

Form PTO-1594 (Rev. 6-12)
OMB Collection 0651-0027 (exp. 04/30/2018)

U.S. DEPARTMENT OF COMMERCE
United States Patent and Trademark Office

RECORDATION FORM COVER SHEET TRADEMARKS ONLY

To the Director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

1. Name of conveying party(ies):

VIRCOM INC.

- Individual(s)
- Partnership
- Corporation- State: _____
- Other Canadian Corporation
- Association
- Limited Partnership

Citizenship (see guidelines) _____

Additional names of conveying parties attached? Yes No

3. Nature of conveyance/Execution Date(s) :

Execution Date(s) September 5, 2018

- Assignment
- Security Agreement
- Other _____
- Merger
- Change of Name

2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? Yes No

Name: BDC CAPITAL INC.

Street Address: 5 Place Ville-Marie, Suite 500

City: Montreal

State: Quebec

Country: Canada Zip: H3B 5E7

- Individual(s) Citizenship _____
- Association Citizenship _____
- Partnership Citizenship _____
- Limited Partnership Citizenship _____
- Corporation Citizenship _____
- Other Financial Institut Citizenship Canadian

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)

4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No.(s) _____ Text _____

B. Trademark Registration No.(s) 2531075

Additional sheet(s) attached? Yes No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):

5. Name & address of party to whom correspondence concerning document should be mailed:

Name: DS LAWYERS CANADA LLP

Internal Address: Me Kim Toffoli

Street Address: 1080 Beaver Hall Hill
Suite 2100

City: Montreal

State: Quebec Zip: H2Z 1S8

Phone Number: 514-360-5103

Docket Number: 5088/11

Email Address: ktoffoli@dsavocats.ca

6. Total number of applications and registrations involved:

1

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$40.00


- Authorized to be charged to deposit account
- Enclosed

8. Payment Information:

Deposit Account Number SEE PTO-2038

Authorized User Name _____

9. Signature:



September 6, 2018

Signature

Date

ME KIM TOFFOLI, ATTORNEY

Name of Person Signing

Total number of pages including cover sheet, attachments, and document: **25**

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to:
Mail Stop Assignment Recordation Branch, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

TRADEMARK

REEL: 006435 FRAME: 0121

OP \$40.00 2531075

**HYPOTHEC ON MOVABLE PROPERTY
FOR PRESENT AND FUTURE OBLIGATIONS**

A P P E A R E D:

BDC CAPITAL INC., a wholly-owned subsidiary of Business Development Bank of Canada, duly constituted in accordance with the *Canada Business Corporations Act*, having a place of business in the City of Montreal at 5 Place Ville-Marie, Suite 500, Province of Quebec, H3B 5E7, herein acting and represented by Alexandre Lederc, its Director, Growth & Transition Capital and Bernard Melameth, its Director, Growth & Transition Capital, hereunto duly authorized by a resolution of its sole shareholder, Business Development Bank of Canada, adopted on the 28th day of June, 2016, themselves represented by Kim Toffoli, of the law firm DS Lawyers Canada L.L.P., pursuant to a power of attorney under private seal dated 5th day of July, 2018; the certified extract of the resolution and the power of attorney are appended hereto as Schedule "A";

The notice of address of BDC Capital Inc. is registered at the Personal and Movable Real Rights Registry Office under number 034336.

("BDC Capital")

A N D:

VIRCOM INC., a legal person duly incorporated having its head office located at 460 Sainte-Catherine Street West, Suite 600, in the City of Montreal, Province of Quebec, H3B 1A7, represented hereto by Emmanuel Michael Petsalis, its President, duly authorized hereto by resolutions of the Board of Directors, a certified copy of which is appended hereto as Schedule "B";

(the "Debtor")

WHO HAVE DECLARED AND AGREED AS FOLLOWS:

I. THE SECURED OBLIGATIONS

The hypothec and security interest in this agreement are granted to secure all obligations, present and future, direct or indirect, absolute or contingent, matured or not, whether incurred alone or with any other person, in whatever capacity, as borrower, investee, guarantor or otherwise, of the Debtor towards BDC Capital (the "**Secured Obligations**").

Without limiting the generality of the foregoing, the Secured Obligations include, without limitation, all obligations incurred by the Debtor under or as a consequence of the following documents, as well as any renewals, replacements, additions or modifications, substitutions or reformulations made to them, where required:

- i. The Letter of Offer of Financing and its schedules issued by BDC Capital in favour of the Debtor on July 9, 2018 (the "**Letter of Offer**").

A copy of the Letter of Offer is attached hereto as Schedule "C" to have effect as if stated herein at length.

- ii. Any other letter of offer, loan or credit agreement or any other document of similar nature, in relation to any other loan

granted by BDC Capital to the Debtor from time to time;

- iii. Any guarantee granted from time to time by the Debtor to BDC Capital; and
- iv. The present deed.

II. HYPOTHEC

1. To secure the performance and payment of the Secured Obligations, the Debtor hypothecates and creates a security interest in the following property (the "**mortgaged property**") for the sum of five hundred sixty thousand one hundred sixteen dollars (\$560,116.00) (the "**Loan**"), with interest at the rate of twenty-five percent (25%) per annum from the date hereof. The terms "mortgaged property" also include the property described in paragraph 2.

DESCRIPTION OF PROPERTY

The universality of all of the Debtor's movable property, corporeal and incorporeal, present and future, of whatever nature and wherever situated.

Without limiting the generality of the foregoing, the mortgaged property includes the universality of the intellectual property of the Debtor, present and future, including, without limitation, patents, trademarks, domain names, source codes, business names, trade names, licences, permits, copyrights, industrial designs, trade secret, know-how, goodwill and any other forms of intellectual property including those already known, including, without limitation, the intellectual property listed in Schedule "D" of this hypothec (the "**Intellectual Property**").

2. The following property, to the extent that it is not already included in the description in paragraph 1 above, is also charged by the hypothec and security interest constituted hereunder:
 - a) the proceeds of any sale, lease or other disposal of the property described in paragraph 1 hereinabove, any debt resulting from such sale, lease or other disposal, as well as any property acquired to replace the mortgaged property;
 - b) any insurance or expropriation proceeds payable in respect of the mortgaged property;
 - c) the principal and income of the mortgaged property as well as any rights, accessories and intellectual property attached to the mortgaged property;
 - d) where the property described in paragraph 1 hereinabove includes shares or securities, all other shares and securities issued in replacement of these shares or securities; and
 - e) all deeds, titles, documents, records, registers, invoices and books of account evidencing the mortgaged property or relating thereto.

III. ADDITIONAL HYPOTHEC

To secure the payment of interest not already secured by the hypothec created in Article II and to further secure the performance and payment of the Secured Obligations hereunder, the Debtor hypothecates all of the property described or referred to in Article II for an additional amount equal to twenty percent (20%) of the principal amount of the hypothec created in Article II.

IV. DEBTOR'S DECLARATIONS

The Debtor declares and warrants the following:

1. The Debtor is in compliance with all applicable laws, ordinances, regulations and policies, the breach of which could have an adverse effect on the Debtor's business or its ability to perform the Secured Obligations, including environmental laws and regulations.
2. The Debtor owns the mortgaged property and the mortgaged property is free and clear of all real rights, hypothecs or security other than the following:
 - i. Movable hypothec in the amount of \$960,000.00 (including an additional hypothec of 20%) granted by 9227-9231 Québec Inc. (now known as the Debtor following the amalgamation of 9227-9231 Québec Inc. and Vircom Inc. on June 19, 2013), in favour of BDC Capital, registered at the Register of Personal and Movable Real Rights ("RPMRR") on June 19, 2013 under number 13-0528239-0001, which shall be released and discharged forthwith;
 - ii. Movable hypothec in the amount of \$960,000.00 (including an additional hypothec of 20%) granted by Vircom Inc. (prior to its amalgamation with 9227-9231 Québec Inc. on June 19, 2013) in favour of BDC Capital, registered at the RPMRR on June 19, 2013 under number 13-0528239-0002, which shall be released and discharged forthwith;
 - iii. Movable hypothec in the amount of \$960,000.00 (including an additional hypothec of 20%) granted by Vircom Inc. (prior to its amalgamation with 9227-9231 Québec Inc. on June 19, 2013) in favour of BDC Capital registered at the RPMRR on June 19, 2013 under number 13-0528239-0003, which shall be released and discharged forthwith;
 - iv. Movable hypothec in the amount of \$339,250.00 granted by the Debtor in favour of the Royal Bank of Canada registered at the RPMRR on June 27, 2018 under number 18-0697293-0001.
3. The mortgaged property is and will be situated in the Province of Quebec, except for the following property: **N/A**
4. The mortgaged property is not intended to be used in more than one province or state, except for the following property: **N/A**
5. The Debtor's head or registered office is located at the following address: 460 Sainte-Catherine Street West, Suite 600, in the City of Montreal, Province of Quebec, H3B 1A7, and the Debtor has a place of business located at 3445 Parc Avenue, in Montreal, Province of Quebec, H2X 2H6.

6. The Debtor represents and warrants that it does not own any patent, trademark, registered copyright or other Intellectual Property requiring registration. The Debtor undertakes by these presents to advise BDC Capital within a period of five (5) days from the filing of any Intellectual Property at the Canadian Intellectual Property Office and/or the United States Patent and Trademark Office and/or any other intellectual property office, in order for BDC Capital to perfect its security pursuant to the terms hereof.

V. COVENANTS

1. The Debtor shall inform BDC Capital without delay of any change to its name or to the contents of the representations made in Article IV. The Debtor shall provide at BDC Capital's request all original documents required to protect BDC Capital's right.
2. The Debtor shall pay, when due, all duties, taxes and charges relating to the mortgaged property, as well as any debt which could rank prior to the hypothec and security interest constituted hereby and shall provide to BDC Capital, on demand, evidence that the payments described herein have been made.
3. The Debtor shall insure the mortgaged property and keep it constantly insured for its full insurable value against damage caused by theft, fire and all other risks against which a prudent administrator would insure the mortgaged property. BDC Capital is hereby designated as the beneficiary of the indemnities payable under these policies. The Debtor shall cause such designation to be inscribed in the policies which must also contain the customary clauses protecting hypothecary creditors in the form approved by the Insurance Bureau of Canada. The Debtor shall provide BDC Capital with a copy of each policy and, at least thirty (30) days prior to the expiration or cancellation of a policy, the Debtor shall provide to BDC Capital evidence of the renewal or replacement thereof. Receipt by BDC Capital of such proceeds, whether or not remitted to or endorsed by the Debtor shall not reduce BDC Capital's rights and privileges unless said proceeds are applied expressly as a reduction of any outstanding balance and shall not in any case constitute novation.
4. The Debtor shall do all things and sign all documents necessary for the hypothec and security interest constituted hereunder to have full effect and be constantly perfected and enforceable against third parties.
5. The Debtor shall protect and adequately maintain the mortgaged property and exercise its activities in such a manner as to preserve its value. The Debtor shall fully comply with all laws and regulations applicable to the operation of its business and to the mortgaged property, including without limitation environmental laws and regulations.
6. The Debtor shall keep all books, records and accounts which a prudent administrator would keep with respect to the mortgaged property; the Debtor shall permit BDC Capital to examine said books, records and accounts and to obtain copies of same.

7. The Debtor shall keep the mortgaged property free of all real rights, hypothecs or security interests, save those which BDC Capital has consented to in writing. The Debtor shall not give, grant, assume or permit to exist, any lien, hypothec, mortgage, security interest or other encumbrance on any of its assets that are subject to the hypothec and security interest constituted hereunder other than encumbrances agreed to in writing by BDC Capital and it shall not grant any licenses in or of its Intellectual Property other than as disclosed and consented to by BDC Capital.
8. The Debtor shall not sell, assign, dispose of the mortgaged property or lease same, including without limitation, the licensing of any Intellectual Property, unless BDC Capital consents thereto in writing. However, if not in default hereunder, the Debtor may sell its inventory or lease the mortgaged property at market conditions in the ordinary course of its business. Notwithstanding any such sale, assignment or disposal, the Debtor shall remain liable for the payment of the Secured Obligations and this agreement shall remain in full force and effect. Moreover, where a sale, assignment or disposal is made without BDC Capital's prior consent, BDC Capital shall be entitled to demand immediate repayment of the Secured Obligations, even if they are not yet due.
9. The Debtor shall neither change the use, destination or nature of the mortgaged property nor remove the mortgaged property from its present location unless BDC Capital consents thereto in writing, under reserve of paragraph 8 herein.
10. If the Debtor is a corporation, the Debtor shall not amalgamate with another person, nor proceed with an arrangement with its creditors, nor commence dissolution or liquidation proceedings, without the prior written consent of BDC Capital.
11. The Debtor shall provide BDC Capital with all information reasonably required by it to verify if the Debtor is in compliance with the covenants and obligations contained herein. The Debtor shall inform BDC Capital of any fact or event which could adversely affect the value of the mortgaged property or the financial condition of the Debtor.
12. The Debtor, with respect to the Intellectual Property, shall take all necessary steps and initiate all necessary proceedings, to maintain the registration or recording of the Intellectual Property, to defend the Intellectual Property from infringement and to prevent any licensed or permitted user from doing anything that may invalidate or otherwise impair the Intellectual Property.
13. The Debtor, with respect to copyrights forming part of the Intellectual Property, shall provide to BDC Capital waivers of the moral rights thereto executed by all contributors or authors of the copyrighted work.
14. The Debtor shall pay all costs incurred by BDC Capital with respect to this agreement and to any release relating thereto, including the fees of BDC Capital's legal counsel and fees incurred in order to render BDC Capital's rights opposable to third parties.
15. On demand, the Debtor shall pay the amount of any loss suffered by BDC Capital due to the repayment before maturity of whole or part of the principal of the Secured Obligations, notwithstanding the

cause of such repayment (including, where such repayment is made further to an event of default). The amount of this loss shall form part of the Secured Obligations.

16. The Debtor shall reimburse BDC Capital for all costs and expenses incurred by it in order to exercise its rights or to fulfill the obligations of the Debtor, the whole with interest from the date the costs and expenses are incurred or paid by BDC Capital at an annual rate equal to the highest applicable rate pursuant to all loan documents in effect then between the Debtor and BDC Capital. The hypothec and security interest granted hereby under Article II hereof shall also secure the reimbursement of said costs and expenses as well as the payment of said interest. All such costs and expenses incurred or paid by BDC Capital, with interest thereon, shall form part of the Secured Obligations.
17. The Debtor shall at all times pay BDC Capital, at the latter's request, all judicial fees, charges or other legal expenses as well as extra judicial fees in accordance with the tariffs established under the *Bar Act* and its ensuing regulations, the expenses and fees of an agent or trustee, or any costs incurred in the course of ensuring fulfillment of all of the Debtor's obligations hereunder, protecting and realizing the assets given as security for the Secured Obligations, or appraising the assets during the life of any of the Secured Obligations or in the event of their liquidation.

In addition, the Debtor covenants to pay the costs of any appraiser and any environmental investigator engaged by BDC Capital to effect any inspection, appraisal, investigation or environmental audit of the secured assets during the life of any of the Secured Obligations or in the event of their liquidation, and the cost of any environmental rehabilitation, removal, or repair necessary to protect, preserve or remediate the secured assets, including any fine or penalty BDC Capital is obliged to incur by reason of any statute, order or direction by competent authority.

18. Where the mortgaged property includes inventory and accounts receivable, the Debtor shall provide BDC Capital monthly with a statement (by category) of the value of its inventory (calculated at the lesser of cost or market value) and a list of its accounts receivable (indicating their amount and age).

VI. ENVIRONMENT

The Debtor represents and agrees that:

- a) it operates and will continue to operate in conformity with all environmental laws and will ensure its staff is trained as required for that purpose;
- b) its assets are and will remain free of environmental damage or contamination;
- c) there has been no complaint, prosecution, investigation or proceeding with respect to the Debtor's business or assets;
- d) it will advise BDC Capital immediately upon becoming aware of any environmental problem;

- e) it will provide BDC Capital with copies of all communications with environmental officials and all studies or assessments prepared for the Debtor and does consent to BDC Capital contacting and making inquiries of officials or assessors.

VII. RIGHTS OF BDC CAPITAL

1. BDC Capital may inspect or have the mortgaged property appraised from time to time at the Debtor's expense and for that purpose, the Debtor shall permit BDC Capital to access the premises where the mortgaged property is located and to the Debtor's places of business for that purpose. The Debtor shall also allow BDC Capital to examine all accounting records and documents relating to the mortgaged property and to obtain copies thereof.
2. BDC Capital may inspect and copy the Debtor's books and records, either at the Debtor's premises or at the financial advisor's premises. BDC Capital may contact and make inquiries with the Debtor's lessors as well as environmental officials, assessors, municipal authorities and any taxing body.

In addition to the reporting requirements set out herein, BDC Capital may require the opinion of an independent qualified auditor.

3. BDC Capital may, without being bound to do so, fulfill any or all of the obligations of the Debtor hereunder.
4. The Debtor may collect all debts forming part of the mortgaged property until BDC Capital withdraws its authorization to the Debtor to do so. Upon such withdrawal, BDC Capital may collect such debts and shall be entitled to a reasonable commission which it may deduct from any amounts collected.
5. Where the mortgaged property includes shares or securities, BDC Capital may, without being bound to do so, cause itself to be registered as the holder of these shares or securities and exercise any right attached thereto, including any right to vote and any right of conversion or redemption.
6. If BDC Capital has possession of the mortgaged property, it shall have no obligation to maintain the use for which the mortgaged property is normally intended, to make it productive or to continue its use or operation. However, BDC Capital may, without being bound to do so, sell the mortgaged property in its possession where the mortgaged property is likely to perish, depreciate or decrease in value.
7. The Debtor constitutes and appoints BDC Capital as its irrevocable attorney, with full power of substitution, to do any act and to sign any document necessary or useful to the exercise of the rights conferred on BDC Capital hereunder.
8. BDC Capital shall register assignments of the Intellectual Property, and shall have the right to use, sell, assign, license or sub-license any of the Intellectual Property.
9. The rights conferred on BDC Capital under this Article VII may be exercised by BDC Capital irrespective of whether the Debtor is or is not in default hereunder.

VIII. DEFAULTS AND RECOURSES

1. The Debtor shall be in default in each and every one of the following events:
 - a) If the Debtor is in default with respect to the performance or payment of any of the Secured Obligations;
 - b) If any of the representations made in Article IV or warranty made herein is inaccurate or ceases to be accurate;
 - c) If the Debtor does not fulfill any one of its covenants hereunder;
 - d) If the Debtor is in default under the Letter of Offer and/or any document evidencing the Secured Obligations, or is in default in respect of any loan with any other lender or creditor;
 - e) If the Debtor and/or any guarantor of the Secured Obligations is in default under any other contract or agreement between it and BDC Capital, and/or any other lender or creditor and/or is in default under any other hypothec or security granted in favour of BDC Capital and/or any other lender or creditor which affects the mortgaged property;
 - f) If the Debtor ceases to carry on its business, becomes insolvent or bankrupt;
 - g) If any or all of the mortgaged property is seized or is subject to a taking of possession by a creditor, a receiver or any other person performing similar functions;
 - h) An order of execution against the Debtor's assets or any part thereof remains unsatisfied for a period of ten (10) days;
 - i) The Lessor under any lease to the Debtor of any immovable/real or moveable/personal property, has taken any steps to or threatens to terminate such lease, or otherwise exercises any of its remedies under such lease as a result of any default thereunder by the Debtor;
 - j) The Debtor causes or allows hazardous materials to be brought upon any land or premises occupied by the Debtor or incorporated into any of its assets without BDC Capital's prior consent, or if the Debtor causes, permits or fails to remedy any environmental contamination upon, in or under any of its lands or assets, or fails to comply with any abatement or remediation order given by a responsible authority;
 - k) Default under any operating permit, lease of land or movable property or personal property or in arrears of payment to any tax authority.
2. Upon the Debtor's default, BDC Capital may terminate any obligation it may have had to grant credit or make advances to the Debtor and declare exigible all obligations of the Debtor which are not yet due. Upon such default, BDC Capital may also exercise all recourses available to it under applicable law and realize on its hypothec and security interest, including enforcing the hypothecary rights provided in the *Civil Code of Quebec*.

3. In order to realize on its hypothec and security interest, BDC Capital may use the premises where the mortgaged property and other property of the Debtor are situated at the expense of the Debtor. Where the mortgaged property includes debts, BDC Capital may also compromise or transact with the debtors of these debts and may grant releases and discharges in respect of same. Where the mortgaged property includes inventory, BDC Capital may complete the manufacture of such inventory and do all things necessary or useful to its sale.

IX. GENERAL PROVISIONS

1. The hypothec and security interest created hereby are in addition to and not in substitution for any other hypothec or security held by BDC Capital.
2. This hypothec and security interest constitute continuing security which shall continue in effect notwithstanding any payment from time to time, in whole or in part, of the Secured Obligations. Furthermore, any new obligation of the Debtor towards BDC Capital secured hereby will be one for which the Debtor has obligated itself again in accordance with Article 2797 of the *Civil Code of Quebec*. The Debtor shall not, without BDC Capital's written consent, subrogate a third party in the hypothec or BDC Capital's rights hereunder.
3. In each case provided in paragraph 1 of Article VIII, the Debtor shall be in default by the mere lapse of time, without the necessity of any notice or demand.
4. Any sum collected by BDC Capital in the exercise of its rights may be held by BDC Capital as mortgaged property or may be applied to the payment of the obligations secured hereunder, whether or not yet due. BDC Capital shall have discretion as to how any such collected sum shall be applied.
5. BDC Capital shall not be bound to exercise its rights resulting from these presents and shall not be responsible for the non-exercise of such rights. The Debtor shall use its best efforts to ensure that the debts forming part of the mortgaged property be regularly paid and BDC Capital shall have no obligation to inform the Debtor of any payment irregularity which it may know of.
6. The exercise by BDC Capital of any of its rights shall not preclude BDC Capital from exercising any other right; all the rights of BDC Capital are cumulative and not alternative. The failure of or forbearance by BDC Capital to exercise any of its rights arising from this agreement shall not constitute a renunciation to the later exercise of such right. BDC Capital may exercise its rights arising from this agreement without being required to exercise any right against the Debtor or against any other person liable for the payment of the obligations secured hereunder or to realize on any other security held for the payment of such obligations. No action or omission on the part of BDC Capital shall constitute or imply a renunciation of its rights to decide the Debtor is in default or to avail itself of its rights pursuant to such default, unless BDC Capital explicitly declares otherwise after the default has occurred.
7. BDC Capital shall only be required to exercise reasonable care in the exercise of its rights or the performance of its obligations

hereunder and, in any event, shall only be liable for its intentional fault or gross negligence.

8. BDC Capital may delegate to another person the exercise of its rights or the performance of its obligations resulting from this agreement. In such a case, BDC Capital may provide that person with any information it may have concerning the Debtor or the mortgaged property.
9. The rights of BDC Capital hereunder shall also benefit any successor of BDC Capital, including any entity resulting from the amalgamation of BDC Capital with another entity.
10. Neither the signature of the present agreement, nor the registration of the rights created hereby shall constitute, nor be interpreted as an undertaking by BDC Capital to provide the Debtor with any financial assistance of any type whatsoever.
11. Any notice to the Debtor may be given at the address indicated above or any other address communicated in writing by the Debtor to BDC Capital.

X. INTERPRETATION

1. If the word "Debtor" designates more than one person, each such person shall be jointly and severally liable to BDC Capital for the performance of all the obligations provided in this agreement.
2. The rights and recourses of BDC Capital may be exercised against all the mortgaged property or separately against any portion thereof.
3. This agreement shall be governed and interpreted by the law in force in the Province of Quebec and the applicable federal laws. This agreement must also be interpreted as to ensure that the mortgaged property located in another jurisdiction be charged by a valid hypothec and/or security interest in accordance with the law in force in said jurisdiction.
4. The parties hereto have expressly agreed that this deed be executed in the English language. *Les parties aux présentes ont expressément convenu que le présent acte soit rédigé en anglais.*

(Signatures on following page)

WHEREOF the parties have signed on this 5th day of September, 2018.

VIRCOM INC.



Per: Emmanuel Michael Petsalis

BDC CAPITAL INC.



Per: Kim Toffoli

[Signature page – Hypothec on Movable Property for Present and Future Obligations – Vircom Inc.]

SCHEDULE "A"

TO THE

**HYPOTHEC ON MOVABLE PROPERTY
FOR PRESENT AND FUTURE OBLIGATIONS**

BETWEEN

BDC CAPITAL INC.

AND

VIRCOM INC.

RESOLUTION AND PROXY OF BDC CAPITAL

(SEE FOLLOWING PAGES)



COPIE CERTIFIÉE DE LA RÉOLUTION DE L'UNIQUE ACTIONNAIRE DE BDC CAPITAL INC.
(la « Société ») ADOPTÉE LE 28 JUIN 2016

ATTENDU que l'unique actionnaire de la Société, la Banque de développement du Canada, a décidé, par déclaration écrite de l'unique actionnaire en vertu de l'article 146(2) de la Loi canadienne sur les sociétés par actions, de restreindre en totalité les pouvoirs des administrateurs de la Société et de les octroyer à l'unique actionnaire.

POUVOIR DE SIGNATURE – BDC CAPITAL DE CROISSANCE ET TRANSFERT D'ENTREPRISE

IL EST RÉSOLU:

1. Que deux signataires, un de chacun des groupes suivants :

Premier groupe	conjointement avec	Second groupe
<ul style="list-style-type: none"> • Un directeur associé ou une personne occupant un poste de niveau supérieur du groupe Capital de croissance et transfert d'entreprise de BDC 		<ul style="list-style-type: none"> • un directeur ou une personne occupant un poste de niveau supérieur du groupe Capital de croissance et transfert d'entreprise • un vice-président exécutif, BDC Capital • un vice-président, Exploitation et stratégie, BDC Capital • un vice-président, Investissement de croissance

soit autorisée par les présentes à signer, valider et remettre, pour le compte de BDC Capital, de façon générale et sans que l'énumération qui suit en restreigne la portée, toutes les ententes et tous les contrats qui ont trait aux activités de BDC Capital de croissance et transfert d'entreprise (collectivement, les « Instruments ») et qui, de l'avis de ces personnes désignées, pourraient s'avérer nécessaires pour les besoins de BDC Capital, y compris :

Les lettres d'offre de crédit ou les ententes de prêt ou d'investissement, les conventions de souscription, les conventions entre actionnaires, les conventions d'antériorité, les conventions d'achat et de vente de titres ou d'éléments d'actif, les actes d'aliénation ou d'acquisition, les baux, les actes de cession, les actes d'hypothèque et de charges grevant des biens personnels, meubles, réels ou immobiliers, y compris les créances, les revendications et les droits d'action de quelque nature que ce soit, les conventions de subrogation, de subordination et de priorité de rang, les mainlevées, les renonciations et les concessions de priorité, les procurations, les lettres de garantie, les billets à ordre, les lettres de change et les mandats de paiement.

avec pleins pouvoirs de substitution dans certains cas leur conférant le droit de désigner toute autre personne ou toutes autres personnes comme fondés de pouvoir légitimes de BDC Capital en vue de signer, de valider et de remettre tout instrument précis.

2. Que deux signataires, un de chacun des groupes suivants :

Premier groupe	conjointement avec	Second groupe
<ul style="list-style-type: none"> • Un analyste ou une personne occupant un poste de niveau supérieur du groupe Capital de croissance et transfert d'entreprise de BDC 		<ul style="list-style-type: none"> • un directeur ou une personne occupant un poste de niveau supérieur du groupe Capital de croissance transfert d'entreprise • un vice-président exécutif, BDC Capital • un vice-président, Exploitation et stratégie, BDC Capital • un vice-président, Investissement de croissance



soit autorisée par les présentes à signer, valider et remettre, pour le compte de BDC Capital, les ententes et les contrats qui suivent et qui ont trait aux activités de BDC Capital de croissance et transfert d'entreprise :

Les modifications aux lettres d'offre de crédit ou aux ententes de prêt ou d'investissement et les mandats donnés à des professionnels,

avec pleins pouvoirs de substitution dans certaines circonstances leur conférant le droit de désigner toute autre personne ou toutes autres personnes comme fondés de pouvoir légitimes de BDC Capital en vue de signer, de valider et de remettre tout document précité.

3. Que l'une ou l'autre des personnes suivantes :

Signataire autorisé
• un directeur général ou une personne occupant un poste de niveau supérieur du groupe Capital de croissance transfert d'entreprise
• un avocat ou une personne occupant un poste de niveau supérieur aux Affaires juridiques de BDC

soit autorisée par les présentes à signer, valider et remettre, pour le compte de BDC Capital, les ententes et les contrats qui suivent et qui ont trait aux activités de BDC Capital de croissance et transfert d'entreprise :

Les libérations, les décharges et les quittances complètes et définitives,

avec pleins pouvoirs de substitution dans certaines circonstances leur conférant le droit de désigner toute autre personne ou toutes autres personnes comme fondés de pouvoir légitimes de BDC Capital en vue de signer, de valider et de remettre tout document précité.

Je, soussigné, Pierre Marquis, Secrétaire adjoint de la société, certifie que la présente est une copie exacte et complète de la résolution de l'unique actionnaire de la Société dûment adoptée le 28 juin 2016 et que cette résolution est présentement en vigueur.

DATE : 8 janvier 2018


Pierre Marquis
Secrétaire adjoint



PROCURATION

BDC Capital inc., une filiale à part entière de la Banque de développement du Canada, dûment constituée en vertu de la Loi canadienne sur les sociétés par actions, ayant un établissement au 5, Place Ville-Marie, bureau 500, Montréal (Québec) H3B 5E7, et représentée aux présentes par M. Alexandre Leclerc, Directeur et M. Bernard Melameth, Directeur, dûment autorisés aux fins des présentes, telle qu'ils le déclarent :

NOMME ET CONSTITUE :

M^e Kim Toffoli


son mandataire spécial à qui elle donne pouvoir de signer en son nom, tous actes et documents et autres effets qu'elle juge nécessaire contenant les conditions et garanties attachées au Financement no 071746-02 du financement consenti à Vircom inc. (l'«Emprunteur»)

FAIT ET SIGNÉ en la cité de Québec, province de Québec, ce 5e jour du mois de juillet deux mille dix-huit (2018).

BDC CAPITAL INC., filiale à part entière de la BANQUE DE DÉVELOPPEMENT DU CANADA



Par : Alexandre Leclerc, Directeur
Capital de croissance et transfert d'entreprise



Par : Bernard Melameth, Directeur
Capital de croissance et transfert d'entreprise

SCHEDULE "B"

TO THE

**HYPOTHEC ON MOVABLE PROPERTY
FOR PRESENT AND FUTURE OBLIGATIONS**

BETWEEN

BDC CAPITAL INC.

AND

VIRCOM INC.

**RESOLUTIONS OF THE DEBTOR
(BOARD OF DIRECTORS)**

(SEE FOLLOWING PAGES)

VIRCOM INC.
(the "**Corporation**")

RESOLUTION OF THE BORROWER

"It was unanimously resolved:

THAT the Corporation borrow from BDC Capital Inc. ("**BDC Capital**") the principal sum of five hundred sixty thousand one hundred sixteen dollars (\$560,116.00), on the terms and at the interest rate set forth in the Letter of Offer of Financing issued by BDC Capital in favour of the Corporation on July 9, 2018, its schedules and all amendments thereto (collectively, the "**Letter of Offer of Financing**");

THAT to secure all obligations, present and future, direct or indirect, absolute or contingent, matured or not, whether incurred alone or with any other person, in whatever capacity, as borrower, investee, guarantor or otherwise, of the Corporation towards BDC Capital, including, without limitation, its obligations pursuant to the Letter of Offer of Financing, the Corporation enter into, execute and deliver in favour of BDC Capital:

- > a Hypothec on Movable Property for Present and Future Obligations in the amount of five hundred sixty thousand one hundred sixteen dollars (\$560,116.00) with interest at an annual rate of twenty-five percent (25%), plus an additional hypothec equal to twenty percent (20%) of the amount of the principal hypothec, on the universality of all movable property of the Corporation, corporeal and incorporeal, present and future, of whatever nature and wherever situated, as well as the proceeds of any sale, lease or other disposal of said property, any debt resulting from such sale, lease or other disposal, as well as any property acquired to replace the mortgaged property, any insurance or expropriation proceeds payable in respect of the mortgaged property, the principal and income of the mortgaged property as well as any rights, accessories and intellectual property attached to the mortgaged property, and where said property includes shares or securities, all other shares and securities issued in replacement of these shares or securities, and all deeds, titles, documents, records, registers, invoices and books of account evidencing the mortgaged property or relating thereto (the "**Universal Movable Hypothec**");
- > a Hypothec on Movable Property for Present and Future Obligations in the amount of five hundred sixty thousand one hundred sixteen dollars (\$560,116.00), plus an additional hypothec equal to twenty percent (20%) of the amount of the principal hypothec, the whole bearing interest at an annual rate of twenty-five percent (25%), on the benefits payable under the insurance policy number 20914585, issued on December 8, 2010 by the Canada Life Assurance Company for an amount of two million dollars (\$2,000,000.00) on the life of Mr. Emmanuel Michael Petsalis, and all amendments thereto and replacements thereof (the "**Insurance Policy**"), as well as any and all amounts which will or may be paid from the Insurance Policy or in connection therewith, including without limitation, any buy-back value, premiums, participations, dividends, profits, interest and any other increase on any sum resulting from the Insurance Policy, including any premium paid in advance. The Corporation also assigns to BDC Capital all titles and interests and rights to buy back the Insurance Policy (the "**Hypothec on Life Insurance**");

THAT the Corporation intervene to:

- a Postponement and Subordination Agreement in respect of advances by Emmanuel Michael Petsalis to the Corporation in the aggregate amount of one hundred thousand dollars (\$100,000.00) ("**Postponement 01**");
- a Postponement and Subordination Agreement in respect of the 599,900 Class "E" Preferred Shares issued by the Corporation in favour of Emmanuel Michael Petsalis ("**Postponement 02**");

THAT the Letter of Offer of Financing and the draft Universal Movable Hypothec, Hypothec on Life Insurance, Postponement 01 and Postponement 02 (collectively, the "**Documents**") submitted to this meeting be and are hereby approved;

THAT the execution of the Letter of Offer of Financing by Emmanuel Michael Petsalis on behalf of the Corporation be and is hereby ratified and confirmed;

THAT Emmanuel Michael Petsalis, Director and President of the Corporation, be authorized to sign, for and on behalf of the Corporation, the Documents with the same form and content as the drafts submitted to the Directors, as well as any other appropriate document necessary to give effect to this resolution and to the Documents, Emmanuel Michael Petsalis being duly authorized and empowered to negotiate and/or amend the terms and conditions of same."

The undersigned, President of **Vircom Inc.**, hereby certifies that the foregoing is a true and correct copy of a written Resolution adopted by the Board of Directors of the Corporation on the 5th day of September, 2018, and that said Resolution is now in full force and effect, un-amended.

DATED in Montreal, this 5th day of September, 2018.



Emmanuel Michael Petsalis, President

SCHEDULE "C"

TO THE

**HYPOTHEC ON MOVABLE PROPERTY
FOR PRESENT AND FUTURE OBLIGATIONS**

BETWEEN

BDC CAPITAL INC.

AND

VIRCOM INC.

LETTER OF OFFER

(SEE FOLLOWING PAGES)

SCHEDULE "D"
INTELLECTUAL PROPERTY

1. Canadian Intellectual Property Office ("CIPO")

Trademarks – Trademarks Application

- a. **"VIRCOM"**: trademark registered at CIPO on April 14, 2003 under number TMA 579536.
- b. **"Email Security Matters"**: trademark registered at CIPO on September 27, 2010 under number TMA 778164.

Patents – Patents Application

N/A

Domain Names

- a. modusgate.com
- b. modusmail.com
- c. modusmail.info
- d. modusmail.net
- e. modusmail.org
- f. modussentinel.com
- g. modussentinel.net
- h. radiusserver.com
- i. vircom.com
- j. vircom.info
- k. vircom.org
- l. vircom.xyz
- m. vopmail.net
- n. vopradius.com
- o. cybersecurityteamtraining.com
- p. dmarc-vircom.com
- q. emailsecurityawareness.com
- r. emailsecuritygrader.com
- s. emailsecuritymatters.com
- t. modus.cloud
- u. moduscloud.ca
- v. moduscloud.cloud
- w. moduscloud.co
- x. moduscloud.news
- y. modusgate.cloud
- z. modusmail.cloud
- aa. nospam.cloud
- bb. qasavvybox.com
- cc. qatestnet.com
- dd. spamreports-norman.com
- ee. spfpolicychecker.com
- ff. stopspam.cloud
- gg. vircom.ca
- hh. vircom.cloud
- ii. vicrom-lab.com
- jj. zerospam.cloud

2. **United States Patent and Trademark Office ("USPTO")**

Trademarks – Trademarks Application

- a. **"VIRCOM"**: trademark registered at USPTO on January 22, 2002 under number 2531075.

Patents / Patents Application

N/A



Montreal, September 6, 2018

QUÉBEC
MONTRÉAL
TORONTO
VANCOUVER
PARIS
LYON
BORDEAUX
LILLE
LA REUNION
BRUXELLES
BARCELONE
MIAN
BUENOS AIRES
SANTIAGO
PEKIN
SHANGHAI
CANTON
HO CHI MINH VILLE
HANOI
SINGAPOUR
STUTTGART
ALGER
DAKAR

BY FACSIMILE

UNITED STATES PATENT AND TRADEMARK OFFICE

Mail Stop Assignment Recordation Services

Director of the USPTO

P.O. Box 1450

Alexandria VA, 22313-1450

Subject: Hypothec on Movable Property for Present and Future Obligations (Lien) granted by Vircom Inc. ("**Conveying Party**") in favour of BDC Capital Inc. ("**Receiving Party**")
Our File: 5088/11

Madam:

Sir:

Please find enclosed herewith a copy of an agreement entitled "Hypothec on Movable Property for Present and Future Obligations" executed by the Conveying Party in favour of the Receiving Party on September 5, 2018 (the "**Security Agreement**"). Under the terms of the enclosed Security Agreement, the Conveying Party granted a hypothec (lien) in favour of the Receiving Party on all of its Trademarks and on all the Trademarks Application duly registered with the United States Patent and Trademark Office under the name and registration number described hereinafter (the "**Trademark**"):

Name	Trademark Registration Number/ Application Number
VIRCOM	2531075

DS AVOCATS CANADA S.E.N.C.R.L., s.r.l.

891, boulevard Charest Ouest
Québec (QC) G1N 2C9 Canada
Tél: 1 418 780-4321
Fax: 1 418 353-1791

2100-1080, Côte du Beaver Hall
Montréal (QC) H2Z 1S8 Canada
Tél: 1 514 360-4321
Fax: 1 514 284-3235

1804-8, rue King Est
Toronto (ON) M5C 1B5 Canada
Tél: 1 647 477-7317
Fax: 1 416 214-1374

2700-1055, rue Georgia Ouest
Vancouver (BC) V6E 3P3 Canada
Tél: 1 604 669-8858
Fax: 1 604 669-8857

www.dsavocats.com

TRADEMARK
REEL: 006435 FRAME: 0143

RECEIVING PARTY

Mr. Bernard Melameth
BDC CAPITAL INC.
5 Place Ville-Marie
Suite 500
Montreal, Quebec, H3B 5E7

DEBTOR / REGISTERED OWNER OF THE TRADEMARK

Vircom Inc.
460 Sainte-Catherine Street West
Suite 600
Montreal, Quebec, H3B 1A7

In accordance with the Federal Rules of Practice 37 C.F.R. 1.21 (h) and 3.41, we enclose herewith a PTO-1594 Form for recordation and would hereby request that the Security Agreement be recorded against the aforementioned Trademark and/or Trademark Applications and confirmation of same be returned to the undersigned.

Please find enclosed herewith a PTO2038 Form for payment of the fees required for the registration of the aforementioned Security Agreement.

We trust you will find the whole in order and would ask you to communicate with the undersigned should you have any questions or require further documentation with respect to the above and the enclosed.

Regards,



Me Kim Toffoli
Partner

ktoffoli@dsavocats.ca
1-514-360-5103
Encl.
cc. Mr. Bernard Melameth