

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM479499

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Zaber Technologies Inc.		02/26/2018	Corporation: CANADA
RECEIVING PARTY DATA			
Name:	Roynat Inc.		
Street Address:	650 West Georgia Street		
City:	Vancouver, British Columbia		
State/Country:	CANADA		
Postal Code:	V6B 4N8		
Entity Type:	Corporation: CANADA		
PROPERTY NUMBERS Total: 1			
Property Type	Number	Word Mark	
Registration Number:	3444157	ZABER	
CORRESPONDENCE DATA			
Fax Number:	8015786999		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>			
Phone:	(801) 328-3131		
Email:	tm-slc@stoel.com		
Correspondent Name:	Catherine Parrish Lake		
Address Line 1:	201 South Main Street, Suite 1100		
Address Line 4:	Salt Lake City, UTAH 84111		
NAME OF SUBMITTER:	Catherine Parrish Lake		
SIGNATURE:	/Catherine Parrish Lake/		
DATE SIGNED:	06/22/2018		
Total Attachments: 14			
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INTELLECTUAL PROPERTY SECURITY AGREEMENT
(ZABER TECHNOLOGIES INC.)

TO: Roynat Inc. (the “Lender”)

DATE: February 26, 2018

FOR VALUE RECEIVED and intending to be legally bound by this Security Agreement, the undersigned (the “Obligor”) agrees as follows:

1. INTERPRETATION

1.1 **Terms Incorporated for Reference.** Terms defined in the *Personal Property Security Act* (British Columbia) (as amended from time to time, the “PPSA”) and used but not otherwise defined in this Security Agreement shall have the same meaning herein.

1.2 **Defined Terms.** In this Security Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the following meanings:

- (i) “**Collateral**” has the meaning set forth in section 2.1;
- (ii) “**Event of Default**” means the occurrence of an Event of Default as defined in the Offer of Finance;
- (iii) “**Intellectual Property**” means the Collateral, other than any proceeds or payments;
- (iv) “**Licences**” means any and all licences, sub-licences, leases, sub-leases, agreements to license or sub-license or lease or sub-lease, rights of use or control (whether as licensee or licensor or lessee or lessor and whether exclusive or nonexclusive) in respect of or in connection with the acquisition, ownership or use of Intellectual Property, together in each case with any amendments, supplements, modifications, extensions, renewals or replacements thereof, and “**Licence**” means any one of them;
- (v) “**Obligations**” means all obligations of the Obligor to the Lender from time to time, and includes the obligations set out in Section 2.2 herein;
- (vi) “**Offer of Finance**” means the offer of finance dated February 9, 2018 from the Lender to the Obligor, as may be amended, restated, renewed, extended, replaced or otherwise modified from time to time;
- (vii) “**PPSA**” has the meaning set forth in Section 1.1;
- (viii) “**Royalties**” means all royalties, rents, issues, proceeds, profits or other fees (including, without limitation, licence fees), charges, assessments or penalties payable to the Obligor or due or accruing due to the Obligor pursuant to any Licence; and
- (ix) “**Security Interest**” means the liens granted in this Security Agreement.

2. SECURITY

2.1 Grant of Security Subject to Section 2.4, the Obligor hereby (i) mortgages and charges to the Lender as and by way of a fixed mortgage and charge; (ii) pledges to the Lender; and (iii) grants to the Lender a lien in, all of the Obligor's right, title and interest throughout the world in and to the following property, which is currently or in the future may be owned, created, acquired, or used (whether pursuant to a Licence or otherwise) by the Obligor, in whole or in part (collectively, the "Collateral", and all references thereto herein include any part thereof):

- (a) all trade-marks and rights and interests which are capable of being protected as trade-marks (including trade-marks, service marks, certification marks, designs, logos, indicia, trade-names, corporate names, company names, business names, fictitious business names, trade styles, and other source or business identifiers, and applications pertaining thereto), Licences in respect thereof and rights to register, renew and extend such trade-marks and trade-mark rights and any and all copyrights in such trade-marks;
- (b) all patents, patent applications, industrial designs and industrial design applications, including all reissues, divisions and continuations in part, Licences in respect thereof, foreign filing rights, and rights to register, renew and extend such rights;
- (c) the trade-mark registrations and pending applications listed on **Schedule A** attached hereto, as the same may be updated hereafter from time to time, and all Licences in respect thereof;
- (d) the patents, patent applications, industrial designs and industrial design applications listed on **Schedule B** attached hereto, as the same may be updated hereafter from time to time, and all Licences in respect thereof;
- (e) the right to register trade-mark claims and to apply for, renew and extend trade-mark registrations and trade-mark rights, the right (without obligation) to sue or bring opposition or cancellation proceedings in the name of the Obligor or in the name of the Lender for past, present and future infringements or violations of trade-marks, registrations, or other trade-mark rights and the associated goodwill;
- (f) all of the Obligor's right, title and interest in and to all patentable and unpatentable inventions and all industrial designs, and to file applications for patents and industrial designs and to request reexamination and/or reissue of the patents, the right (without obligation) to sue or bring interference proceedings in the name of the Obligor or in the name of the Lender for past, present and future infringements of the patents and industrial designs;
- (g) all copyrights, copyright applications, copyright registrations, know-how, trade secrets, technical processes, recipes and formulae and Licences in respect thereof;
- (h) all general intangibles relating to the foregoing, including all associated goodwill; and
- (i) all proceeds of and rights associated with any and all of the foregoing (including, without limitation, claims by the Obligor against third parties for past, present or future infringement of the Intellectual Property, including those items listed in the Schedules to this Agreement, or for injury to the goodwill associated with the use of any of the trade-marks or for breach or enforcement of any Licence, Royalties and proceeds of infringement suits) and, to the extent not otherwise included, all payments under insurance, or any indemnity, warranty, or guarantee, payable by reason of loss or damage to or otherwise with respect to the Collateral.

2.2 Obligations Secured

- (a) The Collateral constitutes and will constitute continuing security for the Obligations of the Obligor to the Lender from time to time, including the following obligations:
 - (i) Indebtedness The prompt payment, as and when due and payable, of all amounts now or hereafter owing by the Obligor to the Lender, including by way of guarantee or indemnity, whether now existing or hereafter incurred, matured or unmatured, direct, indirect, joint or several, or contingent including any extensions and renewals thereof, and all future advances and re-advances; and
 - (ii) Performance of Agreements The strict performance and observance by the Obligor of all agreements, warranties, representations, covenants and conditions of the Obligor made pursuant to this Security Agreement or any other agreement between the Obligor and the Lender all as now in effect or as hereafter entered into or amended.
- (b) All reasonable expenses, costs and charges incurred by or on behalf of the Lender in connection with the preparation and issuance of this Security Agreement, the perfection, preservation and protection of the Security Interest and the enforcement of the Lender's rights and remedies hereunder, including the realization of the Collateral, and including all legal fees (on a solicitor and solicitor's own client basis) and disbursements, court costs, receiver's or agent's remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling, licensing, transferring, delivering or obtaining payment of the Collateral, shall be added to and form a part of the Obligations.

2.3 Attachment

- (a) The Obligor and the Lender hereby acknowledge that (i) value has been given; (ii) the Obligor has rights in the Collateral (other than after-acquired Collateral); and (iii) they have not agreed to postpone the time of attachment of the Security Interest.
- (b) The Obligor agrees to promptly inform the Lender in writing of the acquisition by the Obligor of any application or registration in or to any intellectual property which is not already described herein, and the Obligor agrees to execute and deliver at its own expense from time to time amendments to this Security Agreement or the schedules hereto or additional security agreements or schedules as may be required by the Lender in order that the Security Interest shall attach to such intellectual property.

2.4 Scope of Security Interest

- (a) Nothing in Section 2.1 shall be construed as a pledge by the Obligor (which term shall include a sub-licence, mortgage, pledge or charge) of any Intellectual Property licensed to the Obligor as licensee or any Licence which, as a matter of law or by its terms, may not be pledged without the consent or authorization of the licensor or licensee unless such consent or authorization has been obtained. To the extent that the creation of the Security Interest would constitute a breach or permit the acceleration of any Licence to which the Obligor is a party, the Security Interest shall not attach to the Intellectual Property licensed thereby or the Licence but the Obligor shall hold its interest therein in trust for the Lender, and, in the case of any such potential breach or acceleration of any Licence, shall use reasonable efforts to

obtain the consent of the other party thereto. Upon the Obligor obtaining the consent of such other party, the Security Interest shall be deemed to have automatically attached to such Intellectual Property and Licence.

- (b) Until the occurrence of an Event of Default, the grant of the Security Interest in the Intellectual Property shall not affect in any way the Obligor's rights to commercially exploit the Intellectual Property, to defend the Intellectual Property, to enforce the Obligor's rights therein or with respect thereto against third parties in any court or to claim and be entitled to receive any damages with respect to any infringement or violation thereof.
- (c) The Security Interest shall not extend or apply to the last day of any term of years reserved by a Licence, but the Obligor shall stand possessed of any such reversion in trust to assign and dispose thereof as the Lender may direct.
- (d) The Lender will not be deemed in any manner to have assumed any obligation of the Obligor under any Licence nor shall the Lender be liable to any governmental authority or licence counterparties by reason of any default by any person under any contract. The Obligor agrees to indemnify and hold the Lender 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 Obligor's duty and obligation to perform and discharge the terms, covenants and agreements in any Licence.
- (e) It is expressly acknowledged by the Obligor that, notwithstanding any right or authority granted to the Obligor herein or in any other agreement or instrument to deal with the Collateral, it is the intention of the Obligor and the Lender that (i) the Security Interest shall operate and be construed as a fixed and specific charge of all Collateral in respect of which the Obligor presently has rights, and as a fixed and specific charge of all after-acquired Collateral which shall attach forthwith upon the Obligor acquiring rights therein, and (ii) the Security Interest shall neither operate nor be construed as a floating charge.

2.5 The Lender's Care and Custody of the Collateral

- (a) The Lender shall not be bound to dispose of, realize, protect or enforce any of the Obligor's right, title and interest in and to the Collateral or to institute proceedings for the purpose thereof.
- (b) The Lender shall have no obligation to keep Collateral in its possession identifiable.
- (c) The Lender may, upon the occurrence of an Event of Default, (i) notify any person obligated on a Licence to make payment thereunder to the Lender whether or not the Obligor was theretofore making collections thereon, and (ii) assume control of any proceeds arising from the Collateral.

2.6 The Obligor's Dealing with the Collateral The Obligor shall not, without the prior written consent of the Lender, sell, exchange, licence, release or abandon or otherwise dispose of the Collateral, except in the course of ordinary business of the Obligor, or create, assume or permit to remain outstanding any lien in, on or of the Collateral.

2.7 Right of Set-Off The Obligations secured by this Security Agreement shall be paid, when due, by the Obligor to the Lender without regard to any equities existing among the Obligor and the Lender and

without regard to any right of set-off or cross-claim or of any claim or demand of the Obligor against the Lender or otherwise.

- 2.8 Protective Disbursements If the Obligor fails to perform any covenant on its part contained in this Security Agreement then the Lender may, in its absolute discretion, perform any such covenant capable of being performed by it and, if any such covenant requires the payment or expenditure of money, the Lender may make such payment but shall be under no obligation to do so, and all sums so paid or expended by the Lender shall be immediately payable by the Obligor, shall bear interest at the highest rate set forth in the Offer of Finance until paid and shall be secured hereby, having the benefit of the lien hereby created in priority to the indebtedness evidenced by this Security Agreement. No such performance or payment shall relieve the Obligor from any default under this Security Agreement or any consequences of such default.

3. REPRESENTATIONS, WARRANTIES AND COVENANTS

The Obligor hereby represents, warrants, and covenants that:

3.1 Intellectual Property Listing

- (a) A true and complete schedule setting forth all trade-mark registrations, and pending applications owned or controlled by the Obligor or licensed to the Obligor, together with a summary description and full information in respect of the filing or issuance thereof and expiration dates is set forth on **Schedule A** attached hereto.
- (b) A true and complete schedule setting forth all patents, patent applications, industrial designs and industrial design applications owned or controlled by the Obligor or licensed to the Obligor, together with a summary description and full information in respect of the filing or issuance thereof and expiration dates is set forth on **Schedule B** attached hereto.
- (c) A true and complete schedule setting forth all copyright applications and registrations owned or controlled by the Obligor or licensed to the Obligor, together with a summary description and full information in respect of the filing or issuance thereof is set forth on **Schedule C** attached hereto.

- 3.2 Validity; Enforceability The Intellectual Property is valid and enforceable. The Obligor is not currently aware of any past, present, or prospective claim by any third party that any of the Intellectual Property is invalid or unenforceable. The Obligor is not currently aware that the use of the Intellectual Property violates the rights of any third person, or of any basis for any such claims.

- 3.3 Title The Obligor is the exclusive owner of the entire and unencumbered right, title, and interest in and to the Intellectual Property identified in Schedules A, B and C and in and to all other Intellectual Property except that, if any, which is licensed from third parties, free and clear of any liens, including licences, shop rights and covenants by the Obligor not to sue third persons.

- 3.4 Quality The Obligor has used and will continue to use standards that are consistent with the Obligor's past practices in the manufacture, sale and delivery of products and services sold or delivered under or in connection with all the trade-marks comprised within the Intellectual Property, and will continue to maintain the validity of the Intellectual Property, except in the ordinary course of business.

- 3.5 Perfection of Security Interest Except for the filing of a financing statement with provincial or state personal property registries, and filings with the Canadian Intellectual Property Office, the United

States Patent and Trademark Office and the United States Copyright Office, or the corresponding offices in any other country which may be necessary to perfect the Security Interest, no authorization, approval, or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either for the grant by the Obligor of the Security Interest or for the execution, delivery or performance of this Security Agreement by the Obligor or for the perfection of or the exercise by the Lender of its rights hereunder to the Collateral in Canada or the United States.

3.6 Litigation and Proceedings The Obligor shall commence and diligently prosecute in its own name, as the real party in interest, for its own benefit and its own expense, such suits, administrative proceedings, or other actions for infringement or other causes of action as are in its reasonable business judgment necessary to protect the Collateral. The Obligor shall diligently defend all suits, administrative proceedings or other actions brought by third parties in respect of the Intellectual Property or use thereof. The Obligor shall provide to the Lender any information with respect thereto requested by the Lender. The Lender may, but shall not be required to, provide at the Obligor's expense all necessary cooperation in connection with any such suits, proceedings or actions including, without limitation, joining as a necessary party. Following the Obligor becoming aware thereof, the Obligor shall promptly notify the Lender of the institution of or any final adverse determination in any proceeding in any patent, trade-mark or copyright office or other regulatory authority, or any Canadian, United States, state, provincial or foreign court regarding the Obligor's claim of ownership in any of the Intellectual Property, its right to apply for the same or its right to keep and maintain such rights.

3.7 Right to Inspect The Obligor grants to the Lender and its employees and agents the right to visit the Obligor's plants and facilities in which services are offered or performed in association with any of the Intellectual Property and to inspect the products and quality control records relating thereto at reasonable times during regular business hours, at Secured Party's cost and with at least two days' notice to the Obligor.

4. ENFORCEMENT

4.1 Remedies Upon the occurrence of an Event of Default, the Lender may realize upon the Collateral and enforce the rights of the Lender by:

- (a) sale, assignment, licence, sub-licence, granting options or options to purchase or any other disposal of the Collateral including all associated goodwill;
- (b) collection of any proceeds arising in respect of the Collateral;
- (c) collection, realization or sale of or other dealing with Royalties;
- (d) the exercise of any contractual, legal or other rights or interests of the Obligor under or in respect of the Collateral;
- (e) the payment of any lien that may exist or be threatened against the Collateral, in which event such amount and any costs, charges and expenses incurred in connection therewith shall be added to the Obligations;
- (f) the appointment by instrument in writing of a receiver (which term as used in this Security Agreement includes a receiver and manager) or agent of the Collateral and the removal or replacement of such receiver or agent from time to time;

- (g) the institution of proceedings in any court of competent jurisdiction for the appointment of a receiver of the Collateral;
- (h) the institution of proceedings in any court of competent jurisdiction for sale or foreclosure of the Collateral;
- (i) filing proofs of claim and other documents to establish claims in any proceeding relating to the Obligor;
- (j) the set-off and application against the Obligations, to the fullest extent permitted by law, of any monies to be paid by the Lender to the Obligor under the Offer of Finance or any other agreement between the Lender and the Obligor; and
- (k) any other remedy or proceeding authorized or permitted by applicable law.

In addition, upon the enforcement by the Lender of the Security Interest, or upon the appointment of a receiver or receiver-manager of the Obligor or any of the Collateral, the Obligor shall grant to the Lender a royalty-free exclusive licence to use the Intellectual Property to the extent necessary to enable the Lender to use, possess and realize upon the Intellectual Property and to enable any successor or assign to enjoy the benefits of all the Intellectual Property.

Such remedies may be exercised from time to time separately or in combination and are in addition to and not in substitution for any other rights of the Lender however created. The Lender may proceed by way of any action, suit or other proceeding available at law and no right, remedy or power of the Lender shall be exclusive of or dependent on any other. The Lender may exercise any of its rights, remedies or powers separately or in combination and at any time. The Lender shall not be bound to exercise any such rights or remedies, and the exercise of such rights and remedies shall be without prejudice to the rights of the Lender in respect of the Obligations including the right to claim for any deficiency.

4.2 Additional Rights In addition to the remedies of the Lender set forth in Section 4.1, the Lender may, upon the occurrence of an Event of Default, demand, commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and give valid and effectual receipts and discharges therefor and compromise or give time for the payment or performance of all or any part of the accounts or any contract or any other obligation of any third party to the Obligor relating to the Collateral.

4.3 Concerning the Receiver

- (a) Any receiver appointed by the Lender shall be vested with the rights and remedies which could have been exercised by the Lender in respect of the Obligor or the Collateral and such other powers and discretions as are granted in the instrument of appointment and any instrument or instruments supplemental thereto. The identity of the receiver, any replacement thereof and any remuneration thereof shall be within the unfettered discretion of the Lender.
- (b) Any receiver appointed by the Lender shall act as agent for the Lender for the purposes of taking possession of the Collateral, but otherwise and for all other purposes (except as provided below) as agent for the Obligor. The receiver may sell, assign, licence, sublicense, grant options or options to purchase or otherwise dispose of Collateral, including all associated goodwill, as agent for the Obligor or as agent for the Lender (but in all cases shall take direction from the Lender) as the Lender may determine in its sole and unfettered

discretion. The Obligor agrees to ratify and confirm all actions of the receiver acting as agent for the Obligor, and to release and indemnify the receiver in respect of all such actions, unless arising from the receiver's own violation of law, gross negligence, or willful misconduct.

- (c) The Lender, in appointing or refraining from appointing any receiver, shall not incur liability to the receiver, the Obligor or otherwise and shall not be responsible for any misconduct or negligence of such receiver.

4.4 Appointment of Attorney The Obligor hereby irrevocably appoints the Lender (and any officer thereof) as attorney of the Obligor (with full power of substitution) to exercise, upon the occurrence of an Event of Default, in the name of and on behalf of the Obligor any of the Obligor's right (including the right of disposal), title and interest in and to the Collateral including the execution, endorsement and delivery of any agreements, documents, instruments and any notices, receipts, assignments or verifications of or in respect of Royalties. All acts of any such attorney are hereby ratified and approved, and such attorney shall not be liable for any act, failure to act or any other matter or thing in connection therewith, except for its own negligence or willful misconduct.

4.5 Dealing with the Collateral and the Security Interest

- (a) The Lender shall not be obliged to exhaust its recourses against the Obligor or any other person or persons or against any other security the Secured may hold in respect of the Obligations before realizing upon or otherwise dealing with the Collateral in such manner as the Lender may consider desirable.
- (b) The Lender may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Obligor and with other persons, sureties or securities as the Lender may see fit, all without prejudice to the Obligations or the rights of the Lender in respect of the Collateral.
- (c) The Lender shall not be (i) bound under any circumstances to realize upon the Collateral; (ii) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral; (iii) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of the Lender and the Obligor or any other persons in respect thereof; (iv) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal therewith; or (v) bound to protect the Collateral from depreciating in value or becoming worthless.
- (d) All moneys from time to time received by the Lender or the receiver may be applied as follows: first, in discharge of all operating expenses and other ongoings affecting the Collateral; second, in keeping in good standing all liens on the Collateral having priority over the Security Interest; third, in payment of the remuneration and disbursements of the receiver (if any); fourth, in payment to the Lender of moneys payable hereunder and under the Offer of Finance or any other agreements between the Lender and the Obligor entered into pursuant thereto; and the balance, if any, shall be paid to the Obligor or as a court of competent jurisdiction may direct. If there shall be a deficiency, the Obligor shall remain liable for such deficiency and shall pay the amount of such deficiency to the Lender forthwith.

4.6 Standard of Sale Without prejudice to the ability of the Lender to dispose of the Collateral in any manner which is commercially reasonable, the Obligor acknowledges that a disposition of Collateral

by the Lender which takes place substantially in accordance with the following provisions shall be deemed to be commercially reasonable:

- (a) Collateral may be disposed of in whole or in part;
- (b) Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any purchaser or licensee of such Collateral may be a customer or related party of the Lender;
- (d) a disposition of Collateral may be on such terms and conditions as to credit, deferred payment or otherwise as the Lender, in its discretion, may deem advantageous;
- (e) the Lender may establish an upset or reserve bid or price in respect of the Collateral; and
- (f) the Lender may buy in, rescind or vary any contract for the disposition of Collateral and may dispose of any Collateral again without being obligated to account or answer for any gain or loss occasioned thereby.

4.7 Dealings by Third Parties No person dealing with the Lender or its agent or a receiver shall be required (i) to determine whether the Security Interest has become enforceable; (ii) to determine whether the powers which the Lender or such agent or receiver on behalf of the Lender is purporting to exercise have become exercisable; (iii) to determine whether any money remains due to the Lender by the Obligor; (iv) to determine the necessity or expediency of the stipulations and conditions subject to which any sale or licence shall be made; (v) to determine the propriety or regularity of any sale or of any other dealing by the Lender with the Collateral; or (vi) to see to the application of any money paid to the Lender.


5. GENERAL

- 5.1 Discharge The Security Interest shall be released and discharged upon, but only upon, full payment of the Obligations and at the request and expense of the Obligor.
- 5.2 No Mergers, etc. No judgment recovered by the Lender shall operate by way of merger of or in any way affect the Security Interest, which is in addition to and not in substitution for any other security now or hereafter held by the Lender in respect of the Obligations.
- 5.3 Waivers, etc. No amendment, consent or waiver by the Lender shall be effective unless made in writing and signed by an authorized officer of the Lender and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.
- 5.4 Further Assurances The Obligor shall from time to time, whether before or after the occurrence of an Event of Default, do all such acts and things and execute and deliver all such deeds, transfers, assignments and instruments as the Lender may reasonably require for protecting the Collateral or perfecting the Security Interest and for exercising all rights, remedies, powers, authorities and discretions hereby conferred upon the Lender, and the Obligor shall, from time to time after the occurrence of an Event of Default, do all such acts and things and execute and deliver all such deeds, transfers, assignments and instruments as the Lender may require for facilitating the sale of or other dealing with the Collateral in connection with any realization thereof.

- 5.5 Notices All notices, requests, demands, directions and communications (in this Section 5.5, “**notices**”) hereunder shall be sent by telex, facsimile or similar means of recorded communication or hand delivery and shall be effective when hand delivered or, in the case of successful telex, facsimile or similar means of recorded communication, when received. All notices shall be given to the respective addresses as disclosed by the parties to one another from time to time or, in either case, in accordance with any unrevoked written direction as to a change of address given in accordance with this Section 5.5.
- 5.6 Successors and Assigns This Security Agreement shall be binding upon the Obligor, its successors and permitted assigns, and shall enure to the benefit of the Lender and its successors and assigns. The Obligor may not assign or novate any of its rights or obligations under this Security Agreement without the prior written consent of the Lender. All rights of the Lender hereunder shall be assignable by the Lender.
- 5.7 Headings, etc. The division of this Security Agreement into sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof.
- 5.8 Severability If and to the extent that any provision hereof shall conflict with any mandatory provision of the PPSA (including, without limitation, an exclusion or purported exclusion of a duty or onus imposed by the PPSA or a limitation or purported limitation of the liability of or the amount of damages recoverable from a person who has failed to discharge a duty or obligation imposed by the PPSA), such provision of the PPSA shall govern. The provisions of this Security Agreement are intended to be severable. If any provision of this Security Agreement shall be held to be invalid or unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.
- 5.9 Governing Law This Security Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and of the federal laws of Canada applicable therein.
- 5.10 Incorporation of Schedules Schedules A, B and C shall, for all purposes hereof, form an integral part of this Security Agreement.
- 5.11 Conflict In the event of a conflict or inconsistency between the provisions of this Security Agreement and the provisions of the Offer of Finance, the provisions of the Offer of Finance shall prevail.
- 5.12 Acknowledgment of Receipt / Waiver The Obligor acknowledges receipt of an executed copy of this Security Agreement and expressly waives the right to receive a copy of any financing statement or confirmation statement or financing change statement which may be registered by or on behalf of the Lender in connection with this Security Agreement or any verification statement issued with respect thereto, where such waiver is not otherwise prohibited by law.

IN WITNESS WHEREOF the Obligor has duly executed this Security Agreement as of date first written above.

ZABER TECHNOLOGIES INC.,
by its authorized signatory:



Name: **ROB STEVES**
Title: **PRESIDENT**

SCHEDULE A

TRADE-MARKS, TRADE-MARK REGISTRATIONS AND PENDING APPLICATIONS

Loan Party	Trademark	Filing Office/ Jurisdiction	Registration Date	Status	Application/ Registration No.
Zaber Technologies Inc.	Zaber	US	Jun 10 2008		3444157
	Zaber	Canadian	June 1997	Registered	1136570

SCHEDULE B

PATENTS, PATENT APPLICATIONS, INDUSTRIAL DESIGNS AND INDUSTRIAL DESIGN APPLICATIONS

Loan Party	Title	Registration #	Canada	USA
Zaber Technologies Inc.	Voice coil motor with high force density and uniform force constant	62430839		x
	Linear recirculating bearing using hardened insert raceways	62529055		x

SCHEDULE C
COPYRIGHT APPLICATIONS AND REGISTRATIONS

Nil