save harmless each Indemnitee from all claims, demands, liabilities, damages, losses, costs, penalties, actions, judgements, suits and expenses of any kind or nature whatsoever (including without limitation any remedial, clean-up, compliance or preventative costs, charges and expenses) which may be asserted against or incurred by such Indemnitee, as a direct or indirect consequence of the presence at any time of any solid, liquid, gas, odour, heat, sound, vibration or radiation, or combination thereof, that may impair the natural environment, injure or damage property or plant or animal life or harm or impair the health of any individual, on or under or the release at any time of any such substance from, any property owned, leased, operated or used at any time by the Debtor or any of its Subsidiaries, or the breach at any time by any owner, lessee, operator or user of any such property of any environmental law relative to such property.

(c) The indemnifications in this section 21 shall not be applicable to any amount or event which is determined by a court of competent jurisdiction to be attributable primarily to the gross negligence or wilful misconduct of the applicable Indemnitee.

(d) The indemnifications in this section 21 will survive the satisfaction, release or extinguishment of the Liabilities and the Liens created hereby.

22. Amalgamation. The Debtor acknowledges that if it amalgamates with any other corporation or corporations, then the Collateral and the Liens created by this Agreement will extend to and include all the property and assets of the amalgamated corporation and to any property or assets of the amalgamated corporation thereafter owned or acquired; the term "Debtor", where used in this Agreement, will extend to and include the amalgamated corporation; and the term "Liabilities", where used in this Agreement, will extend to and include the indebtedness, liabilities and obligations of the amalgamated corporation of the nature referred to in the definition of such term in Section 1 hereof.

23. Interpretation. The division of this Agreement into Sections and paragraphs, and the insertion of headings, is for convenience of reference only and will not affect the construction or interpretation of this Agreement. Unless the context otherwise requires, words importing the singular include the plural and vice versa, and words importing gender include all genders.

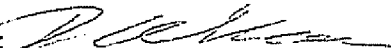
24. Paramourncy. This Agreement has been entered into pursuant to the Credit Agreement, and if there is any conflict or inconsistency between any of the provisions hereof and thereof, the provisions of the Credit Agreement shall prevail.

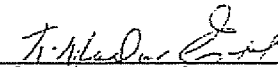
25. Governing Law: Attornment. This Agreement shall be governed by the laws of the Province of Ontario. Without prejudice to the ability of the Lender to enforce this Agreement in any other proper jurisdiction, the Debtor irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of such Province. To the extent permitted by applicable law, the Debtor irrevocably waives any objection (including any claim or inconvenient forum) that it may now or hereafter have to the venue of any legal proceeding arising out of or relating to this Agreement in the courts of such Province.

26. Binding Nature. This Agreement shall extend to and enure to the benefit of the Lender and its successors and assigns and shall be binding on the Debtor and its successors. The Debtor may not assign its obligations under this Agreement.

27. Acknowledgement of Receipt: Waiver. The Debtor acknowledges receipt of an executed copy of this Agreement and, to the extent permitted by applicable law, waives the right to receive a copy of any financing statement, financing change statement or verification statement in respect of any registered financing statement or financing change statement prepared, registered or issued in connection with this Agreement.

KINECTRICS INC.

by: 
name: David Harris
title: President

by: 
name: Nancy MacDonald
title: Secretary

SCHEDULE A

Intellectual Property Rights (Paragraph 5(c))

12014729,2

CANADIAN PATENTS AND PATENT APPLICATIONS


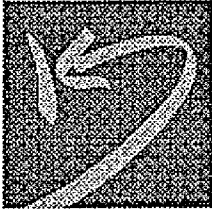
Title	Filing Date	Application No.	Patent No.
HYDROACOUSTIC SONAR EQUIPMENT	June 14, 1989	1,292,305	1,292,305
ENERGY ABSORBER FOR HORIZONTAL LIFELINES IN FALL ARREST SYSTEMS	March 25, 1991	2,039,004	2,039,004
RADIOLUMINESCENT LIGHT SOURCES	August 16, 1991	2,049,409	2,049,409
PRODUCING CARBON-14 ISOTOPE FROM SPENT RESIN WASTE	February 17, 1992	2,061,307	2,061,307
DESTRUCTION OF POLYCHLORINATED BIPHENYLS	February 28, 1992	2,062,054	2,062,054
METHOD AND APPARATUS FOR DETECTING STATOR FAULTS IN ROTARY DYNAMOELECTRIC MACHINES	January 4, 1993	2,086,641	2,086,641
SOUND CONDITIONING IN FISH	January 4, 1994	2,112,793	2,112,793
NUCLEAR BATTERIES	March 30, 1994	2,120,295	2,120,295
AUTOMATED INTELLIGENT MONITORING SYSTEM	June 3, 1994	2,125,095	2,125,095
WASTE OIL DECONTAMINATION PROCESS	August 18, 1995	2,156,480	2,156,480
APPARATUS AND METHOD FOR CONTINUOUS PROCESSING OF GRANULAR MATERIALS USING MICROWAVES	September 29, 1995	2,159,569	2,159,569
ROTARY MICROWAVE APPARATUS FOR CONTINUOUS HEATING OF MATERIALS	June 14, 1996	2,179,125	2,179,125
IMPROVED FILTER SYSTEM	June 22, 1999	2,278,433	
METHOD FOR DECONTAMINATION OF BALLAST PITCH MATERIAL	August 8, 2001	2,354,938	
METHOD FOR TREATMENT OF HAZARDOUS FLUID ORGANIC WASTE MATERIALS	February 26, 2001	2,407,547	
POUROUS DIKE INTAKE STRUCTURE FOR FISH DIVERSION	April 9, 2003	2,424,808	
HIGH SPEED BI-DIRECTIONAL SOLID STATE SWITCH	April 29, 2003	2,427,039	
POWER LINE COMMUNICATION SYSTEM	November 23, 2001	2,429,581	
CORELESS CURRENT SENSOR	June 17, 2003	2,432,671	
METHOD AND APPARATUS FOR OIL SPILL CONTAINMENT	October 19, 2004	2,485,279	
FISH BARRIER	October 26, 2005	2,524,555	
METHOD AND APPARATUS FOR MEASUREMENT OF TERMINAL SOLID SOLUBILITY TEMPERATURE IN ALLOYS CAPABLE OF FORMING HYBRIDES	November 23, 2004	2,546,644	

UNITED STATES PATENTS AND PATENT APPLICATIONS


Title	Filing Date	Application No.	Patent No.
HYDROACOUSTIC SONAR EQUIPMENT	June 1, 1989	07/360,200	4,949,318
RADIOLUMINESCENT LIGHT SOURCES	September 17, 1990	07/583,209	5,118,951
LINEMAN'S POLE STRAP ASSEMBLY	February 24, 1992	07/840,139	5,141,074
ENERGY ABSORBER FOR HORIZONTAL LIFELINES IN FALL ARREST SYSTEMS	January 22, 1991	07/644,383	5,143,187
PROCESS AND APPARATUS FOR TRITIUM RECOVERY	April 30, 1990	07/516,733	5,154,878
METHOD AND APPARATUS FOR DETECTING STATOR FAULTS IN ROTARY DYNAMOELECTRIC MACHINES	January 23, 1992	07/824,392	5,252,915
PRODUCING CARBON-14 ISOTOPE FROM SPENT RESIN WASTE	February 21, 1991	07/658,503	5,286,468
SOUND CONDITIONING IN FISH	April 15, 1992	08/045,946	5,291,858
TRANSFORMER FAULT ANALYZER	July 20, 1993	08/093,615	5,396,172
ULTRASONIC ROTARY SHAFT POSITION ENCODER	April 21, 1994	08/231,004	5,510,781
WASTE OIL DECONTAMINATION PROCESS	January 23, 1995	08/376,980	5,516,969
RADIOLUMINESCENT SEMICONDUCTOR LIGHT SOURCE	April 10, 1995	08/419,472	5,561,679
NUCLEAR BATTERIES	July 29, 1994	08/282,294	5,606,213
RADIOISOTOPE-POWERED SEMICONDUCTOR BATTERY	November 30, 1995	08/565,708	5,859,484
APPARATUS AND METHOD FOR CONTINUOUS PROCESSING OF GRANULAR MATERIALS USING MICROWAVES	September 29, 1995	08/536,711	5,869,816
OIL CIRCUIT RECLOSER OPERATOR	November 25, 1997	08/978,477	5,896,258
ROTARY MICROWAVE OVEN FOR CONTINUOUS HEATING OF MATERIALS	June 13, 1997	08/874,356	5,902,510
AUDIO MONITORING SYSTEM FOR ASSESSING WILDLIFE BIODIVERSITY	October 7, 1996	08/726,425	5,956,463
SUPPORT MEMBER FOR USE IN CONSTRUCTING ELECTRIFIED FENCE	August 7, 1998	09/130,514	6,045,099
APPARATUS FOR TRITIUM-IN-WATER MONITORING	April 19, 1999	09/293,996	6,159,427
NON-ELECTRIC PERIMETER FENCE	June 30, 1999	09/342,927	6,199,831
NON-VENTING CUTOFF MOUNTED FUSE	August 18, 1999	09/376,337	6,211,768
SUPERCRITICAL CARBON DIOXIDE EXTRACTION OF CONTAMINANTS FROM ION EXCHANGE RESINS	May 17, 1999	09/312,050	6,248,797
ELECTRIC FENCE	August 21, 1998	09/138,364	6,264,172
REMOVABLE FILTER WITH JACK SEALING DEVICE AND VACUUM CLEANING HEADS	June 22, 1999	09/337,507	6,337,013
DESTRUCTION OF POLYCHLORINATED BIPHENYLS	March 15, 1991	07/670,001	6,380,454
METHOD FOR DECONTAMINATION OF LOW LEVEL POLYHALOGENATED AROMATIC CONTAMINATED FLUID AND SIMULTANEOUS DESTRUCTION OF HIGH LEVEL POLYHALOGENATED AROMATICS	August 18, 2000	09/641,568	6,414,212

REMOVAL OF TOXIC CONTAMINANTS FROM POROUS MATERIAL	February 29, 2000	09/515,457	6,423,151
METHOD AND APPARATUS FOR REFURBISHING VALVES	April 30, 2001	09/843,711	6,469,271
DEVICE FOR SENDING AND RECEIVING DATA THROUGH POWER DISTRIBUTION TRANSFORMERS	November 24, 2000	09/718,504	6,549,120
PROCESS FOR DECONTAMINATION OF BALLAST PITCH MATERIAL	August 8, 2001	09/923,798	6,555,728
HIGH SPEED BI-DIRECTIONAL SOLID STATE SWITCH	May 15, 2003	10/438,123	6,876,245
POROUS DIKE INTAKE STRUCTURE FOR FISH DIVERSION	July 18, 2003	10/621,508	6,955,759
CORELESS CURRENT SENSOR	July 1, 2003	10/609,486	6,965,225
METHOD AND APPARATUS FOR OIL SPILL CONTAINMENT	October 21, 2003	10/689,937	
METHOD AND APPARATUS FOR MEASUREMENT OF TERMINAL SOLID SOLUBILITY TEMPERATURE IN ALLOYS CAPABLE OF FORMING HYBRIDES	November 22, 2004	10/995,085	
FISH BARRIER	October 28, 2005	11/260,237	

Canadian Trade-marks

Trademark	Application No.	Registration No.
TRUSTIE	1,183,761	TMA619,632
KINECTS	1,245,694	TMA661,471
EVER-CLEAR	820,675	TMA479,181
ARCPRO	781,680	TMA474,535
 PDA H DESIGN	600,036	TMA358,691
SorbWeb	1,138,750	TMA616,376
IDEAS INTO ENERGY	1,077,618	TMA572,173
KINECTRICS	1,073,003	TMA564,922
 KINECTRICS KINECTRICS & Design	1,073,004	TMA564,920

United States Trade-marks

Trademark	Application No.	Registration No.
KINECTS	78/680,711	
IDEAS INTO ENERGY	76/188,296	2,807,697
 KINECTRICS K KINECTRICS	76/184,187	2,781,090
KINECTRICS	76/184,186	2,781,089
SORBWEB	78/177,540	3,014,800