

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
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<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT		
<b>NATURE OF CONVEYANCE:</b>	SECURITY INTEREST		
<b>CONVEYING PARTY DATA</b>			
<b>Name</b>	<b>Formerly</b>	<b>Execution Date</b>	<b>Entity Type</b>
Compudigm International Limited		09/24/2007	LIMITED LIABILITY COMPANY: NEW ZEALAND
<b>RECEIVING PARTY DATA</b>			
<b>Name:</b>	Bally Technologies, Inc.		
<b>Street Address:</b>	6601 S. Bermuda Road		
<b>City:</b>	Las Vegas		
<b>State/Country:</b>	NEVADA		
<b>Postal Code:</b>	89119		
<b>Entity Type:</b>	CORPORATION: NEVADA		
<b>PROPERTY NUMBERS Total: 2</b>			
<b>Property Type</b>	<b>Number</b>	<b>Word Mark</b>	
Registration Number:	3067704	SEEPower	
Serial Number:	77158092	SEE POWER	
<b>CORRESPONDENCE DATA</b>			
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<b>NAME OF SUBMITTER:</b>	Peter F. Weinberg		
<b>Signature:</b>	/pfw/		
<b>Date:</b>	11/01/2007		

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**Total Attachments: 31**

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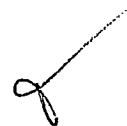
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# Security Agreement

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Compudigm International Limited whose further  
details are set out in Schedule 1 (Debtor)

Bally Technology Inc. (Secured Creditor)



■ Chapman Tripp  
*Barristers & Solicitors* NEW ZEALAND

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Q

*Date:*

**PARTIES**

**Compudigm International Limited**, whose further details are set out in Schedule 1  
(*Debtor*)

**Bally Technology Inc.** (*Secured Creditor*)

**THE PARTIES AGREE** as follows:

**1 INTERPRETATION**

**1.1 Definitions**

In this document, unless the context requires otherwise:

*Attorney* means a person appointed under this document as an attorney of the Debtor, and includes any agent or delegate of such a person.

*Default* means:

- (a) the occurrence of any Event of Default; or
- (b) any event or circumstance which, with the giving of notice or lapse of time, would constitute an Event of Default.

*Event of Default* means any of the events or circumstances specified in clause 8.1 (*Events of Default*).

*Gaming Field* means all applications or uses directly relating to:

- (a) gaming or gambling;
- (b) provision of products or services that directly relate to gaming or gambling;
- (c) sales of products or services directly relating to casinos; or
- (d) sales of products or services by businesses owned or managed by businesses primarily engaged in gaming or gambling.

*Intellectual Property* means all patents, copyrights, trade secrets, trademarks, object code, source code, technical documentation, specifications, compilers, tools, data schema, databases, data warehouses, software, software libraries, and know-how relating to or used in connection with any of the foregoing, all

copies of any of the foregoing owned or used by the Debtor, and all proprietary, intellectual property and other rights of the Debtor relating to any of the foregoing.

*PPSA* means the Personal Property Securities Act 1999.

*Receiver* means a person appointed under this document as receiver, or as a receiver and manager.

*Secured Money* means all indebtedness of the Debtor to the Secured Creditor under the Transaction Documents (whether alone or with any other person and in any capacity) and includes future advances.

*Secured Obligations* means all present and future obligations which the Debtor (whether alone or with any other person and in any capacity) has or owes to the Secured Creditor under the Transaction Documents (whether alone or with any other person and in any capacity), other than obligations to pay or deliver money.

*Secured Property* means:

- (a) All right and title in and to the Debtor's Gaming POWER software application, including all Intellectual Property relating thereto;
- (b) All copyrights in and relating to the Debtor's seePOWER software within the Gaming Field, being all of the things that the Debtor as copyright owner has the exclusive right to do within that field;
- (c) All copyrights in and relating to the Debtor's interface product known as "metaSequel" within the Gaming Field, being all of the things that the Debtor as copyright owner has the exclusive right to do within that field;
- (d) All copyrights in and relating to the Debtor's ETL Module within the Gaming Field, being all of the things that the Debtor as copyright owner has the exclusive right to do within that field
- (e) All other Intellectual Property reasonably necessary to the worldwide commercial exploitation of any of the assets described in sub-paragraphs (a) - (d) above, excluding any Intellectual Property subject to the security interest described in paragraphs (f) - (j) below (which security interest shall be described therein).
- (f) seePOWER, including all Intellectual Property relating thereto, but excluding any:





- (i) trademarks (other than those described in paragraph (i) below);  
and
  - (ii) copyrights (other than those described in paragraph (b) above);
- (g) "metaSequel", including all Intellectual Property relating thereto, but excluding any:
- (i) trademarks (other than those described in paragraph (j) below);  
and
  - (ii) copyrights (other than those described in paragraph (c) above);
- (h) The Debtor's ETL Module, including all Intellectual Property relating thereto, but excluding any:
- (i) trademarks (other than those described in paragraph (j) below);  
and
  - (ii) copyrights (other than those described in paragraph (d) above);
- (i) All trademarks relating to seePOWER, metaSequel or Compudigm's ETL Module, that are reasonably necessary to the worldwide commercial exploitation of the assets described in paragraphs (a) - (j) in the Gaming Field; and
- (j) All other Intellectual Property reasonably necessary to the worldwide commercial exploitation of any of the assets described in paragraphs (a) - (j) in the Gaming Field,

and includes any part of it.

*Transaction Documents* means:

- (a) this document;
- (b) the refundable deposit agreement between the Debtor and the Secured Creditor dated on or about the date of this document; and
- (c) each other document which the Debtor and the Secured Creditor agree is a Transaction Document for the purposes of this document.



### 1.1 References

In this document, unless the context requires otherwise, any reference to:

*agreement* includes a contract, deed, or legally enforceable arrangement, whether present or future, and whether or not in writing.

*authorisation* includes any consent, authorisation, registration, filing, permit, order, recording, lodgement, agreement, notarisation, certificate, permission, licence, approval, authority or exemption from, by or with a governmental authority.

*business day* means a day (other than a Saturday, Sunday or public holiday) on which registered banks are open for general banking business in Auckland.

*disposal* includes any sale, assignment, exchange, transfer, loan, lease, surrender of lease, licence or parting with possession of, or the granting of any option, right or interest, or any agreement for any of the foregoing (but excludes any such transaction which is a security), and *dispose*, *acquisition* and *acquire* are to be construed accordingly.

*expenses* includes all expenses, losses, claims, costs (including legal costs on a solicitor and own client basis), disbursements, taxes, travel expenses, out of pocket expenses, and audit, investigative or administrative costs.

*governmental authority* includes any government or any governmental, semi-governmental, regulatory or judicial entity, agency or authority (including a local authority), or legislative body, or any person or body charged with the administration of any law.

*indebtedness* includes any obligation (whether present or future, actual or contingent, secured or unsecured, joint, several or joint and several, and as principal or surety or otherwise) for the payment or delivery of money, and *debt* is to be construed accordingly.

*person* includes an individual, a body corporate, any association of persons (whether corporate or not), a trust, and a state and any governmental authority (in each case whether or not having separate legal personality).

*right* includes any right, power, remedy, authority or discretion.

*security* includes:

- (a) any mortgage, charge, encumbrance, lien, pledge, finance lease, sale (or lease) and lease-back, sale and repurchase, assignment by way of security, title retention arrangement or similar interest imposed by statute,



or other arrangement of any nature having similar economic effect to any of the foregoing; and

- (b) any present or future right or interest in personal property that is a security interest for the purposes of the PPSA.

*tax* includes any present or future tax, levy, impost, duty, rate, charge, fee, deduction or withholding of any nature, imposed or levied by any governmental authority, together with any interest, penalty, charge, fee or other amount imposed or made on, or in respect of, any of the foregoing, and *taxes* and *taxation* are to be construed accordingly.

*written* and *in writing* include all means of reproducing words in a tangible and permanently visible form including by facsimile transmission.

#### 1.2 **PPSA terms incorporated**

In this document, unless the context requires otherwise, the following words and expressions (and grammatical variations of them) have the same meanings as are given to them in the PPSA: *advance, after-acquired property, at risk, financing statement, future advance, personal property, proceeds, security interest, transfer, and verification statement.*

#### 1.3 **Construction**

In this document, unless the context requires otherwise:

- (a) *Headings*: headings are for convenience only, and do not affect interpretation;
- (b) *Singular and plural*: the singular includes the plural and the converse;
- (c) *Particular party or person*: a reference to a particular party or person includes that party's or person's executors, administrators, successors, substitutes and assigns;
- (d) *Agreement or document*: a reference to an *agreement* or a *document* is to the agreement or document as amended, novated, supplemented or replaced from time to time;
- (e) *Legislation*: a reference to legislation or to a provision of legislation includes any amendments and re-enactments of it, a legislative provision substituted for it and a statutory regulation, rule, order or instrument made under or issued pursuant to it;
- (f) *Time to time*: anything which may be done at any time may also be done from time to time; and



- (g) *Including*: a reference to *including, for example or such as*, when introducing an example, does not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

## 2 COVENANTS TO PAY AND PERFORM

### 2.1 Secured Money

The Debtor agrees that it will pay the Secured Money to the Secured Creditor on the terms and at the times stipulated in the other Transaction Documents (or to the extent that there is no such stipulation, upon demand).

### 2.2 Secured Obligations

The Debtor agrees that it will perform or procure performance of the Secured Obligations in accordance with the other Transaction Documents.

## 3 GRANT OF SECURITY

### 3.1 Security interest

To secure to the Secured Creditor payment of the Secured Money and performance of the Secured Obligations the Debtor grants to the Secured Creditor a fixed charge in and over, and assigns to the Secured Creditor by way of security, the Secured Property.

### 3.2 Further assurances

The Debtor agrees that it will, at its own cost, promptly do all things that the Secured Creditor requires in order:

- (a) to perfect the Debtor's title to, or other right or interest in, all or any part of the Secured Property;
- (b) to maintain, perfect, or otherwise give full effect to the security intended to be created under this document, and the priority of that security (including the making and maintaining of all registrations);
- (c) to facilitate the exercise of any right by the Secured Creditor or any Receiver or Attorney at any time;
- (d) to facilitate the realisation of the Secured Property following the occurrence of an Event of Default; and
- (e) otherwise to enable the Secured Creditor to obtain the full benefit of this document.

**3.3 Security continuing and independent**

Each of this document, and the security created under it, is:

- (a) a continuing security and operates despite any intermediate payment, settlement of account, exercise of rights or other matter or circumstance;
- (b) in addition to and enforceable independently of any other security or guarantee; and
- (c) to remain in full force and effect (whether or not at any given time the Debtor is indebted to the Secured Creditor) until the execution by the Secured Creditor of an unconditional release of this document.

**3.4 Release**

The Secured Creditor is not obliged to execute a release of this document or release any Secured Property from the security created under it, unless:

- (a) all Secured Money has been finally repaid and the Secured Creditor is under no obligation to make available any further credit, advance or accommodation which, if provided, would give rise to Secured Money;
- (b) all Secured Obligations have been finally performed and the Secured Creditor is under no obligation to do any thing which would give rise to Secured Obligations; and
- (c) the Secured Creditor is satisfied that there is no reasonable likelihood that any amount, property or benefit received or recovered by it in respect of Secured Money or Secured Obligations will or might be avoided by, or be required to be refunded or repaid under, or be required to be accounted for under, any applicable law (including any law relating to preferences or insolvency).

**4 PRIORITY****4.1 Priority of security interest**

Except to the extent otherwise expressly agreed in writing by the Secured Creditor, the security created under this document is intended to be first ranking in priority.



**4.2 No agreement or consent to subordination or attachment**

Except to the extent otherwise expressly agreed in writing by the Secured Creditor, nothing in this document may be construed as an agreement or consent by the Secured Creditor to:

- (a) subordinate the security created under this document in favour of any person; or
- (b) defer or postpone the date of attachment of the security created under this document.

**5 PAYMENTS****5.1 Timing and manner of payments**

Except to the extent otherwise expressly agreed in writing by the Secured Creditor, all payments to the Secured Creditor of, or on account of, the Secured Money must be made:

- (a) free and clear of any restriction or condition; and
- (b) (except to the extent required by law) in full, without any deduction or withholding for or on account of tax or on any other account, whether by way of set-off, counterclaim or otherwise.

**5.2 Default Interest payable**

If the Debtor does not pay, when due, any of the Secured Money (an *overdue amount*) then, except to the extent otherwise expressly agreed in writing by the Secured Creditor, the following provisions apply:

- (a) The Debtor must pay to the Secured Creditor interest (*default interest*) on that overdue amount for the period from its due date to the date of its receipt by the Secured Creditor (both before and after any judgment).
- (b) The rate of interest will be equal to the aggregate of [2]% per annum and the rate determined by the Secured Creditor from time to time to be its cost of funding the overdue amount (as determined on the due date for payment and redetermined as at the first business day of each following calendar month, in each case for the period then commencing).
- (c) This interest:
  - (i) will accrue from day to day on the balance of the overdue amount; and



(ii) will be payable daily and, to the extent not paid in any calendar month, compounded on the first business day of the following calendar month (and interest so compounded will itself bear interest under this clause).

(d) This obligation to pay default interest will arise without the need for any notice or demand.

### 5.3 **Appropriation**

Without limiting clause 10.1 (*Order of application*), the Secured Creditor may apply any amount received or recovered by it from the Debtor in such order as it deems fit (including so as to enable the Secured Creditor to preserve any purchase money security interest). The Secured Creditor's rights under this clause apply notwithstanding any contrary appropriation by the Debtor or any other person.

### 5.4 **Reinstatement of void payment**

If any payment received or recovered, or amount applied, by the Secured Creditor, a Receiver, or any Attorney in respect of any Secured Money is avoided by, or is required to be refunded or repaid under, or is required to be accounted for under, any applicable law (including any law relating to preferences or insolvency), then (even if the Secured Creditor has executed a release pursuant to this document):

- (a) that payment or application will be deemed not to have discharged or affected the liability or obligation in respect of which that payment or application was received or made; and
- (b) the Secured Creditor and the Debtor will, to the maximum extent permitted by law, be deemed to be returned to the position in which each would have been, and will be entitled to exercise all the rights which each would have had, if that payment had not been received or recovered or that amount had not been applied.

## 6 **REPRESENTATIONS AND WARRANTIES**

### 6.1 **General representations and warranties**

The Debtor represents and warrants to the Secured Creditor that:

- (a) *Status*: it is a company duly incorporated and validly existing under the laws of its jurisdiction of incorporation;
- (b) *Power and authority*: it has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, and performance and delivery of, this document;

- (c) *Binding obligations:* the obligations expressed to be assumed by it in this document are legal, valid, binding and enforceable in accordance with their terms, and the security created under this document is validly and effectively created and is enforceable;
- (d) *Non-conflict:* its entry into, and the exercise of its rights and compliance with its obligations under, this document do not and will not:
  - (i) conflict with any law or regulation applicable to it;
  - (ii) conflict with any of its constitutional documents;
  - (iii) conflict with any agreement or document binding upon it or any of its assets; or
  - (iv) exceed any limitation on, or constitute an abuse of, the powers of its directors;
- (e) *Validity and admissibility:* all authorisations required or desirable:
  - (i) to enable it lawfully to enter into, and exercise its rights and comply with its obligations under, this document; and
  - (ii) to make this document admissible in evidence in its jurisdiction of incorporation,have been obtained or effected and are in full force and effect; and
- (f) *Solvency:* except as notified in writing by the Debtor to the Secured Creditor, it is able to pay its debts as they fall due and the value of its assets is greater than the value of its liabilities (taking into account contingent and prospective liabilities).

## 6.2 Representations and warranties relating to Secured Property

The Debtor represents and warrants to the Secured Creditor that, except to the extent otherwise expressly agreed in writing by the Secured Creditor:

- (a) *Title:* it has good title to, and is the sole legal and beneficial owner of, the Secured Property;
- (b) *No Other Security:* no security exists over or affects any of the Secured Property, and it has not entered into any agreement to give or permit to exist a security over or affecting that Secured Property;



- (c) *Enforceability*: each copyright, patent and trademark which forms part of the Secured Property is legal, valid, binding and enforceable in accordance with its terms and it has taken all formal or procedural actions (including payment of fees) required to maintain the Secured Property;
- (d) *No Dispute*: except as notified in writing by the Debtor to the Secured Creditor, it is not aware of any existing non-compliance with obligations under, or dispute under, any patent, copyright or trademark which forms part of the Secured Property;
- (e) *Entitled to Create Security*: the rights of the Debtor in the Secured Property are assignable, and the Debtor is lawfully entitled to create security in the Secured Property in favour of the Secured Creditor.

### 6.3 Repetition of representations and warranties

Each of the representations and warranties made by the Debtor in:

- (a) *Generally*: this clause 6 will be deemed to be repeated on the first day of each calendar month during the term of this document, by reference to the facts and circumstances then existing; and
- (b) *After-acquired property*: clause 6.2 (*Representations and warranties relating to Secured Property*) will be deemed to be made in respect of any Secured Property (including after-acquired property) which comes into existence, or in which the Debtor acquires rights or an interest, after the date of this document, at the time that Secured Property comes into existence or the Debtor acquires rights or an interest in it.

## 7 UNDERTAKINGS

### 7.1 General undertakings

The Debtor agrees that, except to the extent otherwise expressly agreed in writing by the Secured Creditor, it:

- (a) *Maintain corporate existence*: will maintain its corporate existence in its current jurisdiction of incorporation and will not relocate its principal place of business outside New Zealand;
- (b) *No amalgamation*: will not enter into any amalgamation;
- (c) *Comply with laws*: will comply with all laws and other requirements of any governmental authority, which are material to:
  - (i) the Secured Property, or any right or interest of the Debtor or the Secured Creditor in the Secured Property; or

- (ii) the security created under, or rights under, this document; and
- (d) *Authorisations*: will obtain, comply with and maintain in full effect all authorisations which are material to:
  - (i) the Secured Property, or any right or interest of the Debtor or the Secured Creditor in the Secured Property; or
  - (ii) the security created under, or rights under, this document.

### 7.2 Information undertakings

The Debtor agrees that, except to the extent otherwise expressly agreed in writing by the Secured Creditor, it:

- (a) *Notify Default*: will notify the Secured Creditor of any Default (and the steps, if any, being taken to remedy it) promptly on becoming aware of its occurrence;
- (b) *Name change*: will notify the Secured Creditor in advance of any change of its name (including any name by which it is known or under which it trades);
- (c) *Notices*: will provide to the Secured Creditor promptly all material notices it receives under or in relation to the Secured Property;
- (d) *Provide other information*: will provide to the Secured Creditor promptly such further information regarding the Secured Property as the Secured Creditor reasonably requests; and
- (e) *Information to be true*: will ensure that all information provided by it to the Secured Creditor in connection with this document after the date of this document is true and accurate in all material respects as at the date when that information is provided and will not omit to state any fact or circumstance which would make that information untrue, inaccurate or misleading in any material respect.

### 7.3 Undertakings relating to Secured Property

The Debtor agrees that, except to the extent otherwise expressly agreed in writing by the Secured Creditor, it:

- (a) *Preserve Secured Property*: will preserve and maintain the subsistence and validity of the Secured Property for the business of the Debtor;



- (b) *No other security:* will not create or permit to exist any security over or in relation to any Secured Property (other than in favour of the Secured Creditor);
- (c) *No disposal:* will not dispose of, or permit the disposal of, any Secured Property;
- (d) *Documentation:* will promptly deposit with the Secured Creditor copies of all documentation in respect of the Secured Property;
- (e) *Enforceability:* will ensure that each copyright, patent and trademark which forms part of the Secured Party is at all times legal, valid, binding and enforceable in accordance with its terms;
- (f) *Value:* will not do (or omit to do) anything which might adversely affect the value of any Secured Property;
- (g) *Comply with obligations:* will comply with all its obligations under or in relation to the Secured Property;
- (h) *No infringement:* will use reasonable endeavours to prevent any infringement of the Secured Property;
- (i) *Use of Secured Property:* will not discontinue use of the Secured Property;
- (j) *No prejudice to Secured Property:* will not do (or omit to do) anything which might:
  - (i) result in the Secured Property, any right or interest of the Debtor in the Secured Property, or any security created under this document, being or becoming invalid, unenforceable, liable to forfeiture or cancellation; or
  - (ii) otherwise adversely affect the security created under this document.

## 8 ENFORCEMENT

### 8.1 Events of Default

Each of the following events or circumstances is an Event of Default:

- (a) *Non-payment:* the Debtor does not pay any Secured Money on its due date unless:
  - (i) the failure to pay is caused by administrative or technical error outside the Debtor's control; and

- (ii) payment is made within two business days of its due date;
- (b) *Specific obligations:* the Debtor does not comply with clause 7.2(a) (*Notify Default*) or clauses 7.3(a) or (b) (*Undertakings relating to Secured Property*) of this document;
- (c) *Other obligations:* the Debtor does not comply with any provision of this document (other than as referred to in (a) and (b) above) and the failure to comply, if capable of remedy, is not remedied within 10 business days of the Secured Creditor giving the Debtor written notice to remedy the non-compliance; or
- (d) *Misrepresentation:* any representation or warranty made or deemed to be made by the Debtor in this document, or any other document delivered by or on behalf of the Debtor under or in connection with this document, is or proves to have been incorrect or misleading in any material respect when made or deemed to be made;
- (e) *Vitiating of Transaction Documents:* all or any part of this document:
  - (i) is or may become, void, illegal, invalid, unenforceable or of limited force and effect;
  - (ii) is or becomes capable of being avoided, rescinded, terminated or cancelled by the Debtor; or
  - (iii) is repudiated or any liability owed to the Secured Creditor under it is limited or reduced, or any person other than the Secured Creditor evidences any intention to repudiate, reduce or limit liability under it;
- (f) *Creditors' process:* any expropriation, attachment, sequestration, distress or execution affects any Secured Property;
- (g) *Compulsory acquisition:* any of the Secured Property is compulsorily acquired, or ordered sold, vested or divested, by or by order of any governmental authority or by law, or any steps are taken to effect any of the same, without payment of fair compensation;
- (h) *Secured Property at risk:* in the opinion of the Secured Creditor, any material item or items of the Secured Property is or are at risk (as defined in section 109(2) of the PPSA);
- (i) *Unlawfulness:* it is or becomes unlawful for the Debtor to perform any of its obligations under this document;

- (j) *Withdrawal of authorisation:* any authorisation at any time necessary in connection with this document, or its implementation or performance (including enforcement):
- (i) expires;
  - (ii) is revoked, cancelled, withdrawn or modified in a manner unacceptable to the Secured Creditor; or
  - (iii) otherwise ceases to remain in full force and effect,
- and is not replaced by an authorisation acceptable to the Secured Creditor;  
and
- (k) *Transaction Document event of default:* an event of default or similar event (however described) occurs under any other Transaction Document.

## 8.2 Consequences of Event of Default

If an Event of Default occurs then (in addition to any other consequences provided for by this document or any other Transaction Document):


- (a) *Security enforceable:* the security created under this document will become immediately enforceable; and
- (b) *Secured Creditor's rights:* the Secured Creditor may (whether or not a Receiver has been appointed) exercise all or any rights which a person would have if appointed as a Receiver under this document.

## 9 RECEIVER

### 9.1 Appointment of Receiver

If:

- (a) an Event of Default has occurred which has not been remedied to the satisfaction of, or waived by, the Secured Creditor; or
- (b) the Debtor so requests,

the Secured Creditor may appoint any person or persons (whether jointly, severally or jointly and severally) to be a receiver, or receiver and manager, of all or any of the Secured Property. The Secured Creditor may do this whether or not it has exercised any other right and even if dissolution of the Debtor has already commenced. The Secured Creditor may do this after the discontinuance of any earlier receivership. 

**9.2 Additional rights**

At any time upon or following the appointment of any Receiver, the Secured Creditor may:

- (a) determine, or vary, the terms of appointment of the Receiver;
- (b) require any Receiver to give it security or an indemnity for the due performance of the Receiver's duties;
- (c) remove any Receiver; and
- (d) appoint another Receiver in addition to, or in place of, any Receiver.

**9.3 Remuneration**

The Secured Creditor may, subject to the Receiverships Act 1993, determine or vary the remuneration of any Receiver. Such remuneration:

- (a) may be (or may include) a commission;
- (b) is payable by the Debtor;
- (c) is included in the Secured Money; and
- (d) will be secured by the security created under this document.

**9.4 Receiver agent of Debtor**

Every Receiver is the agent of the Debtor, except where (but only to the extent that) the Receiver is required by notice from the Secured Creditor to act as agent of the Secured Creditor. The Secured Creditor is not responsible for a Receiver's actions (including any misconduct, negligence or default of Receiver).

**9.5 Receiver's rights**

In addition to, and without limiting or affecting, any other rights granted to or conferred on a Receiver (whether under the Receiverships Act 1993, at law or otherwise), and subject to the specific terms of appointment of each Receiver, each Receiver has the right in respect of the Secured Property to do anything (whether alone or with any other person) that the Debtor could do as if the Receiver had full legal and beneficial ownership of the Secured Property.

**9.6 Exercise of Receiver's rights**

Every Receiver will, to the fullest extent permitted by law, exercise its rights in compliance with any directions issued by the Secured Creditor, and otherwise on such terms and conditions as the Receiver requires.



**9.7 Withdrawal**

The Secured Creditor may at any time give up possession of any Secured Property or discontinue any receivership.

**10 APPLICATION OF AMOUNTS****10.1 Order of application**

All amounts received or recovered, or applied, by the Secured Creditor or any Receiver from the security created under this document will be applied in the manner and order determined by the Secured Creditor or Receiver. In the absence of any determination, those amounts will be applied in the order described in clause 10.2 (*Order of application where no determination*). This clause is subject to:

- (a) any claims ranking in priority to the security created under this document; and
- (b) any mandatory provisions of law (including, in the case of any personal property, any mandatory provisions of the PPSA).

**10.2 Order of application where no determination**

Subject to clause 10.1 (*Order of application*), amounts received or recovered by the Secured Creditor or any Receiver from the security created under this document will be applied in payment:

- (a) first, of all expenses incurred by the Secured Creditor, the Receiver and any Attorney in the exercise, or attempted exercise, of rights under, or otherwise in connection with, any Transaction Document;
- (b) secondly, of the Receiver's remuneration;
- (c) thirdly, of all other Secured Money;
- (d) fourthly, to each holder of a security of which the Secured Creditor is aware and which ranks after the security created under this document in relation to the relevant Secured Property, to the extent, and in the order, of such priority; and
- (e) fifthly, of any surplus to the Debtor (including for receipt on behalf of any other persons who may be entitled to the same).

**10.3 Amounts contingently owing**

If, at the time of application of any amounts under clause 10.1 (*Order of application*) or clause 10.2 (*Order of application where no determination*), any

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part of the Secured Money is contingently owing, or not yet due and payable, the Secured Creditor or any Receiver:

- (a) may retain an amount equal to all or part of the amount of such Secured Money;
- (b) will place that retained amount in an interest bearing deposit account until such Secured Money becomes actually due and payable or ceases to be contingently owing;
- (c) will pay to the Secured Creditor from the amount retained, all amounts which become actually due and payable after that time; and
- (d) will apply the balance of the amount retained, together with interest earned whilst on deposit, in accordance with clause 10.1 (*Order of application*) and clause 10.2 (*Order of application where no determination*).

## 11 PPSA

### 11.1 Waiver and section 109

Without limiting any other provision of this document or any other Transaction Document, the Debtor:

- (a) waives its right to receive any verification statement in respect of any financing statement or financing change statement relating to any security interest created under this document;
- (b) agrees that, at any time after an Event of Default has occurred, the Secured Creditor may:
  - (i) take possession of any personal property; and/or
  - (ii) dispose of any personal property in such manner and generally on such terms and conditions as the Secured Creditor thinks desirable,

and otherwise do anything the Debtor could do in relation to the personal property.

The Secured Creditor and the Debtor agree that section 109(1) of the PPSA is contracted out of in respect of particular personal property if and only for so long as the Secured Creditor is not the secured party with priority over all other secured parties in respect of that particular personal property.



**11.2 PPSA – Part 9 and additional rights**

The Debtor and the Secured Creditor agree that, to the extent permitted by law and in respect of this document and each security interest created under this document:

- (a) the Debtor and the Secured Creditor contract out of sections 114(1)(a), 133 and 134 of the PPSA;
- (b) the Debtor and the Secured Creditor contract out of the Debtor's rights to (and the Debtor waives its rights to):
  - (i) object to the Secured Creditor's proposal to retain any personal property under section 121 of the PPSA;
  - (ii) (without limiting clause 11.3 (*Debtor's right to redeem personal property*)) redeem any personal property under section 132 of the PPSA.


**11.3 Debtor's right to redeem personal property**

After an Event of Default has occurred, the Debtor may redeem personal property if:

- (a) the Secured Creditor:
  - (i) has not sold or agreed to sell that personal property; and
  - (ii) has not applied or taken, and is not deemed to have taken, that personal property in satisfaction of the Secured Obligations or Secured Money; and
- (b) all Secured Obligations have been finally performed and the Secured Creditor is under no obligation to do any thing which would give rise to further Secured Obligations.

The Debtor may only effect the redemption by tendering to the Secured Creditor, in cleared funds, an amount certified by the Secured Creditor as being equal to the Secured Money as at the date the amount is tendered.

**11.4 Other rights**

Where the Secured Creditor has rights in addition to, or existing separately from, those in the PPSA, those rights will continue to apply and are not limited or excluded (or otherwise adversely affected) by any right provided by any Transaction Document or by law. 

**12 POWER OF ATTORNEY**

The Debtor irrevocably appoints the Secured Creditor, every officer of the Secured Creditor and every Receiver, separately, for valuable consideration and by way of security, to be the attorney of the Debtor with power to:

- (a) at the Debtor's expense, do anything the Debtor is obliged to do under this document and has failed to do;
- (b) do anything the Attorney thinks desirable to:
  - (i) protect or secure payment of the Secured Money or performance of the Secured Obligations; and
  - (ii) give effect to the rights conferred on the Secured Creditor or any Receiver by this document, or by law or otherwise,even if the Attorney has a conflict of duty or interest in doing so;
- (c) delegate its rights (including this right of delegation) to any person for any period (and to revoke any such delegation); and
- (d) appoint any person its agent for any period (and to revoke any such appointment).

The Debtor agrees to ratify everything done by an Attorney, or by any delegate or agent of any Attorney, in accordance with this clause.

**13 PROTECTIONS****13.1 Protection of Secured Creditor and Receiver**

Subject to any mandatory provisions of law, neither the Secured Creditor nor any Receiver is:

- (a) obliged to enforce payment of the Secured Money or performance of the Secured Obligations;
- (b) liable to account as mortgagee in possession in respect of the Secured Property;
- (c) accountable for any proceeds of enforcement other than those proceeds actually received by it;
- (d) liable for any loss resulting from or consequential upon the exercise, attempted exercise, or non-exercise of any right; or

- (e) liable for any loss resulting from or consequential upon any of the other matters set out in this clause.

### 13.2 Protection of third parties

No person dealing with or entering into a transaction with the Secured Creditor or any Receiver or Attorney of the Secured Creditor or any Receiver, need enquire:

- (a) whether an Event of Default has occurred or is continuing or this document or the security created under it has become enforceable;
- (b) whether any Receiver or Attorney has been properly appointed;
- (c) as to the amount of the Secured Money or whether the Secured Money is due and payable;
- (d) whether any right was exercised or is exercisable;
- (e) as to the propriety or regularity of any transaction or dealing; or
- (f) as to the application of any amount paid to the Secured Creditor or any Receiver, or to any Attorney.

## 14 COSTS AND INDEMNITIES

### 14.1 Expenses

The Debtor agrees to pay to the Secured Creditor, on demand:

- (a) the amount of all expenses reasonably incurred by the Secured Creditor in connection with:
  - (i) the preparation, negotiation and execution of this document;
  - (ii) any amendment, waiver or consent in connection with this document; or
  - (iii) any release of this document or release of any Secured Property from the security created under it;
- (b) the amount of all expenses:
  - (i) reasonably incurred by the Secured Creditor in connection with preparing, registering and maintaining any financing statement or financing change statement (including pursuant to section 167 of the PPSA); or

- (ii) incurred by the Secured Creditor in connection with complying with any demand made under section 162 of the PPSA; and
- (c) the amount of all expenses incurred by the Secured Creditor in connection with the exercise, enforcement or preservation, or attempted exercise, enforcement or preservation of any rights under this document, or in suing for or recovering any Secured Money or enforcing any Secured Obligation.

#### 14.2 **Stamp duty**

The Debtor agrees to pay all stamp, documentary, transaction, registration and other similar taxes (if any) which may be payable in relation to this document or the security created under it, and agrees to indemnify and hold harmless the Secured Creditor on demand for and against all expenses and liabilities in connection with such taxes.

#### 14.3 **Indemnities**

The Debtor agrees to indemnify and hold harmless the Secured Creditor, each Receiver and each Attorney on demand for and against all expenses and liabilities incurred or sustained by the Secured Creditor, any Receiver or any Attorney in connection with:

- (a) the exercise, enforcement or preservation, or attempted exercise, enforcement or preservation of any rights under this document (including expenses and liabilities resulting from a mistake or error of judgment);
- (b) any enquiry by a governmental authority involving the Debtor or any transaction or activity with which the Secured Property, the Secured Money or Secured Obligations is or are connected; and
- (c) possession of, or any right or interest in, the Secured Property, or any liability, control or right relating to any Secured Property or the Debtor.

Each amount due under this indemnity is included in the Secured Money and will be secured by the security created under this document.

### 15 **ASSIGNMENT**

#### 15.1 **Assignment by Debtor**

The Debtor may not assign or otherwise dispose of, or declare a trust over or otherwise create an interest in, any of its rights under this document without the prior written consent of the Secured Creditor.

#### 15.2 **Assignment by Secured Creditor**

The Secured Creditor may:

- (a) assign or otherwise dispose of, or declare a trust over or otherwise create an interest in, any or all of its rights under this document without the consent of the Debtor and free from any right of set-off or equities, in favour of the Debtor, between the Debtor and the Secured Creditor; and
- (b) disclose any information it has relating to the Debtor to a potential dispossessor or holder of a right or an interest in its rights under this document or to any other person with whom the Secured Creditor proposes to enter into any contract or arrangement in connection with this document.

## 16 COMMUNICATIONS

Each notice or other communication under this document:

- (a) must be in writing and given by delivery, post or facsimile;
- (b) must be given to the addressee at the address or facsimile number, and marked for the attention of the person or office holder (if any), from time to time designated for the purpose by the addressee to the other party. The initial address, facsimile number and relevant person or office holder of each party is set out beneath its name on the execution page at the end of this document; and
- (c) will be deemed to be received by the addressee:
  - (i) if delivered, upon delivery;
  - (ii) if sent by post, on the second business day after posting; and
  - (iii) if sent by facsimile, upon production of a completed transmission report by the machine from which the facsimile was sent.

However, if that notice or other communication is received or deemed received after 5.00 p.m. on a business day in the place to which it is sent, or on a non-business day in that place, it will be deemed to be received by the addressee on the next business day in that place.

## 17 GENERAL

### 17.1 Rights

The Secured Creditor may take any action it thinks desirable to:

- (a) remedy any failure by the Debtor to comply with its obligations under this document; or



(b) protect the security created under this document.

However, this entitlement does not impose any obligation on the Secured Creditor to take any such action, or affect any obligation of the Debtor under this document.

**17.2 Indemnities generally**

Each indemnity in this document is a continuing obligation, separate and independent of other obligations under this document, and will survive termination of, or any release of or under, this document.

**17.3 Discretions**

Except to the extent otherwise expressly provided, the Secured Creditor or any Receiver may act in its absolute and sole discretion when forming any opinion, exercising (or not exercising) any right, taking (or not taking) any action, giving or withholding consents or releases, dealing with any other matter, or imposing any terms in respect of any such matter.

**17.4 No limitation**

The Secured Creditor's rights under this document do not limit, and are in addition to, any other right to which the Secured Creditor is at any time entitled (whether under this document or by law, agreement or otherwise) and may be exercised by the Secured Creditor without prior notice to the Debtor or any other person.

**17.5 Waiver**

A waiver by the Secured Creditor of any provision of this document will only be effective if it is given in writing and signed by the Secured Creditor. A waiver will be effective only to the extent that it is expressly stated to be given. A failure to act, or a delay in exercising or attempting to exercise, or a non-exercise of, any right under this document or at law does not operate as a waiver of that right. A single exercise or partial exercise of any right does not preclude further exercises of that right or the exercise of any other right.

**17.6 Certificates and determinations**

Any certificate or determination by the Secured Creditor as to any amount of Secured Money or fact which might reasonably be expected to be within the Secured Creditor's knowledge will be, in the absence of manifest error, prima facie evidence of the matters to which it relates.

**17.7 Immunity**

The Debtor waives any immunity (including from any proceeding and enforcement process) it may have in any jurisdiction.

**17.8 Moratorium legislation**

To the maximum extent permitted by law, all moratorium legislation is negated and excluded from application to this document, to the extent that it directly or indirectly

- (a) lessens, varies, or affects, in favour of the Debtor, any Secured Obligation;  
or
- (b) delays, prevents, or adversely affects the exercise of any right by the Secured Creditor or any Receiver or Attorney.

**17.9 Conflict of provisions**

In the event of a conflict between a provision of this document and a provision of any other Transaction Document, the Secured Creditor may, in its absolute discretion, determine which prevails.

**17.10 Amendments**

No amendment to this document will be effective unless it is in writing and signed by all parties to this document.

**17.11 Contracts (Privity) Act 1982**

For the purposes of the Contracts (Privity) Act 1982, each Receiver and each Attorney is entitled to enforce against the Debtor each provision of this document which confers a benefit upon a Receiver or Attorney (as the case may be). However, none of them need consent to any amendment made to this document.

**17.12 Partial invalidity**

The illegality, invalidity, or unenforceability of any provision of this document under the law of any relevant jurisdiction will not affect the legality, validity or enforceability of that provision under any other law, or the legality, validity or enforceability of any other provision of this document.

**17.13 Facsimile Execution**

The parties may execute a counterpart copy of this agreement by photocopying a facsimile of this agreement and executing that photocopy. The transmission by facsimile by each party of a signed counterpart copy of this agreement to the other parties shall be deemed proof of signature of the original and the signed facsimile so transmitted shall be deemed an original for the purposes of this agreement.

**17.14 Counterparts**

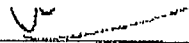
This agreement may be executed in any number of counterparts. Once a party has executed a counterpart, and each of the other parties has received a copy of the signed counterpart, that counterpart shall be deemed to be as valid and binding on the party executing it as if it had been executed by all the parties.



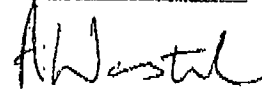
SECURITY AGREEMENT

17.15 **Governing law**

This document will be governed by New Zealand law.

  
\_\_\_\_\_  
Director

Van Loan W.

Director  


A WAMSTEICER

**Address for notices for the Debtor:**

**Facsimile:**

**Attention:**

**Address for notices for the Secured Creditor:**

**Facsimile:**

**Attention:**





**SCHEDULE 1: DEBTOR DETAILS**

Organisation Name: Compudigm International Limited  
 Incorporation No. (if applicable): 842363

Trading name (if applicable): \_\_\_\_\_

Organisation Type:	Official name* (if different):
<input type="checkbox"/> company	_____
<input type="checkbox"/> trust	* i.e. statutory or registered name or name
<input type="checkbox"/> partnership	appearing in constituting documents
<input type="checkbox"/> incorporated society	
<input type="checkbox"/> incorporated charitable trust board	If "other", specify type:
<input type="checkbox"/> industrial and provident society	_____
<input type="checkbox"/> building society	
<input type="checkbox"/> friendly society or credit union	
<input type="checkbox"/> other	

Contact address: \_\_\_\_\_  
 City/town: \_\_\_\_\_

Telephone: \_\_\_\_\_ Facsimile: \_\_\_\_\_

e-mail address: \_\_\_\_\_

Person acting on behalf of organisation:

Full Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City/Town: \_\_\_\_\_  
 Telephone: \_\_\_\_\_ Facsimile: \_\_\_\_\_  
 e-mail address: \_\_\_\_\_

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