



**GENERAL SECURITY AGREEMENT (BRITISH COLUMBIA)****THE TORONTO-DOMINION BANK**

TO:

\_\_\_\_\_ (hereinafter  
called the "Bank"),

GRANTED BY:

**Tranzeo Wireless Technologies Inc.**  
\_\_\_\_\_ (hereinafter  
called the "Debtor").

**1. SECURITY INTEREST**

As general and continuing security for the payment of all obligations, indebtedness and liabilities, direct or indirect, absolute or contingent, present or future, liquidated or unliquidated, of the Debtor to the Bank, whatsoever and howsoever incurred, and whether incurred before, at the time of or after the execution hereof, including extensions or renewals thereof, including without restricting the generality of the foregoing, obligations to the Bank for advances by the Bank to the Debtor under fixed or revolving credits established from time to time, liability to the Bank in respect of letters of credit or guarantee, whether or not drawn upon, issued or given by the Bank for the Debtor and the obligation and liability of the Debtor under any contract of guarantee now or hereafter in existence whereby the Debtor guarantees payment of the debts, liabilities and obligations of a third party to the Bank (the obligations, indebtedness and liabilities of the Debtor referred to above are hereinafter collectively called "Obligations"), and, IN CONSIDERATION OF THE OBLIGATIONS, the Debtor hereby mortgages, charges, assigns and transfers to the Bank and grants, in favour of the Bank, a security interest (hereinafter together with any other security interest hereby created called the "Security Interest") in all the Debtor's right, title and interest in and to all presently owned or held and after acquired or held personal property, assets and undertaking of the Debtor (including such as may be returned to or repossessed by the Debtor), of whatsoever nature or kind and whatsoever situate and all proceeds thereof, substitutions therefor and accretions thereto including, without limiting the generality of the foregoing:

- (a) **Intangibles** - all contractual rights and insurance claims, patents, trademarks, trade names, goodwill, copyrights and other industrial property of the Debtor, all other choses in action of the Debtor of every kind which now are, or which may, at any time hereafter, be due or owing to or owned by the Debtor and all other intangible property of the Debtor which is not Accounts, chattel paper, instruments, documents of title, securities or money (all of which property is hereinafter collectively called the "Intangibles");
- (b) **Proceeds** - all of the Debtor's property in any form derived directly or indirectly from any use or dealing with the Collateral (defined in the last sentence of this paragraph) including, without limiting the generality of the foregoing, accounts receivable, bills of exchange, insurance proceeds, chattel paper, intangibles, motor vehicles, and all other after-acquired property constituting proceeds or that indemnifies or compensates for Collateral destroyed or damaged (all of which property is hereinafter collectively called the "Proceeds");
- (c) **Accounts** - all debts, accounts, choses in action, claims, demands and monies now due or owing or accruing due or which may hereafter become due or owing to the Debtor, including, without limiting the generality of the foregoing, claims against the Crown in the right of Canada or of any Province, monies which may become payable under any policy of insurance in respect of any loss by fire or other cause which has been or may be incurred by the Debtor (collectively called "Book Debts"), together with all contracts, securities, bills, notes, lien notes, judgments, chattel mortgages, mortgages and all other rights, benefits and documents now or hereafter taken, vested in or held by the Debtor in respect of or as security for the Book Debts hereby assigned or intended so to be or any part thereof and

the full benefit and advantage thereof, and all rights of action, claim or demand which the Debtor now has or may at any time hereafter have against any person or persons, firm or corporation in respect thereof; and all of the Debtor's deeds, documents, writing, papers, books of account and other books relating to or being records of debts, chattel paper or documents of title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable (all of which property is hereinafter collectively called "Accounts");

- (d) **Equipment** - all equipment, including, without limiting the generality of the foregoing, machinery, tools, fixtures, furniture, furnishings, chattels, motor vehicles, vessels, livestock and other tangible personal property that is not inventory, and all parts, components, attachments, accessories, accessions, replacements, substitutions, additions and improvements to any of the foregoing and any other property or assets of the kind, nature or description of the property or assets particularly described in any Schedule hereto (all of which is hereinafter collectively called the "Equipment");
- (e) **Inventory** - all goods and chattels now or hereafter forming the inventory of the Debtor, of whatsoever kind and whatsoever located, including, without limiting the generality of the foregoing, all goods, merchandise, raw materials, work in progress, finished goods and chattels held for sale, lease or resale, or furnished or to be furnished under contracts for service or used or consumed in the business of the Debtor, goods and chattels held for sale, lease or resale, or furnished or to be furnished under contracts for service or used or consumed in the business of the Debtor, goods used in or procured for packing or packaging, timber cut or to be cut, oil, gas and minerals extracted or to be extracted, all livestock and the young thereof after conception and all crops which become such within one year after the date of execution of this Agreement (all of which goods and chattels are hereinafter collectively called the "Inventory");
- (f) All Property described in any Schedule hereto or in any Schedule hereinafter annexed hereto in addition to or in substitution therefore.

and for the same consideration the Debtor hereby charges as and by way of a floating charge and grants a continuing security interest in:

- (a) **Real Property** - all real and immovable property, including without limiting the generality of the foregoing, both freehold and leasehold, now or hereafter owned or acquired by the Debtor, together with all buildings, erections, improvements and fixtures situate thereon or used in connection therewith, including any lease, verbal or written or any agreement therefor, (all of which property is hereinafter collectively called "Real Property") provided, however, that the last day of any term of any such lease, verbal or written, or any agreement therefor now held or hereafter held by the Debtor, is excepted out of the Real Property charged by this Agreement, but should such charge become enforceable the Debtor shall thereafter stand possessed of any such reversion upon trust to assign and dispose thereof as the Bank may direct; and

- (b) **Other Property** - the undertaking and all other property and assets of the Debtor for the time being of whatsoever nature and kind, both present and future, including without limiting the generality of the foregoing, uncalled capital, monies, rights, franchises, negotiable and non-negotiable instruments, judgments and securities (all of which are hereinafter collectively called "Other Property"), other than that which is at any time and all times validly subject to the security interest created above.

All of the above-mentioned property is hereinafter collectively called the "Collateral".

## 2. EXCEPTIONS

There shall be excluded from the Security Interests hereby created any consumer goods of the Debtor.

## 3. ATTACHMENT

The Debtor acknowledges that the Security Interests hereby created attach upon the execution of this Security Agreement (or in the case of any after-acquired property, upon the date of acquisition thereof), that value has been given, and that the Debtor has, or in the case of after-acquired property will have, rights in the Collateral.

## 4. REPRESENTATIONS, WARRANTIES & COVENANTS

So long as the obligations are outstanding, the Debtor hereby represents, warrants and covenants to or with the bank, as the case may be, that:

- (a) the Collateral will be kept at the address shown on the Schedule hereto or, if left blank, at the address shown below the Debtor's signature to this Agreement, and, subject to the provisions of paragraph 8, the Debtor will not remove any of the Collateral from said location without the prior written consent of the Bank.
- (b) except for the Security Interest and any other security interests consented to, in writing, by the Bank, the Debtor is, or respecting the Collateral acquired after the date hereof, will be the lawful owner of the Collateral free from any mortgage, lien, charge, security interest or encumbrance and the Debtor will keep the Collateral free and clear of all taxes, assessments, liens and encumbrances;
- (c) if the Debtor is a company or partnership, this Security Agreement is granted in accordance with resolutions of the directors (and of the shareholders as applicable) or of the partners, as the case may be, of the Debtor and all other matters and things have been done and performed so as to authorize and make the execution and delivery of this Security Agreement, and the performance of the Debtor's obligations hereunder, legal, valid and binding;
- (d) the Debtor will pay the Bank the Obligations when due or, in the case of Obligations payable on demand, on demand and will maintain the Security Interest hereby created, valid and effective;
- (e) the Debtor will defend the title to Collateral for the benefit of the Bank against the claims and demands of all persons;
- (f) the Debtor will forthwith pay:
- (i) all taxes, assessments, rates, duties, levies, government fees, claims and dues lawfully levied, assessed or imposed upon it or the Collateral when due, unless the Debtor shall in good faith contest its obligations so to pay and shall furnish such security as the Bank may require; and
- (ii) all security interests, charges, encumbrances, liens and claims which rank or could in any event rank in priority to any Security Interest created by this Security Agreement, other than the charges or security interests consented to in writing by the Bank;

- (g) the Debtor will pay to the Bank and indemnify it for all costs and expenses, including legal fees and disbursements as between solicitor and client, which may be incurred by the bank in:

- (i) inspecting the Collateral;
- (ii) negotiating, preparing, perfecting and registering this Security Agreement and other documents, whether or not relating to this Security Agreement;
- (iii) investigating title to the Collateral and the status of same;
- (iv) taking, recovering, keeping possession of, insuring and repairing the Collateral or otherwise protecting same;
- (v) all other actions and proceedings, judicial or otherwise, taken in connection with the preservation of the Collateral and the enforcement of this Security Agreement and of any other security interest held by the Bank as security for the Obligations; and
- (vi) discharging any registrations against the Debtor;

and all such costs and expenses shall bear interest at the highest rate borne by any of the Obligations and shall be payable on demand;

- (h) \* the Debtor will deliver to the Bank, within three (3) months next after the end of each of the Debtors fiscal years, audited/unaudited financial statements of the Debtor, and, if the Debtor is a corporation, will furnish annually to the Bank the information which is required to be furnished to the shareholders of a corporation under applicable law;
- (i) the Debtor will care for, protect, preserve and keep in good order, condition and repair the Collateral and not permit its value to be impaired and, subject to paragraph 8, will not release, surrender or abandon possession of the Collateral, move or transfer the Collateral from its present location or, sell, transfer, assign, mortgage, charge, pledge, hypothecate, lease or deliver or otherwise dispose of any such property or any interest therein without the prior written consent of the Bank;
- (j) the Debtor will keep the Collateral insured under policies with such provisions, for such amounts, for such periods and by such insurers satisfactory to the Bank from time to time against loss or damage by fire and such other risks as the Bank shall direct, and will maintain such insurance with loss, if any, payable to the Bank and will lodge such policies with the Bank;
- (k) the Bank shall be entitled, from time to time, and at any time, to inspect the Collateral wherever located and to make enquiries and tests concerning the Collateral, and the Debtor will pay all expenses in connection therewith;
- (l) at the Bank's request, the Debtor will, forthwith, and from time to time, execute and deliver such further and other documents and instruments and do all acts and things as the Bank, in its absolute discretion, requires in order to confirm and perfect, and maintain perfection of, the Security Interests and charges hereby created in favour of the Bank upon any of the Collateral. In particular, but without limiting the foregoing, the Debtor will well and truly execute or cause to be executed all or any such further or other document or documents as may be required by the Bank to more completely or fully vest in the Bank the Accounts hereby assigned or intended so to be and the right to receive the said monies or to enable the Bank to recover same and will, from time to time, prepare and deliver to the Bank all deeds, books, vouchers, promissory notes, bills of exchange, accounts, letters, invoices, papers and all other documents in any way relating to the Accounts;

\*Deletes where inapplicable

- (m) the Debtor will notify the Bank promptly of:
- (i) any change in the information contained herein relating to the Debtor, its address, its business, its name or the Collateral;
  - (ii) the details of any material acquisition of the Collateral;
  - (iii) any material loss or damage to the Collateral;
  - (iv) any material default by any account debtor in payment or other performance of his obligations to the Debtor with respect to any Accounts;
  - (v) the return to or repossession by the Debtor of the collateral where such return or repossession of the Collateral is material in relation to the business of the Debtor; and
  - (vi) the details of any litigation, actions, claims or process affecting the Collateral or Debtor;
- (n) the Debtor will prevent the Collateral, other than Inventory sold, leased, or otherwise disposed of as permitted herein, from being or becoming an accession to other property not covered by this Security Agreement;
- (o) the Debtor will permit the Bank and its representatives, at all reasonable times, access to all its property, assets and undertakings and to all its books of account and records for the purpose of inspection and render all assistance necessary for such inspection;
- (p) the Debtor will deliver to the Bank from time to time, promptly upon request:
- (i) any documents of title, instruments, securities and chattel paper constituting, representing or relating to Collateral;
  - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral for the purpose of inspecting, auditing or copying the same;
  - (iii) all financial statements prepared by or for the Debtor regarding the Debtor's business;
  - (iv) all policies and certificates of insurance relating to the Collateral; and
  - (v) such information concerning the Collateral, the Debtor and the Debtor's business and affairs as the Bank may require;
- (q) the Debtor, if a company, will not, without the prior written consent of the Bank:
- (i) declare or pay any dividends;
  - (ii) purchase or redeem any of its shares or otherwise reduce its share capital;
  - (iii) become guarantor of any obligation;
  - (iv) become an endorser in respect of any obligation or otherwise become liable upon any note or other obligation other than bills of exchange deposited to the bank account of the Debtor; and
  - (v) additional covenants of the Debtor contained in any Schedule attached hereto shall form part of this Security Agreement.

#### 5. DESTRUCTION OF COLLATERAL.

The loss, injury or destruction of the Collateral shall not operate in any manner to release the Debtor from its liability to the Bank.

#### 6. PERFORMANCE OF OBLIGATIONS

If the Debtor fails to perform its obligations hereunder, the Bank may, but shall not be obliged to, perform any or all of such obligations without prejudice to any other rights and remedies of the Bank hereunder, and any payments made and any costs, charges, expenses and legal fees and disbursements (as between solicitor and own client) incurred in connection therewith shall be payable by the Debtor to the Bank forthwith with interest until paid at the highest rate borne by any of the Obligations and such amounts shall be a charge upon and security interest in the Collateral in favour of the Bank prior to all claims subsequent to this Security Agreement.

#### 7. SECURITIES

If the Collateral at any time includes securities, the Debtor authorizes the Bank to transfer the same or any part thereof into its own name or that of its nominee(s) so that the Bank or its nominee(s) may appear on record as the sole owner thereof, provided that, until default, the Bank shall deliver promptly to the Debtor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to the Debtor or its order a proxy to vote and take all action with respect to such securities. After default, the Debtor waives all rights to receive any notices or communications received by the Bank or its nominee(s) as such registered owner and agrees that no proxy issued by the Bank to the Debtor or its order aforesaid shall thereafter be effective.

#### 8. USE OF PROPERTY

Provided that the Debtor is not in default under the Security Agreement and provided that the Debtor pays all Proceeds of Inventory to the Bank, at any time without the consent of the Bank, the Debtor may deal with the Inventory in the ordinary course of its business, and for the purposes of carrying on its business. Proceeds shall be received by the Debtor, in trust, for the Bank and shall be forthwith paid over to the Bank.

#### 9. EVENTS OF DEFAULT

Obligations not payable on demand shall become immediately payable upon the occurrence of one or more of the following events of default:

- (a) the Debtor makes default in payment when due of any indebtedness or liability of the Debtor to the Bank whether by acceleration or otherwise; or
- (b) the Debtor is in breach of any term, condition, obligation or covenant to the Bank or any representation or warranty to the Bank is untrue, whether or not contained in this Security Agreement; or
- (c) the Debtor ceases or threatens to cease to carry on business, becomes insolvent or the subject of bankruptcy or insolvency proceedings or takes advantage of provisions for relief under the Bankruptcy Act, the Companies Creditors' Arrangement Act or similar legislation in any jurisdiction; or
- (d) a receiver, receiver and manager or receiver-manager of all or any part of the Collateral is appointed; or
- (e) any warranty or representation made to induce the Bank to extend credit to the Debtor, under this Security Agreement or otherwise, is false in any material respect when made; or
- (f) an encumbrancer takes possession of any of the Collateral or any process of execution is levied or enforced upon or against any of the Collateral; or

- (g) indebtedness or liability of the Debtor other than to the Bank becomes due and payable, or capable of being declared due and payable, before the stated maturity thereof or any such indebtedness or liability shall not be paid at the maturity thereof or upon the expiration of any stated applicable grace period thereof or any guarantee given by the Debtor is not honoured when due and called upon; or
- (h) without the prior written consent of the Bank, the Debtor creates or permits to exist any charge, encumbrance or lien on or claim against or any security interest in, any of the Collateral which ranks or could, in any event, rank in priority to or *pari passu* with any Security Interest or charge created by this Security Agreement; or
- (i) the Debtor, if an individual, dies or is declared incompetent by a Court of competent jurisdiction; or
- (j) if the Debtor is a partnership, the death of a partner; or
- (k) if the Debtor is a company or a partnership, an order is made or an effective resolution is passed for winding up the Debtor; or
- (l) the Debtor, if a company, enters into any reconstruction, reorganization, amalgamation, merger or other similar arrangement with any other company without the consent of the Bank; or
- (m) if any other event causes the Bank, in good faith, to believe itself insecure, or if the Collateral is in jeopardy and the Bank, in good faith, believes and has commercially reasonable grounds to believe that the prospect of payment or performance is or is about to be impaired or that the Collateral is or is about to be placed in jeopardy;
- and the Bank shall have all rights and remedies under applicable law as well as any other rights and remedies provided by this Security Agreement.
10. Any breach by the Debtor of any of the provisions contained in this Security Agreement or any default by the Debtor in the observance or performance of any covenant or condition required to be observed or performed by the Debtor hereunder may only be waived by the Bank in writing, provided that no such waiver by the Bank shall extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting therefrom.

#### 11. ENFORCEMENT

Upon any default under this Security Agreement, the Bank may declare any or all of the Obligations not payable on demand to become immediately due and payable and the security hereby constituted will immediately become enforceable. To enforce and realize on the security constituted by this Security Agreement, the Bank may take any action permitted by law or in equity, as it may deem expedient, and in particular, without limiting the generality of the foregoing, the Bank may do any of the following:

- (a) appoint, by instrument, a receiver, receiver and manager or receiver-manager ("Receiver") of the Collateral, with or without bond, as the Bank may determine, and from time to time in its absolute discretion remove such Receiver and appoint another in its stead. A Receiver so appointed, in addition to all powers conferred on it by law, and without limiting the generality of the foregoing, shall have the following powers:
- (i) to take possession, custody and control of, collect and get in the Collateral, or any part thereof and for that purpose, to take any proceedings in the name of the Debtor or otherwise;
- (ii) to carry on or concur in carrying on the business of the Debtor and for that purpose, to raise money on the Collateral in priority to this Agreement or otherwise;
- (iii) to sell or concur in selling or otherwise dispose of any of the Collateral, including by lease or by deferred payment; and
- (iv) to make any arrangement or compromise which the Receiver shall think expedient in the interest of the Bank including any deferral of payment for the Collateral upon disposition.
- (b) take possession of the Collateral or enter upon any premises of the Debtor and take possession of the Collateral with power to exclude the Debtor, its agents and its servants therefrom, without becoming liable as a mortgagee in possession;
- (c) preserve, protect and maintain the Collateral and make such replacements thereof and repairs and additions thereto as the Bank may deem advisable;
- (d) sell, lease or otherwise dispose of all or any part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained therefor and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to the Bank may seem reasonable, provided that if any sale is on credit, the Debtor will not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies therefor are actually received;
- (e) exercise all of the rights and remedies of a secured party under the Personal Property Security Act, British Columbia, and amendments thereto (the "Act");
- (f) if the security hereby constituted becomes enforceable, dispose of any of the Collateral in the condition in which it was at the date possession of it was taken, or after any commercially reasonable repair, processing or preparation thereof for disposition.

Any Receiver so appointed shall be deemed to be the agent of the Debtor, and the Debtor shall be solely responsible for the Receiver's acts or defaults and for the Receiver's remuneration and expenses, and the Bank shall not be, in any way, responsible for any misconduct or negligence on the part of the Receiver. The rights and powers conferred by this paragraph are in supplement of and not in substitution for any rights that the Bank may have, from time to time.

Subject to the claims, if any, of the creditors of the Debtor ranking in priority to this Security Agreement, all amounts realized from the disposition of Collateral pursuant to this Security Agreement will be applied as the Bank, in its absolute discretion, may direct as follows:

- (i) in payment of all costs, charges and expenses (including legal fees and disbursements as between solicitor and own client) incurred by the Bank in connection with or incidental to the exercise by the Bank of all or any of the powers granted to it pursuant to this Security Agreement and including the expenses of seizing, repossessing, holding, repairing, processing or preparing for disposition and disposition of the Collateral and the appointment of the Receiver and the exercise by the Receiver of all or any of the powers granted to it pursuant to this Security Agreement, including the Receiver's reasonable remuneration and all outgoings properly payable by the Receiver;

- (ii) in or toward payment to the Bank of all principal and other monies (except interest) due in respect of the Obligations;
- (iii) in or toward payment to the Bank of all interest remaining unpaid in respect of the Obligations.

Subject to applicable law and the claims, if any, of other creditors of the Debtor, any surplus will be paid to the Debtor.

## 12. ADDITIONAL POWERS

In addition to the rights and powers provided herein and under the Personal Property Security Act, the Bank and the Receiver, as the case may be, shall have the following rights and powers:

- (a) to demand, sue for and receive any Accounts with or without notice to the Debtor, give effectual receipts and discharges therefor, compromise any Accounts which may seem bad or doubtful to the Bank and give time for payment thereof with or without security,
- (b) to take control of any proceeds arising from the Collateral,
- (c) to apply any money taken as Collateral to the satisfaction of the Obligations as the Bank may deem appropriate,
- (d) to hold as additional security any increase, profits, or money resulting from the Collateral, and apply any such increase, profits, or money to the Obligations as the Bank may deem appropriate,
- (e) to use reasonable care in the custody and preservation of any Collateral in the possession of the Bank or its agent except that in the case of chattel paper, a security or an instrument, reasonable care shall not include taking necessary steps to preserve rights against other persons,

All monies or any other form of payment received by the Debtor in payment of any Account or any payment on or other proceeds of Collateral received by the Debtor from account debtors, whether before or after notification of this Security Interest to account debtors and whether before or after default under this Security Agreement shall be received and held by the Debtor, in trust, for the Bank and shall be turned over to the Bank upon request.

## 13. NOTICE OF DISPOSITION

The Debtor shall be entitled to not less than twenty days notice, in writing, of the date, time and place of any intended disposition of the Collateral, such notice to be given in accordance with the provisions of the Personal Property Security Act except that notice is not required to be given where:

- (a) the Collateral is perishable,
- (b) the Bank believes on reasonable grounds that the Collateral will decline substantially in value if not disposed of immediately after default,
- (c) the cost of care and storage of the Collateral is disproportionately large relative to its value,
- (d) the Collateral is a security or an instrument that is to be disposed of by sale in an organized market that handles large volumes of transactions between many different sellers and many different buyers,
- (e) the Collateral is money other than a medium of exchange authorized by the Parliament of Canada,
- (f) a Court so orders, or
- (g) after default, every person entitled to receive notice consents to the disposition of the Collateral without notice.

## 14. COPY OF FINANCING STATEMENT

The Debtor hereby expressly waives the right to receive a copy of any Financing Statement, or a copy of the statement confirming the registration of any Financing Statement, that may be registered by the Bank under the Personal Property Security Act in connection with any Security Interest created under this Agreement or under any future agreement with the Bank. The Bank may change the Financing Statement in its sole discretion at any time without the consent of the Debtor.

## 15. LIABILITY TO ADVANCE

Neither the preparation, execution, perfection nor registration of this Security Agreement or the advance of any moneys shall bind the Bank to make any advance or loan or further advance or loan or renew any note or extend any time for payment of any indebtedness or liability of the Debtor to the Bank.

## 16. APPROPRIATION

The Bank shall have the right at any time to appropriate any payment made to any portion of the Obligations and to revoke or alter any such appropriation.

## 17. DEALING WITH SECURITY INTEREST

The Bank may grant extensions of time and other indulgences, take and give up any of the Security Interest, or modify or abstain from perfecting or taking advantage of any of the Security Interest, accept compositions, grant releases and discharges thereof and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with any of the Security Interest as the Bank may see fit without prejudice to the liability of the Debtor or the Bank's right to hold and realize any of the Security Interest. The Bank shall not be accountable to the Debtor for the value of any of the Security Interest released except for any moneys actually received by the Bank.

## 18. EXECUTION

If more than one person executes this Agreement, the term "Debtor" shall include each as well as all of them, any and all of their obligations hereunder shall be joint and several and these presents and such obligations shall continue in full force and effect and apply notwithstanding any change for any cause or in any manner whatsoever in the composition of or membership of any firm or company which is a party hereto.

## 19. TERM

This Security Agreement shall be a continuing agreement in every respect for the payment of the Obligations and it shall remain in full force and effect until all of the Obligations shall be paid and satisfied in full. In the event any provisions of this Agreement shall be deemed invalid or void by any court of competent jurisdiction, the remaining terms and provisions of this Agreement shall remain in full force and effect. All rights and remedies of the Bank set out in this Security Agreement are cumulative and no right or remedy contained herein is intended to be exclusive but each will be addition to every other right or remedy contained herein or in any existing or future Security Agreement or now or hereafter existing at law, in equity or by statute or pursuant to any other agreement between the Debtor and the Bank that may be in effect from time to time. No delay or omission by the Bank in exercising any right or remedy herein or with respect to the Obligations shall operate as a waiver thereof.

## 20. NON-SUBSTITUTION

The Security Interest is in addition to and not in substitution for any other security now or hereafter held by the Bank.

## 21. APPLICABLE LAW

This Security Agreement shall be construed in accordance with the laws of the Province of British Columbia.

**22. NOTICE**

Notice may be given to either party by sending it through the post by prepaid mail or delivered to the party for whom it is intended, at the principal address of such party provided herein or at such other address or facsimile number as may be given in writing by such party to the other. Any notice if posted shall be deemed to have been given at the expiration of three business days after posting, if delivered, on delivery, and if given by facsimile at the opening of business on the business day following the date of transmission.

**23. DEFICIENCY**

If the amounts realized from the disposition of the Collateral are not sufficient to pay the Obligations in full, the Debtor will immediately pay to the Bank the amount of such deficiency.

**24. APPOINTMENT OF ATTORNEY**

The Debtor hereby irrevocably appoints the Bank and any of its managers or acting managers or the Receiver, as the case may be, with full power of substitution for the Bank, at its option, wherever and whenever it may deem necessary or expedient to be the true and lawful attorney of the Debtor for and in the name of the Debtor to sign, endorse or execute under seal or otherwise any deeds, documents, transfers, cheques, instruments, demands, assignments, assurances or consents that the Debtor is obliged to sign, endorse or execute and generally to use the name of the Debtor and to do all things as may be necessary or incidental to the exercise of all or any of the powers conferred on the Bank or the Receiver, as the case may be, pursuant to this Security Agreement and to file such Financing Statements and other documents and do such acts, matters and things (including completing and adding Schedules hereto identifying Collateral or any permitted encumbrances affecting Collateral or identifying the locations at which the Debtor's business is carried on and Collateral and records relating thereto are situate) as the Bank may deem appropriate to perfect and continue the Security Interest, to protect and preserve the Collateral and to realize upon the Security Interest.

**25. SET-OFF**

Without limiting any other rights of the Bank, whenever the Obligations are immediately due and payable or the Bank has the right to declare the Obligations to be immediately due and payable (whether or not it has so declared), the Bank may, in its sole discretion, set off against the Obligations any and all monies then owed to the Debtor by the Bank in any capacity, whether or not due, and the Bank shall be deemed to have exercised such right to set off immediately at the time of making its decision to do so even though any charge therefor is made or entered on the Bank's records subsequent thereto.

**26. NO MERGER**

This Security Agreement shall not operate so as to create any merger or discharge of any of the Obligations, or any assignment, transfer, guarantee, lien, contract, promissory note, bill of exchange or security interest of any form held or which may hereafter be held by the Bank from the Debtor or from any other person whomsoever. The taking of a judgment with respect to any of the Obligations will not operate as a merger of any of the covenants contained in this Security Agreement.

**27. ASSIGNMENT**

The Bank may, without further notice to the Debtor, at any time assign, transfer or grant a security interest in this Security Agreement and the security interests granted hereby. The Debtor expressly agrees that the assignee, transferee or secured party, as the case may be, shall have all of the Bank's rights and remedies under this Security Agreement and the Debtor will not assert any defense, counterclaim, right of set-off or otherwise any claim which it now has or hereafter acquires against the Bank in any action commenced by such assignee, transferee or secured party, as the case may be, and will pay the Obligations to the assignee, transferee or secured party, as the case may be, as the Obligations become due.

**28. SATISFACTION AND DISCHARGE**

Any partial payment or satisfaction of the Obligations, or any ceasing by the Debtor to be indebted to the Bank, shall be deemed not to be a redemption or discharge of this Security Agreement. The Debtor shall be entitled to a release and discharge of this Security Agreement upon full payment and satisfaction of all Obligations and upon written request by the Debtor and payment to the Bank of all discharge fees, costs, charges, expenses and legal fees and disbursements (as between solicitor and own client) incurred by the Bank in connection with the Obligations and such release and discharge.

**29. LIABILITY OF BANK**

The Bank shall not be responsible or liable for any debts contracted by it, for damages to persons or property or for salaries or nonfulfillment of contracts during any period when the Bank shall manage the Collateral upon entry, as herein provided nor shall the Bank be liable to account as mortgagee in possession or for anything except actual receipts or be liable for any loss on realisation or for any default or omission for which a mortgagee in possession may be liable. The Bank shall not be bound to do, observe or perform or to see to the observance or performance by the Debtor of any obligations or covenants imposed upon the Debtor nor shall the Bank, in the case of securities, instruments or chattel paper, be obliged to preserve rights against other persons, nor shall the Bank be obliged to keep any of the collateral identifiable. The Debtor hereby waives any applicable provision of law permitted to be waived by it which imposes higher or greater obligations upon the Bank than now foresaid.

**30. ENUREMENT**

This Security Agreement shall enure to the benefit of the Bank and its successors and assigns, and shall be binding upon the respective heirs, executors, personal representatives, successors and permitted assigns of the Debtor.

**31. TIME OF THE ESSENCE**

Time is of the essence of the Debtor's Obligations under this Security Agreement.

**32. DEFINITIONS**

Except where the context otherwise requires, the words used in this Security Agreement shall have the meaning ascribed to them by the Personal Property Security Act of British Columbia and amendments thereto.

**33. ACKNOWLEDGEMENT**

The Debtor hereby acknowledges receiving a copy of this Security Agreement.

34. The Debtor represents and warrants that the following information is correct:

INDIVIDUAL DEBTOR

SURNAME (LAST NAME)	FIRST NAME	SECOND NAME	BIRTH DATE YEAR MONTH DAY
ADDRESS OF INDIVIDUAL DEBTOR	CITY	PROVINCE	POSTAL CODE
SURNAME (LAST NAME)	FIRST NAME	SECOND NAME	BIRTH DATE YEAR MONTH DAY
ADDRESS OF INDIVIDUAL DEBTOR	CITY	PROVINCE	POSTAL CODE

BUSINESS

NAME OF BUSINESS DEBTOR <b>Tranzeno Wireless Technologies Inc.</b>			
ADDRESS OF BUSINESS 19473 Fraser Way	CITY Pitt Meadows	PROVINCE BC	POSTAL CODE V3Y 2V4

IN WITNESS WHEREOF Debtor has executed this Security Agreement this 11<sup>th</sup> day of January 20 08

WITNESS

Tranzeno Wireless Technologies Inc.  
 Per: [Signature]  
 Authorized Signatory  
 \*\*Carrying on Business as:

\_\_\_\_\_  
 (Principal Address)

\_\_\_\_\_  
 (City, Town, etc. & Province)

BRANCH ADDRESS 1933 Willingdon Avenue, Burnaby, B.C. V5C 5J3
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(\*\*Strike out where inapplicable.)



**SCHEDULE TO GENERAL SECURITY AGREEMENT  
BETWEEN THE TORONTO-DOMINION BANK AND  
TRANZEO WIRELESS TECHNOLOGIES INC.**

**1.(f) Additional Property** - All worldwide rights, title and interest of the Debtor in and to all present and future trade-marks, trade names, good will, copyrights, patents, designs, products, software, hardware, trade secrets, know how, licenses, domain names, and any other present or future intellectual property of the Debtor, including, without limitation, all of the Debtor's worldwide rights, title and interest in and to the following:

**A. PATENTS**

US7,161,926 Low-latency multi-hop ad hoc wireless network

US6,832,251 Method and apparatus for distributed signal processing among internetworked wireless integrated network sensors (WINS)

US7,207,041 Open platform architecture for shared resource access management

US6,826,607 Apparatus for internetworked hybrid wireless integrated network sensors (WINS)

US7,020,701 Method for collecting and processing data using internetworked wireless integrated network sensors (WINS)

US6,735,630 Method for collecting data using compact internetworked wireless integrated network sensors (WINS)

US6,859,831 Method and apparatus for internetworked wireless integrated network sensor (WINS) nodes

US Patent Appn. #11651224 Low-latency multi-hop ad hoc wireless network

**B. TRADE MARKS**

US trademark "SENSORIA" registered under trademark no. 2,636,208;

US trademark application "TRANZEO WIRELESS TECHNOLOGIES", serial number 78661793;

US trademark application "target design", serial number 78661780;

Canadian trade-mark "TRANZEO WIRELESS TECHNOLOGIES" registered under trade-mark no. TMA670051;

Canadian trade-mark "target & DESIGN" registered under trade-mark no. TMA669227.

**C. OTHER INTELLECTUAL PROPERTY**

(a) License to use Telesym VoIP source code granted by Telesym;

(b) Enroute 500 hardware design;

(c) Wireless Fabric SW;

(d) Domain Names: "sensoria.com" and "tranzeo.com";

(e) License and rights granted to the Debtor by Wi-Lan Inc. pursuant to the Patent Licensing Agreement between the Debtor and Wi-Lan Inc. effective as of January 1, 2008; and

(f) the Debtor's Product Technology detailed on Appendix "A" to this Schedule

ALTERNATE

**ADDRESS(ES) OR PLACE(S) OF BUSINESS OF THE DEBTOR WHERE  
THE COLLATERAL MAY BE FOUND**

COLLATERAL IS NOW AND WILL HEREAFTER BE LOCATED AT THE FOLLOWING ADDRESS(ES)

19473 FRASER WAY, PITT MEADOWS, B.C. V3Y 2V4  
(Street) (Town/City) (Province)

**SCHEDULE**

If space is insufficient attach additional list headed: PAGE 2 OF SCHEDULE

QUANTITY	DESCRIPTION	SERIAL NUMBER
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See attached

**RESOLUTION AUTHORIZING EXECUTION OF GENERAL SECURITY AGREEMENT**

\*RESOLVED THAT the \_\_\_\_\_ and the \_\_\_\_\_ are hereby authorized for and on behalf of the Corporation to execute and deliver to The Toronto-Dominion Bank a General Security Agreement substantially in the form of the General Security Agreement (attached hereto and initialed by the Secretary for identification) presented to the directors, with such alterations, amendments, deletions or additions as may be approved by the persons executing the same and that execution accordingly shall be conclusive evidence of such approval and that the General Security Agreement so executed is the General Security Agreement authorized by this Resolution.

"Any officer or director be and is hereby authorized to execute and deliver on behalf of the Corporation all such other documents and writings and to do such other acts and things as may be necessary or desirable for fulfilling the Corporation's obligations under the General Security Agreement."

**CERTIFICATION**

I hereby certify that the foregoing is a true and correct copy of a Resolution duly passed by the Directors of

\_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

and that the said Resolution is now in full force and effect.

\_\_\_\_\_  
Secretary C/S

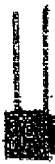
Appendix "A" to Schedule to General Security Agreement  
between The Toronto-Dominion Bank and Tranzeo Wireless  
Technologies Inc.

**TRANZEO WIRELESS TECHNOLOGIES INC.  
SCHEDULE OF INTELLECTUAL PROPERTY  
PRODUCT TECHNOLOGY**

**AS AT DECEMBER 5 2007**

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**:: Mesh Networking**



EnRoute500 Series

The EnRoute500 is a wireless mesh router specifically designed for outdoor applications. The dual radio EnRoute500 serves as a Wi-Fi access point with a dedicated 802.11b/g radio and more.

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**:: Full-Duplex Backhauls**

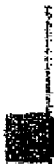


TR-FDD Series

Tranzeo Wireless Technologies' new High Performance Full-Duplex Dual Broadband Wireless Radio models allow more data to travel through the same amount of radio spectrum with significantly less delay, improving applications such as Voice over IP (VoIP) and Internet TV.

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**:: Routing Access Points**



ER-1000 Series

The EN-1000 which has been nicknamed the 'Super AP' is an access point that operates in both the 2.4 GHz and 5 GHz frequency band. With similar performance to the TR-6600 and TR-5Plus the EN-1000 boosts many new features.

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**:: 900 MHz****TR-902 Series**

Operating in the 900 MHz ISM band, the TR-902 Series have better non line-of-site properties than the higher frequencies and have the same features as our other broadband wireless networking equipment.

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**:: 2.4 GHz****TR-6000 Series**

The TR-6000 Series of radios are broadband wireless point-to-multipoint solution in the 2.4 GHz frequency that can also double as a client premises radio and which have a range of 15 miles with 11 Mbps half-duplex wireless throughput.

**TR-CPQ Series**

Fully featured, broadband wireless client device, the TR-CPQ allows quick installation and easy deployment at customer locations. Special alignment LEDs allow for a visual representation of radio alignment to the access point.

**TR-CPE90 Series**

TR-CPE90 is a broadband wireless networking device that complies with the 802.11b/g standard which can be configured as an access point or client device in the 2.4 GHz frequency. Supporting throughput of 11Mbps or 54 Mbps half-duplex this is great for those short distances or covering a small area.

**TR-600 Series**

Based on the same platform as the TR-6000 Series, this is a commercial or industrial indoor

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product for broadband wireless networking in the 2.4 GHz frequency.



#### TR-SL2 Series

At a measurement of roughly 10 inches square, the TR-SL2 Series are fully featured broadband wireless client devices with the same power output as the TR-CPQ Series.

#### TR-6Amp Series

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### :: 4.9 GHz



#### TR-49 Series

Specifically designed for Homeland Security for use in the 4.9 GHz frequency, the TR-49 Series is for exclusive use in Municipal, State and Federal Agencies in the United States and is based on the same platform as our other broadband wireless equipment.

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### :: 2.4 GHz & 5 GHz



#### TR-Multi Series

The TR-Multi Series are dual-band, single-antenna client devices which allow for quick installations in the license free 2.4 GHz or 5 GHz frequencies. This radio is also ideal for those who are looking to migrate to the license free 5 GHz frequency but currently have deployed 2.4 GHz in their areas.

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### :: 5 GHz

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#### TR-5a Series

Offering higher wireless throughput at 54 Mbps half-duplex, the TR-5a Series works in the license free, 5 GHz frequency (802.11a Standard) and is a fully integrated unit that can be used as an access point, point to point or client device.



#### TR-5Plus Series

Boasting a 23 dBm output power, the TR-5Plus Series is ideal for environments where high noise can be a concern. With no built-in amplifier, this solution is cost-effective and has the same features as the TR-5a Series.



#### TR-500 Series

Based on the same platform as the TR-5a Series, this is a commercial or industrial indoor product for broadband wireless networking in the license free 5 GHz frequency.



#### TR-SL5 Series

At a measurement of roughly 10 inches square, the TR-SL5 Series are fully featured broadband wireless client devices with the same power output as the TR-5A Series.



#### TR-5800 Series

Tranzeo Wireless is offering a **special limited quantity** of the TR-5800 series that is capable of data rates of up to 54 Mbps Half-Duplex. Pairing two of these broadband wireless radios together is ideal for creating that essential link between two locations and has the throughput to handle backbone-type traffic.

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**4.(r)(i) Additional Representations, Warranties and Covenants**

A) The Debtor acknowledges and agrees that the Bank will not be deemed in any manner to have assumed any obligation of the Debtor under any license or otherwise relating to or arising in connection with any Property of the Debtor in section 1.(f)(i) hereof, nor will the lender be liable to any official body or party to a license or any third party by reason of any default by any person under any contract. The Debtor covenants to indemnify and hold the Bank harmless of and from all liability, loss, damage or expense which it may or might incur by reason of any claim or demand against it based on its alleged assumption of the Debtor's duty and obligation to perform and discharge any terms, covenants and agreements in any license or otherwise relating to or arising in connection with any Property of the Debtor in section 1.(f)(i) hereof.

B) The Debtor will keep all registrations and applications for registration of the Property of the Debtor in section 1.(f)(i) hereof in good standing, and renew all registrations and file new applications where commercially reasonable. The Debtor will not allow any registrations, pending registrations, or licenses which are material to the operation of the business of the Debtor to lapse, expire, become abandoned, expunged, terminated or cancelled.

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