

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM485828

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Covalon Technologies Ltd.		08/13/2018	Corporation: CANADA
RECEIVING PARTY DATA			
Name:	HSBC Bank Canada		
Street Address:	4550 Hurontario Street		
City:	Ontario		
State/Country:	CANADA		
Postal Code:	L5R 4E4		
Entity Type:	National Banking Association: CANADA		
PROPERTY NUMBERS Total: 10			
Property Type	Number	Word Mark	
Registration Number:	4510968	COVACLEAR	
Registration Number:	4510969	COVACOAT	
Registration Number:	3689817	COLACTIVE	
Registration Number:	4556141	IV CLEAR	
Registration Number:	4400788	SURGICLEAR	
Registration Number:	5223607	COVAWOUND	
Registration Number:	5223608	MEDICLEAR	
Serial Number:	87231700	COVACLEAR	
Serial Number:	87332134	COVAVIEW	
Serial Number:	87231755	CENTAUR	
CORRESPONDENCE DATA			
Fax Number:	7168526100		
<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:	(716) 847-8400		
Email:	spiatkowski@phillipslytle.com		
Correspondent Name:	Phillips Lytle LLP		
Address Line 1:	One Canalside		
Address Line 2:	125 Main Street		
Address Line 4:	Buffalo, NEW YORK 14203		

OP \$265.00 4510968

TRADEMARK

NAME OF SUBMITTER:	Sharon Piatkowski
SIGNATURE:	/Sharon Piatkowski/
DATE SIGNED:	08/13/2018
Total Attachments: 9 source=Trademark Security Agreement (Covalon Technologies Ltd.)#page1.tif source=Trademark Security Agreement (Covalon Technologies Ltd.)#page2.tif source=Trademark Security Agreement (Covalon Technologies Ltd.)#page3.tif source=Trademark Security Agreement (Covalon Technologies Ltd.)#page4.tif source=Trademark Security Agreement (Covalon Technologies Ltd.)#page5.tif source=Trademark Security Agreement (Covalon Technologies Ltd.)#page6.tif source=Trademark Security Agreement (Covalon Technologies Ltd.)#page7.tif source=Trademark Security Agreement (Covalon Technologies Ltd.)#page8.tif source=Trademark Security Agreement (Covalon Technologies Ltd.)#page9.tif	

SECURITY AGREEMENT – TRADEMARKS AND SERVICE MARKS

Dated: August 13, 2018

FOR VALUE RECEIVED, COVALON TECHNOLOGIES LTD., a Canadian corporation having an address set forth on the signature page to this Security Agreement (the “Debtor”) and **HSBC BANK CANADA**, a Canadian bank with an office at 4550 Hurontario Street, Mississauga, Ontario L5R 4E4, as administrative agent (the “Agent”) for the benefit of the Lenders party to the Credit Agreement, as defined below (collectively, the “Lenders”), agree as follows:

1. **Security Interest.** Debtor hereby grants to Agent, for the benefit of the Agent and the Lenders (collectively, the “Secured Parties”), a security interest (“Security Interest”) in all rights, title and interest, whether now owned or hereafter owned or acquired by Debtor, in and to: (i) all marks used by Debtor in Debtor’s business, including, without limitation, all marks listed on Schedule A hereto (collectively, “Marks”, whether trademarks or service marks); (ii) all licenses of the use of the Marks, including, without limitation, all licenses described on Schedule A (collectively, “Licenses”); (iii) all good will associated with the Marks or with the use of each Mark licensed; (iv) all registrations, certificates of registration (and similar documents), and provided that same will not result in a loss of rights in the Marks applied for, by operation of law or otherwise, applications for registration of the Marks, whether issued or pending before the United States Patent and Trademark Office, a governmental body of any other state, commonwealth, district or territory of the United States or a governmental body of any other country, whether issued to or filed by Debtor or to or by another and subsequently assigned to Debtor, including, without limitation, all registration, certificates of registration and applications for registration described on Schedule A, together with any renewals thereof (collectively, “Registrations”) and (v) all proceeds of all of the foregoing in any form, including, without limitation, any claim by Debtor against third parties for past, present or future infringement or dilution of any of the Marks, and of any Marks licensed under any License, or for injury to the goodwill associated with the Marks, Registration or Marks licensed under any License (collectively, “Collateral”).

2. **Indebtedness Secured.** The Security Interest secures payment and performance of any and all Obligations, as defined in the Credit Agreement, dated on or about the date hereof among Covalon Technologies Ltd., as Borrower, each of the guarantors parties thereto, the Lenders from time to time parties thereto and the Agent, as the same may be amended, supplemented, replaced or restated from time to time (the “Credit Agreement”), including all extensions, renewals and replacements thereof (“Indebtedness”), whether now existing or hereafter incurred, of every kind and character, direct or indirect, and whether such Indebtedness is from time to time reduced and thereafter increased, or entirely extinguished and thereafter reincurred, including, without limitation: (a) Indebtedness not yet outstanding, but contracted for, or with respect to which any other commitment by any Secured Party exists; (b) all interest provided in any instrument, document, or agreement (including this Security Agreement) which accrues on any Indebtedness until payment of such Indebtedness in full; and (c) any moneys payable as hereinafter provided.

3. **Representations and Warranties.** Debtor represents and warrants and, so long as this Security Agreement is in effect, shall be deemed continuously to represent and warrant that the Marks are subsisting.

4. **Covenants of Debtor.** So long as this Security Agreement is in effect, Debtor: (a) will defend the Collateral against the claims and demands of all other parties and, at its own expense, bring suit in the name of Debtor at the request of the Agent for infringement; will keep the Collateral free from all security interests or other encumbrances, except the Security Interest and except as specified in the Credit Agreement; will not sell, transfer, assign, license, deliver, renounce or otherwise dispose of any Collateral or any interest therein without the prior written consent of the Agent; (b) will promptly notify the Agent of any suit for infringement brought against Debtor and shall promptly furnish the Agent copies of the litigation papers; (c) will notify the Agent promptly in writing of any change in Debtor's business address or chief executive office specified on the signature page hereof or any change in its state of organization; (d) in connection herewith, authorize the Agent to file such financing statements and will execute and deliver to the Agent such assignments and other documents, and do such other things relating to the Collateral and the Security Interest as the Agent may request, pay all costs of title searches and filing financing statements, assignments, this Security Agreement and other documents in all public offices requested by the Agent; and (e) if the Marks are registered, will give notice of such fact in the manner prescribed by Section 1111 of Title 15, United States Code, or by state or foreign law, if applicable.

5. **Events of Default.**

(a) Any Event of Default as defined in the Credit Agreement shall constitute an Event of Default hereunder.

(b) The Agent, at its sole election, may declare all or any part of any Indebtedness not payable on demand to be immediately due and payable without demand or notice of any kind upon the happening and during the continuance of any Event of Default (other than an event of default under Sections 9.1(j), or 9.1(k) of the Credit Agreement). All or any part of any Indebtedness not payable on demand shall be immediately due and payable without demand or notice of any kind upon the happening of one or more events of default under Sections 9.1(j), or 9.1(k) of the Credit Agreement. The provisions of this paragraph are not intended in any way to affect any rights of the Agent with respect to any Indebtedness which may now or hereafter be payable on demand.

(c) The Agent's rights and remedies with respect to the Collateral shall be those of a secured party under the Uniform Commercial Code and under any other applicable law, as the same may from time to time be in effect, in addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and the Agent or any other Secured Party. Upon the existence or occurrence of an Event of Default, the Agent may make, use, or sell the Marks or Licenses, license others to do so, and may further assign the Marks, Licenses and Registrations.

(d) Without in any way requiring notice to be given in the following time and manner, Debtor agrees that any notice by the Agent of sale, disposition or other intended action hereunder or in connection herewith, whether required by the Uniform Commercial Code or otherwise, shall constitute reasonable notice to Debtor if such notice is mailed by regular or certified mail, postage prepaid, at least ten (10) days prior to such action, to Debtor's address specified on the signature page hereto or to any other address which Debtor has specified in writing to the Agent as the address to which notices hereunder shall be given to Debtor.

(e) Debtor agrees to pay on demand all costs and expenses incurred by the Agent in enforcing this Security Agreement, in realizing upon or protecting any Collateral and in enforcing and collecting any Indebtedness or any guaranty thereof, including, without limitation, if the Agent retains counsel for advice, suit, appeal, insolvency or other proceedings under the Federal Bankruptcy Code or otherwise, or for any of the above purposes, the actual attorneys' fees incurred by the Agent. Payment of all sums hereunder is secured by the Collateral.

6. **Miscellaneous.**

(a) Debtor hereby authorizes the Agent, at Debtor's expense, to file such financing statement or statements relating to the Collateral as the Agent at its option may deem appropriate, and appoint the Agent upon the occurrence and during the continuance of an Event of Default, as Debtor's attorney-in-fact (without requiring the Agent) to perform all other acts which the Agent deems appropriate to perfect and continue the Security Interest and to protect, preserve and realize upon the Collateral.

(b) Upon Debtor's failure to perform any of its duties hereunder, the Agent may, but shall not be obligated to perform any or all such duties, including, without limitation, payment of taxes, assessments, insurance and other charges and expenses as herein provided, and Debtor shall pay an amount equal to the cost thereof to the Agent on demand by the Agent. Payment of all moneys hereunder shall be secured by the Collateral.

(c) No course of dealing between Debtor and the Agent or any other Secured Party, and no delay or omission by the Agent or any other Secured Party in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. The Agent may remedy any default by Debtor hereunder or with respect to any Indebtedness in any manner without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. All rights and remedies of the Agent and the Secured Parties hereunder are cumulative.

(d) Debtor authorizes the Agent, without notice or demand (to the maximum extent permitted under applicable law) and without affecting Debtor's obligations hereunder: (i) to exchange, enforce or release any collateral or any part thereof (other than the Collateral) taken from any party for payment of the Indebtedness or any part thereof; (ii) to release, substitute or modify any obligation of any indorser, guarantor or other party in any way

obligated to pay the Indebtedness or any part thereof, or any party who has given any security, mortgage or other interest in any other collateral as security for the payment of the Indebtedness or any part thereof; (iii) upon the occurrence of an Event of Default, to direct the order or manner of disposition of the Collateral and any and all other collateral and the enforcement of any and all endorsements, guaranties and other obligations relating to the Indebtedness or any part thereof, as the Agent, in its sole discretion, may determine; and (iv) subject to the Credit Agreement, to determine how, when and what application of payments and credits, if any, shall be made on the Indebtedness or any part thereof.

(e) The rights and benefits of the Agent and the Secured Parties hereunder shall inure to any party acquiring any interest in the Indebtedness or any part thereof.

(f) Agent, Secured Parties, Borrower and Debtor as used herein shall include the successors or assigns of those parties.

(g) If more than one Debtor executes this Security Agreement, the term "Debtors" shall include each as well as all of them and their obligations, warranties and representations hereunder shall be joint and several.

(h) No modification, rescission, waiver, release or amendment of any provision of this Security Agreement shall be made, except by a written agreement subscribed or otherwise authenticated by Debtor and by a duly authorized officer of the Agent.

(i) This Security Agreement and the transaction evidenced hereby shall be construed under the laws of the State of New York, as the same may from time to time be in effect.

(j) All terms, unless otherwise defined in this Security Agreement, shall have the definitions set forth in the Uniform Commercial Code adopted in the State of New York, as the same may from time to time be in effect.

(k) Debtor hereby irrevocably appoints the Agent Debtor's agent, with full power, in the same manner, to the same extent and with the same effect as if Debtor was to do the same; following the occurrence of an Event of Default, to receive and collect all mail addressed to Debtor; to direct the place of delivery thereof to any location designated by the Agent; to open such mail; to remove all contents therefrom; to retain all contents thereof constituting or relating to the Collateral; and to perform all other acts which the Agent deems appropriate to protect, preserve and realize upon the Collateral.

(l) This Security Agreement is and is intended to be a continuing Security Agreement and shall remain in full force and effect until (i) the indefeasible payment in full and termination of the Indebtedness or any renewals or replacements thereof or substitutions therefor or (ii) the officer in charge of the Lending Office, Department or Division of the Agent located at the address specified in the Credit Agreement shall actually receive from Debtor written notice of its discontinuance; provided, however, this Security Agreement shall remain in full force and effect thereafter until all of the Indebtedness outstanding, or contracted or committed for (whether or not outstanding), before the receipt of such notice by the Agent, and any extensions or renewals, shall be finally and irrevocably paid in full. If, after receipt of any

payment of all or any part of the Indebtedness, Agent or any other Secured Party is for any reason compelled to surrender such payment to any person or entity, because such payment is determined to be void or voidable as a preference, impermissible setoff, or a diversion of trust funds, or for any other reason, this Security Agreement shall continue in full force notwithstanding any contrary action which may have been taken by the Agent or any other Secured Party in reliance upon such payment, and any such contrary action so taken shall be without prejudice to the Agent's and each Secured Party's rights under this Security Agreement and shall be deemed to have been conditioned upon such payment having become final and irrevocable.

7. **Rights and Duties of Agent.** Agent has been appointed as agent for the benefit of itself and the other Secured Parties pursuant to the Credit Agreement and except as otherwise expressly provided herein, the terms of the Credit Agreement shall govern with respect to the rights and duties of the Agent, as agent hereunder.

[Signature Pages Follow]

Doc #01-3136033.2

August
Dated: July 13, 2018

DEBTOR:
COVALON TECHNOLOGIES LTD.

By: DBrannagan
Name: Danny Brannagan
Title: CEO

Address for Entity Listed Above:
1660 Tech Ave., Unit 5
Mississauga, Ontario L4W 4S7

**NOTICE OF SECURITY INTEREST
TRADEMARKS**

Notice is hereby given that **COVALON TECHNOLOGIES LTD.**, a Canadian corporation, with its principal place of business located at 1660 Tech Ave., Unit 5, Mississauga, Ontario L4W 4S7 (“Debtor”) has granted a security interest to **HSBC BANK CANADA**, a Canadian bank with an office at 4550 Hurontario Street, Mississauga, Ontario L5R 4E4, as Agent (“Secured Party”), in and to all of the trademarks and licenses listed on Schedule A and the applications, registrations and goodwill associated therewith, pursuant to an agreement between Debtor and the Secured Party dated of even date herewith and as the same may be amended or supplemented from time to time.

[Signature Pages Follow]

Dated: ^{August} July 13, 2018

DEBTOR:
COVALON TECHNOLOGIES LTD.

By: DB Ramnagan
Name: Danny Brannagan
Title: CFO

Address for Entity Listed Above:
1660 Tech Ave., Unit 5
Mississauga, Ontario L4W 4S7

SCHEDULE A

DESCRIPTIONS OF MARKS, LICENSES, REGISTRATIONS

Mark	Serial/Reg. No.	Filing/Issue Date	Status
COVACLEAR	4,510,968	04/08/2014	Live
COVACOAT	4,510,969	04/08/2014	Live
COLACTIVE	3,689,817	09/29/2009	Live
IV CLEAR	4,556,141	06/24/2014	Live
SURGICLEAR	4,400,788	09/10/2013	Live
COVWAOUND	5,223,607	06/13/2017	Live
MEDICLEAR	5,223,608	06/13/2017	Live
COVACLEAR	87/231,700	11/09/2016	Live
COVAVIEW	87/332,134	02/10/2017	Live
CENTAUR	87/231,755	11/09/2016	Live