

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):

F001 BRANDS ACQUISITION CORP.

- Individual(s)
- Partnership
- Corporation- State: Delaware
- Other _____

Citizenship (see guidelines) _____

Additional names of conveying parties attached? Yes No

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

Execution Date(s) June 25, 2019

- 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: QUÉBEC

Country: CANADA Zip: H3B 5E7

- Individual(s) Citizenship _____
- Association Citizenship _____
- Partnership Citizenship _____
- Limited Partnership Citizenship _____
- Corporation Citizenship _____
- Other Financial Institution Canada

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)
3453856, 2343804, 2737121, 4964824, 3890618, 3904668, 3210415

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 Côte du Beaver Hall
Suite 2100

City: Montréal

State: Québec Zip: H2Z 1S8

Phone Number: 1-514-360-5103

Docket Number: 5088.3

Email Address: ktoffoli@dsavocats.ca

6. Total number of applications and registrations involved:

7

7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$ 190.00

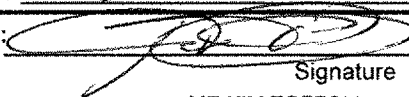
- Authorized to be charged to deposit account
- Enclosed

8. Payment Information:

Deposit Account Number SEE PTO-2038

Authorized User Name _____

9. Signature:



Signature

ME KIM TOFFOLI

Name of Person Signing

July 25, 2019
Date

Total number of pages including cover sheet, attachments, and document: 22

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

OP \$190.00 3453856

SECURITY AGREEMENT

AGREEMENT made this 25th day of June, 2019 by and between **F001 BRANDS ACQUISITION CORP.**, a corporation incorporated under the laws of Delaware, having an office at 10 West 33rd Street, New York, New York, 10001 (the "**Debtor**") and **BDC CAPITAL INC.**, a wholly-owned subsidiary of Business Development Bank of Canada, legally constituted pursuant to 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 (the "**Secured Party**").

WITNESSETH:

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, the Debtor and the Secured Party hereby agree as follows:

1. GRANT OF SECURITY INTERESTS

1.1. Collateral

For purposes of this Agreement, the term the "Collateral" shall mean all right, title and interest of the Debtor in all personal and fixture property of the Debtor, wherever located and whether now owned or hereafter created or acquired by the Debtor, including without limitation the following:

- a) **Equipment.** All equipment in all of its forms, located, now or hereafter existing (including, but not limited to, all parts thereof and all accessions, additions, attachments, improvements, substitutions and replacements thereto and therefor and all accessories related thereto, office furniture, tools, machinery, rolling stock (including road vehicles) (all of the foregoing collectively referred to as the "*Equipment*").
- b) **Inventory.** All inventory in all of its forms, wherever located, now or hereafter existing (including, but not limited to, (i) all raw materials and work in process therefor, finished goods thereof, and materials used or consumed in the manufacture or production thereof, (ii) goods in which the Debtor has an interest in mass or a joint or other interest or right of any kind (including, without limitation, goods in which the Debtor has an interest or right as consignee), and (iii) goods which are returned to or repossessed by the Debtor), and all accessions thereto and products thereof and documents therefor (all of the foregoing collectively referred to as the "*Inventory*").
- c) **Receivables and Related Contracts.** All accounts, deposit accounts, contracts, contract rights, chattel paper (whether tangible or electronic), documents, instruments (including promissory notes), letter-of-credit rights (whether or not the letter of credit is evidenced by a writing), general intangibles (including tax refunds) and other obligations of any kind, now or hereafter existing, whether or not arising out of or in connection with the sale or lease of goods or the rendering of services, and all rights now or hereafter existing in and to all security agreements, guaranties, leases, and other contracts securing or otherwise relating to any such accounts, contracts, contract rights, chattel paper, documents, instruments,

general intangibles or other obligations (all of the foregoing collectively referred to as the "Receivables").

- d) **All Intellectual Property Collateral of the Debtor, now or hereafter existing, including, without limitation the Intellectual Property Collateral referred to below:**
- (i) all computer and other electronic data processing hardware, together with all associated integrated computer systems and related equipment;
 - (ii) all software programs now owned, licensed to or leased by the Debtor, or hereafter acquired by the Debtor;
 - (iii) all related firmware and documentation, together with all rights in relation to the property described in clauses (i) and (ii);
 - (iv) all copyrights, whether registered or unregistered, including all copyrights registered in the *United States Copyright Office* or elsewhere, all applications for registration thereof, all copyright licenses and all extensions and renewals of any thereof (the "*Copyright Collateral*");
 - (v) all patents including those registered in the United States Patent and Trademark Office or elsewhere, letters patent held by the Debtor and all patent applications, and any extensions or renewals thereof, and all patent licenses (the "*Patent Collateral*");
 - (vi) all trademarks including those registered in the United States Patent and Trademark Office or elsewhere, all trademarks and trademark licenses and any other trade names, corporate names, fictitious business names, trade styles, service marks, logos and other source or business identifiers and all applications, renewals and extensions thereof (the "*Trademark Collateral*"); and
 - (vii) all licenses, domain names, source codes and any other form of intellectual property.
- e) **Contract Rights.** Securities and all other investment property, supporting obligations, and any other contract rights or rights to the payment of money not described above.
- f) **Proceeds.**
- (i) All products, offspring, rents, issues, profits, returns, income and proceeds of any and all of the foregoing Collateral in any form (including, without limitation, proceeds which constitute property of the types described in *Subsections (1.1)(a), (b), (c), (d) and (e)* (if applicable)) and, to the extent not otherwise included, all payments under insurance (whether or not the Secured Party is the loss payee thereof), or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing Collateral.

1.2. Security Interest to the Secured Party

- a) The Debtor hereby grants to the Secured Party a continuing security interest in the Collateral as security for the payment and performance of any and all liabilities and obligations (direct or indirect, absolute or contingent, sole, joint, several, secured or unsecured, now existing or hereafter arising) of Industries Midway Ltée / Midway Industries Ltd. (the "**Borrower**") and the Debtor to the Secured Party, including, without limitation:
- (i) all obligations of the Debtor and the Borrower to the Secured Party arising under the Offer of Financing and its schedules issued by the Secured Party in favour of the Borrower on December 2, 2016, as amended pursuant to a Letter of Amendment issued by the Secured Party in favour of the Borrower on June 20, 2018, as subsequently amended pursuant to a Letter of Amendment issued by the Secured Party in favour of the Borrower on October 22, 2018 and all renewals, extensions, replacements, supplements or further amendments thereto, or substitutions or restatements thereof (collectively, the "**Letter of Offer**");
 - (ii) all obligations of the Debtor to the Secured Party arising from any guarantee granted from time to time by the Debtor to the Secured Party, including, without limitation, the guarantee executed by the Debtor in favour of the Secured Party on this day (the "**Guarantee**");
 - (iii) all obligations of the Debtor arising under this Agreement; and
 - (iv) all such other obligations, present and future, of the Debtor and the Borrower to the Secured Party.

(all the obligations set forth in subparagraphs 1.2 a) (i), (ii), (iii) and (iv) are collectively referred to as the "**Secured Obligations**").

1.3. Commercial Tort Claims

If the Debtor shall at any time hold or acquire a commercial tort claim, the Debtor shall promptly notify the Secured Party of the particulars thereof and grant to the Secured Party in writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to the Secured Party.

2. FINANCING STATEMENTS AND OTHER ACTION

The Debtor agrees to do all actions which the Secured Party reasonably deems necessary to protect the security interests granted herein or to otherwise carry out the provisions of this Agreement, including but not limited to the executions of financing, continuation, amendment and termination statements under the *Uniform Commercial Code*, and similar instruments, and the procurement of waivers and disclaimers of interest in the Collateral by the owners of any real estate (including lessors and mortgagees) on which the Collateral is located. The Debtor shall pay all costs of filing any and all financing, continuation, amendment or termination statements with respect to the security interests created by this Agreement. The Debtor hereby irrevocably appoints the Secured Party as

its attorney-in-fact to do all acts and things which the Debtor may be required to do under this Agreement or which the Secured Party may reasonably deem necessary to perfect and continue perfected the security interests created by this Agreement. This power, being coupled with an interest, is irrevocable as long as the Debtor is indebted to the Secured Party. The Debtor will at the request of the Secured Party execute and deliver any and all documents and instruments and take any and all action as the Secured Party may reasonably require more completely to vest in and assure to the Secured Party its rights hereunder or in any of the Collateral.

3. LOCATION OF COLLATERAL

The Debtor hereby represents and warrants to the Secured Party that all of the tangible Collateral is located at one or more of the following locations as follows:

- a. 10 West 33rd Street, New York, New York, 10001 (head office);
- b. 1455 South Campus Avenue, Unit D, Ontario, California, 91761 (warehouse);
- c. 525 Hayes Street, San Francisco, California, 94102 (San Francisco store);
- d. 96 Greenwich Avenue, New York, New York, 10011 (New York store); and
- e. 109 S. 5th Street, Brooklyn, New York, 11249.

Subject to Section 5.1(a), the Debtor covenants that unless the Secured Party shall have given its prior consent in writing, which consent shall not be unreasonably withheld, conditioned or delayed, none of the Collateral shall be located at any location other than as set forth above, and that none of the Collateral shall be removed from such locations except in the ordinary course of business, save and except for any of the Collateral which consists of proceeds and products from the sale or disposition of any of the Collateral.

4. REPRESENTATIONS AND WARRANTIES

The Debtor represents and warrants as follows:

- 4.1. **Location of Collateral.** All of the Equipment and Inventory are located at the places specified in *Section 3*. The places of business and chief executive office of the Debtor and the offices where the Debtor keeps its records concerning the Receivables and all originals of all chattel paper which evidence Receivables are located at the addresses of the Debtor as indicated in *Section 3*.
- 4.2. **As to Receivables.** All Receivables evidenced by a promissory note or other instrument, negotiable document or chattel paper have been duly endorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance satisfactory to the Secured Party and delivered and pledged to the Secured Party pursuant to *Subsection 6.4*.
- 4.3. **Ownership; No Liens.** The Debtor owns the Collateral free and clear of any lien, security interest, charge or encumbrance. No effective financing statement or other instrument similar in effect covering all or any part of the Collateral is on file in any recording office, except such as may have been filed in favour of the Secured Party relating to this Agreement. The Debtor has exclusive possession and control of the Equipment and Inventory, other than Inventory in transit in the ordinary course of business and Inventory in the possession or control of a warehouseman, bailee agent or other person, as to which the Debtor has notified the Secured Party in writing.

- 4.4. **Names, Etc.** The Debtor's exact legal name is set forth on the first page of this Agreement. The Debtor has no trade name other than "Flight 001".
- 4.5. **Valid and Perfected Security Interest.** This Agreement (together with the filing of any *Uniform Commercial Code* financing statements) creates a valid and perfected first priority security interest in the Collateral, securing the payment of the Secured Obligations, and all filings and other actions necessary to perfect and protect such security interest have been duly taken, save and except for those trademarks set forth in Schedule 4.5.
- 4.6. **Authorizations.** No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either (i) for the granting by the Debtor of the security interest granted hereby or for the execution, delivery or performance of this Agreement by the Debtor or (ii) for the perfection of or the exercise by the Secured Party of its rights and remedies hereunder, except for the filings of *Uniform Commercial Code* financing statements, filings with the New York State Department of Motor Vehicles, and filings with the United States Patent and Trademark Office and/or the Canadian Intellectual Property Office and/or any other intellectual property/patent office, as the case may be.
- 4.7. **As to Intellectual Property Collateral:**
- a) The Debtor has made all necessary filings and recordations to protect its interest in the Intellectual Property Collateral, including recordations of all of its interests in the Patent Collateral and Trademark Collateral in the United States Patent and Trademark Office and in corresponding offices throughout the world, and its claims to the Copyright Collateral in the *United States Copyright Office* and in corresponding offices throughout the world; save and except for those trademarks set forth in Schedule 4.5.
 - b) The Debtor is the exclusive owner of all right, title and interest in and to such Intellectual Property Collateral, and, except as set forth on Schedule 4.7, no claim has been made that the use of the Intellectual Property Collateral violates the asserted rights of any third party; and
 - c) The Debtor has performed and will continue to perform all acts and has paid and will continue to pay all required fees and taxes to maintain each and every such item of Intellectual Property Collateral in full force and effect.

5. COVENANTS AS TO COLLATERAL

- 5.1. The Debtor agrees that it shall:
- a) Keep the Equipment and Inventory (other than Inventory sold in the ordinary course of business) and keep its place(s) of business and chief executive office and the office where it keeps its records concerning the Receivables and all originals of all chattel paper which evidences Receivables at the places therefor specified in *Section 3* or, upon 30 days' prior written notice to the Secured Party, or at such other places indicated in writing to the Secured Party from time to time, and all action required by *Subsection 6.4* shall have been taken with respect to the Equipment, Inventory and Receivables.

- b) Cause the Equipment to be maintained and preserved in good repair and working order, ordinary wear and tear excepted, and shall in the case of any loss or damage to any material portion of the Equipment, notify the Secured Party and make or cause to be made all repairs, replacements, and other improvements in connection therewith which are necessary or desirable to such end.
- c) Hold and preserve such records and chattel paper and permit representatives of the Secured Party at any time, upon reasonable prior notice (unless an Event of Default has occurred and is continuing), during normal business hours to inspect and make abstracts from such records and chattel paper.
- d) Pay promptly when due all property and other taxes, assessments and governmental charges or levies imposed upon, and all claims (including claims for labor, materials and supplies) against, the Collateral, except to the extent the validity thereof is being diligently contested in good faith by appropriate proceedings, and for which adequate reserves have been set aside in accordance with generally accepted accounting principles.
- e) Continue to collect, at its own expense, all amounts due or to become due to the Debtor under the Receivables. In connection with such collection, the Debtor may take (and, at the Secured Party's direction, shall take) such action as the Debtor or the Secured Party may deem necessary or advisable to enforce collection of the Receivables.
- f) The Debtor agrees that it shall not (i) change its name or federal taxpayer identification number except upon 30 days' prior written notice to the Secured Party or (ii) change its state of formation from the place on the first page of this Agreement.
- g) Other than at any time when any Secured Obligation is overdue and has been demanded by the Secured Party, until such time as the Secured Party notifies the Debtor in writing, the Debtor (i) may in the ordinary course of its business (except to the extent prohibited under any Secured Agreement), at its own expense, refine, process, store, transport, sell, lease or furnish under the contracts of service any of the Inventory normally held by the Debtor for such purpose, and use and consume, in the ordinary course of its business (except to the extent prohibited under any Secured Agreement), any raw materials, including work in process or materials normally held by the Debtor for such purpose, (ii) will, at its own expense, endeavor to collect, as and when due, all amounts due with respect to any Collateral, including the taking of such action with respect to such collection as the Secured Party requests or, in the absence of such request, as the Debtor may deem advisable, and (iii) may grant, in the ordinary course of business (except as otherwise permitted under any Secured Agreement), to any party obligated on any of the Collateral, any rebate, refund or allowance to which such party may be lawfully entitled, and may accept, in connection therewith, the return of goods, the sale or lease of which shall have given rise to such Collateral.

6. INSURANCE; MAINTENANCE OF COLLATERAL AND RECORDS

- 6.1. The Debtor will keep the Collateral at all times insured by such insurance as the Secured Party may from time to time reasonably require, and in any event and without specific request by the Secured Party, will insure the Collateral consisting of goods (finished and unfinished) against fire, including so-called extended coverage, and theft, all insurance to be with such insurance companies, upon such terms in such form and for such period as shall be reasonably satisfactory to the Secured Party, such insurance to be payable to Secured Party and Debtor as their interests may appear. All policies of insurance shall provide for not less than ten (10) days' prior written notice of cancellation or change in form to Secured Party. Debtor shall furnish Secured Party with certificates or other evidence satisfactory to Secured Party of compliance with the foregoing insurance provisions.
- 6.2. The Debtor will keep the Collateral in good order and repair, will not waste or destroy the Collateral or any part thereof, and will not use the same in violation of any law or policy of insurance thereon.
- 6.3. The Secured Party may examine and inspect the Collateral, upon reasonable prior notice (unless an Event of Default has occurred and is continuing), during normal business hours at any reasonable time and for that purpose may enter upon any premises where the Collateral may be located. The Debtor shall keep accurate and complete records listing and describing the Collateral. When requested by the Secured Party, the Debtor shall give the Secured Party a certificate on a form to be supplied by the Secured Party listing and describing the Collateral.
- 6.4. The Debtor agrees that it will, from time to time, at the expense of the Debtor, promptly execute and deliver all further instruments, documents and chattel paper, and take all further action, that may be necessary or desirable, or that the Secured Party might request, in order to perfect, preserve and protect any security interest granted or purported to be granted hereby or to enable the Secured Party to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, the Debtor will (i) if any Receivable shall be evidenced by a promissory note or other instrument, negotiable document or chattel paper, deliver and pledge to the Secured Party hereunder such promissory note, instrument, negotiable document or chattel paper duly endorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance satisfactory to the Secured Party and (ii) execute such *Uniform Commercial Code* financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be necessary or desirable, or as the Secured Party may request, in order to perfect and preserve the security interests and other rights granted or purported to be granted hereby.
- 6.5. The Debtor hereby authorizes the Secured Party to file one or more *Uniform Commercial Code* financing or continuation statements, and amendments thereto, relative to all or any part of the Collateral (as described in Schedule A) without the signature of the Debtor where permitted by law. A carbon, photographic or other reproduction of this Agreement or any *Uniform Commercial Code* financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

- 6.6. The Debtor will furnish to the Secured Party from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Secured Party may reasonably request, all in reasonable detail.
- 6.7. The Debtor will furnish to the Secured Party, from time to time at the request of the Secured Party, an opinion of counsel acceptable to the Secured Party to the effect that all *Uniform Commercial Code* financing or continuation statements have been filed, and all other action has been taken, to perfect and validate continuously from the date hereof the security interests granted hereby, save and except for any filing or action in respect of foreign trademarks set forth in Schedule 4.5.
- 6.8. The Debtor will, at all times, keep pledged to the Secured Party pursuant hereto on a first priority perfected basis all Collateral (save and except for those trademarks set forth in Schedule 4.5) and other instruments, proceeds, and rights from time to time received by the Debtor in respect of any of the foregoing Collateral.

7. SALES; OTHER SECURITY INTERESTS; FINANCING STATEMENTS

The Debtor will not:

- 7.1. sell, lease, transfer or otherwise dispose of the Collateral or any interest therein, except in the ordinary course of business, without the prior written consent of the Secured Party as further set forth in this Agreement; or
- 7.2. mortgage, or create a security interest in or lien upon, the Collateral in favour of any person other than the Secured Party, or suffer to exist a security interest in or lien upon the Collateral in favour of any person other than the Secured Party, or permit anything to be done that may impair the value of the Collateral or the security intended to be afforded by this Agreement.

8. DEFAULT

If any of the following events ("Events of Default") shall occur:

- 8.1. the Debtor and/or the Borrower shall be in default in any material respect hereunder or under any of the Secured Obligations to the Secured Party;
- 8.2. the Debtor and/or the Borrower shall be in breach of any covenant contained herein, in the Letter of Offer and/or any document evidencing the Secured Obligations, or any agreement entered into with the Secured Party, including, without limitation, the Guarantee;
- 8.3. any representation, warranty or statement contained herein, or in the Letter of Offer, or in a promissory note or any agreement entered into with the Secured Party, including, without limitation, the Guarantee, or in any certificate, report or document furnished by the Debtor to the Secured Party proves not to have been true and complete in any material respect as of the time it was made or furnished; or
- 8.4. If the Debtor and/or the Borrower shall admit in writing its inability to pay its debts; or make an assignment for the benefit of creditors or suffer a receiver or trustee for all or

substantially all of its property to be appointed and, if appointed without its consent, not to be discharged within thirty (30) days; or suffer proceedings under any law relating to bankruptcy; insolvency or the reorganization or relief of debtors to be instituted by or against it and, if contested by it, not to be dismissed or stayed within thirty (30) days; or suffer any judgment to be entered against it, or any writ of attachment or execution or any similar process to be issued or levied against a substantial part of its property, which judgment, writ or process is not satisfied, discharged, released, stayed, bonded or vacated within thirty (30) days after its entry, issue or levy;

then, and in every such event, the Secured Party may declare the Debtor and/or the Borrower in default and exercise the rights and remedies of a secured party under the *Uniform Commercial Code* and any other rights and remedies set forth in this Agreement.

9. RIGHTS ON DEFAULT

If an Event of Default shall have occurred and be continuing, the Secured Party may:

- 9.1. without notice or demand to the Debtor and/or the Borrower declare all Secured Obligations of the Debtor to the Secured Party to be immediately due and payable;
- 9.2. exercise the rights and remedies accorded to a secured party under the *Uniform Commercial Code* or other law, or under any instrument or document securing the Secured Obligations of the Debtor to the Secured Party (including without limitation thereto the right to take immediate possession of the Collateral);
- 9.3. perform any warranty, covenant or agreement which the Debtor has failed to perform under this Agreement; and
- 9.4. take any other action which the Secured Party deems necessary or desirable to protect the Collateral or the security interests granted herein.

No course of dealing or delay in accelerating any Obligation of the Debtor to the Secured Party or in taking or failing to take any other action with respect to any Event of Default shall affect the right of the Secured Party to take such action at a later time. No waiver as to any one Event of Default shall affect the rights of the Secured Party upon any other Event of Default.

The Secured Party may exercise any or all of its rights or remedies after an Event of Default concurrently with, or independently of, and without regard to, the provisions of any other security agreement or other instrument which secures any Obligation of the Debtor to the Secured Party.

After the occurrence and during the continuance of an Event of Default, the Debtor, upon demand by the Secured Party, shall assemble the Collateral at the Debtor's cost and make it available to the Secured Party at a place to be reasonably designated by the Secured Party.

The requirement of the *Uniform Commercial Code* that the Secured Party give the Debtor reasonable notice of any proposed sale or disposition of the Collateral shall be met if such notice is given at least ten (10) days before the time of such sale or disposition.

The reasonable expenses of retaking, holding, preparing for sale, selling and the like incurred by the Secured Party shall be paid by the Debtor to the Secured Party and shall include, but not be limited to, reasonable fees of attorneys and legal expenses incurred by the Secured Party, and the payment thereof shall be secured by this Agreement.

10. COSTS AND EXPENSES

Any reasonable payment actually made by the Secured Party (including reasonable attorneys' fees and disbursements) in connection with the preparation of this Agreement and any other documents and instruments executed in connection herewith, or in connection with the protection, preservation or amendment of the rights of the Secured Party with respect to Secured Obligations of the Debtor to the Secured Party, security agreements, mortgages or other documents and instruments securing such Secured Obligations, or in connection with any amendment of this Agreement or other agreements and instruments, or in connection with the exercise by the Secured Party of any right upon the happening and during the continuance of any Event of Default, shall be added to the indebtedness of the Debtor to the Secured Party, shall bear interest at the rate set forth in the Letter of Offer, shall be payable upon demand, and shall be secured by the security interests granted hereunder and under any other instrument securing the indebtedness of the Debtor to the Secured Party. In addition, at the option of the Secured Party, upon the happening and during the continuance of any Event of Default, the Secured Party may pay for insurance on the Collateral, may pay for the maintenance and repair of the Collateral, may pay any taxes, assessments or other charges upon the Collateral which it in good faith have determined to be due, and may discharge any other security interest in or lien upon the Collateral. The amount of such expenditures shall be added to the indebtedness of the Debtor to the Secured Party, shall bear interest at the rate set forth in the Letter of Offer, shall be payable on demand, and shall be secured by the security interests granted herein and under any other instrument securing indebtedness of the Debtor to the Secured Party. The Secured Party shall have no Obligation to the Debtor to make any such expenditures nor shall the making thereof relieve the Debtor of any Event of Default.

11. NOTICES

Any notice under this Agreement shall be in writing and shall be deemed delivered if mailed by certified mail, postage prepaid, return receipt requested, if addressed to the Debtor or the Secured Party, as the case may be, at the respective addresses given at the beginning of this Agreement or such other address of any such party as may be specified by notice in writing given by such party to all other parties after the date hereof. If notice is given by mail and is not delivered within five (5) days of the date of the post mark, the applicable notice period shall be extended by two (2) days. Nothing contained herein shall prevent the giving of actual written notice in any other effective manner.

12. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon, and inure to the benefit of, the Debtor and its successors and assigns. This Agreement shall be binding upon, and inure to the benefit of, the Secured Party and its successors and assigns.

13. **TERM**

The term of this Agreement shall be until all Secured Obligations of the Debtor to the Secured Party have been paid and performed in full.

14. **WAIVERS**

The Debtor hereby waives demand, notice, protest, notice of acceptance of this Agreement, notice of Collateral received or delivered or any other action taken in reliance hereon and all other demands and notices of any description. With respect both to Secured Obligations of the Debtor to the Secured Party and with respect to the Collateral, the Debtor assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of Collateral, to the addition or release of any party or person primarily or secondarily liable, to the acceptance of partial payment thereof and the settlement, compromising or adjusting of any thereof, all in such manner and at such time or times as the Secured Party may deem advisable. The Secured Party may exercise its rights with respect to the Collateral without resorting to and without regard to other collateral or sources for reimbursement for liability. The Secured Party shall not be deemed to have waived any of its rights upon or under any Obligation of the Debtor to the Secured Party or the Collateral unless such waiver is in writing and signed by the Secured Party. No delay or omission on the part of the Secured Party in exercising any right shall operate as a waiver of such right or any other right. A waiver on any one occasion shall not be construed as a bar to or waiver of any right on any future occasion. All rights and remedies of the Secured Party with respect to Secured Obligations of the Debtor to the Secured Party or the Collateral, whether evidenced hereby or by any other instrument or document, shall be cumulative and may be exercised separately or concurrently.

15. **COUNTERPARTS**

This Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were contained in one and the same instrument.

16. **GOVERNING LAW**

This Agreement and the rights and obligations of the parties hereunder shall be governed by, and construed in accordance with, the law of the State of New York applicable to contracts made and to be performed entirely within such State, and shall have the effect of a sealed instrument. References in this Agreement to the *Uniform Commercial Code* refer to the *Uniform Commercial Code* of the State of New York. All terms used in this Agreement that are not expressly defined in this Agreement shall have the same definitions herein as specified in the *Uniform Commercial Code*. If a term is defined in Article 9 of the *Uniform Commercial Code* differently than in another article of the *Uniform Commercial Code*, the term as used in this Agreement has the meaning specified in Article 9 of the *Uniform Commercial Code*.

17. **WAIVER OF JURY TRIAL**

THE DEBTOR AND THE SECURED PARTY HEREBY WAIVE TRIAL BY JURY IN ANY LITIGATION IN ANY COURT WITH RESPECT TO, IN CONNECTION WITH, OR ARISING OUT OF: (A) THIS AGREEMENT OR ANY OTHER INSTRUMENT OR DOCUMENT DELIVERED IN CONNECTION WITH THE SECURED OBLIGATIONS; (B) THE VALIDITY, INTERPRETATION, COLLECTION OR ENFORCEMENT THEREOF; OR (C) ANY OTHER CLAIM OR DISPUTE HOWEVER ARISING BETWEEN THE DEBTOR AND THE SECURED PARTY.

(Remainder of the page left intentionally blank; signature page to follow)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, under seal, on the day and year first written above.

F001 BRANDS ACQUISITION CORP.

By:



Craig Steven Bromberg

BDC CAPITAL INC.

By:



Kim Toffoli

SCHEDULE A - FINANCING STATEMENT

Debtor: **F001 BRANDS ACQUISITION CORP.**

Secured Party: **BDC CAPITAL INC.**

All right, title and interest of the Debtor in all personal and fixture property of the Debtor, wherever located and whether now owned or hereafter created or acquired by the Debtor, including without limitation the following property (and rights therein) of the Debtor:

- a) **Equipment.** All equipment in all of its forms, located, now or hereafter existing (including, but not limited to, all parts thereof and all accessions, additions, attachments, improvements, substitutions and replacements thereto and therefor and all accessories related thereto, office furniture, tools, machinery, rolling stock (including road vehicles) (all of the foregoing collectively referred to as the "*Equipment*").
- b) **Inventory.** All inventory in all of its forms, wherever located, now or hereafter existing (including, but not limited to, (i) all raw materials and work in process therefor, finished goods thereof, and materials used or consumed in the manufacture or production thereof, (ii) goods in which the Debtor has an interest in mass or a joint or other interest or right of any kind (including, without limitation, goods in which the Debtor has an interest or right as consignee), and (iii) goods which are returned to or repossessed by the Debtor), and all accessions thereto and products thereof and documents therefor (all of the foregoing collectively referred to as the "*Inventory*").
- c) **Receivables and Related Contracts.** All accounts, deposit accounts, contracts, contract rights, chattel paper (whether tangible or electronic), documents, instruments (including promissory notes), letter-of-credit rights (whether or not the letter of credit is evidenced by a writing), general intangibles (including tax refunds) and other obligations of any kind, now or hereafter existing, whether or not arising out of or in connection with the sale or lease of goods or the rendering of services, and all rights now or hereafter existing in and to all security agreements, guaranties, leases, and other contracts securing or otherwise relating to any such accounts, contracts, contract rights, chattel paper, documents, instruments, general intangibles or other obligations (all of the foregoing collectively referred to as the "*Receivables*").
- d) All Intellectual Property Collateral of the Debtor, now or hereafter existing, including, without limitation the Intellectual Property Collateral referred to below:
 - (i) all computer and other electronic data processing hardware, together with all associated integrated computer systems and related equipment;
 - (ii) all software programs now owned, licensed to or leased by the Debtor, or hereafter acquired by the Debtor;

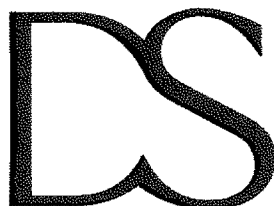
- (iii) all related firmware and documentation, together with all rights in relation to the property described in clauses (i) and (ii);
 - (iv) all copyrights, whether registered or unregistered, including all copyrights registered in the *United States Copyright Office* or elsewhere, all applications for registration thereof, all copyright licenses and all extensions and renewals of any thereof (the "*Copyright Collateral*");
 - (v) all patents including those registered in the United States Patent and Trademark Office or elsewhere, letters patent held by the Debtor and all patent applications, and any extensions or renewals thereof, and all patent licenses (the "*Patent Collateral*");
 - (vi) all trademarks including those registered in the United States Patent and Trademark Office or elsewhere, all trademarks and trademark licenses and any other trade names, corporate names, fictitious business names, trade styles, service marks, logos and other source or business identifiers and all applications, renewals and extensions thereof (the "*Trademark Collateral*"); and
 - (vii) all licenses, domain names, source codes and any other form of intellectual property.
- e) **Contract Rights.** Securities and all other investment property, supporting obligations, and any other contract rights or rights to the payment of money not described above.
- f) **Proceeds.**
- (i) All products, offspring, rents, issues, profits, returns, income and proceeds of any and all of the foregoing collateral in any form (including, without limitation, proceeds which constitute property of the types described in *Sections (a), (b), (c), (d) and (e)* (if applicable)) and, to the extent not otherwise included, all payments under insurance (whether or not the Secured Party is the loss payee thereof), or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing collateral.

SCHEDULE 4.5 - Trademarks

Trademark Name	Trademark Status	Country Name	App Number	App Date	Reg Number	Reg Date	Class	Case Type	Owner Name	Next Renewal Date	Notes
FLIGHT 001	Registered	Australia	1263107	18-Sep-2008	1263107	18-Sep-2008	09 Int., 18 Int., 35 Int.		F001 Brands Acquisition Corp.	18-Sep-2028	
FLIGHT 001 & Design	Registered	Canada	1316611	15-Sep-2006	746850	2-Sep-2009	18 Int., 35 Int.	ORD	F001 BRANDS ACQUISITION CORP.	2-Sep-2024	
FLIGHT 001 & Design	Registered	European Union (Community)	002245058	6-Jun-2001	002245058	28-Nov-2002	03 Int., 18 Int., 35 Int.	ORD	F001 Brands Acquisition Corp.	16-Jun-2021	
DESIGN MARK [interior cabin of 1960s era commercial aircraft]	Registered	United States of America	78552067	15-Aug-2006	3453856	24-Jun-2008	35 Int.	ORD	F001 BRANDS ACQUISITION CORP.	24-Dec-2018	
FLIGHT 001 & Design	Registered	United States of America	75768247	5-Aug-1999	2343804	18-Apr-2000	35 Int.	ORD	F001 BRANDS ACQUISITION CORP.	18-Apr-2020	
FLIGHT 001 & Design	Registered	United States of America	75771307	9-Aug-1999	2737121	15-Jul-2003	03 Int., 09 Int., 18 Int.	ORD	F001 BRANDS ACQUISITION CORP.	15-Jul-2023	
FLIGHT 001	Registered	United States of America	85712700	24-Aug-2012	4964824	24-May-2016	03 Int., 14 Int., 25 Int.	ORD	F001 BRANDS ACQUISITION CORP.	24-May-2026	
FLIGHT 001	Registered	United States of America	77571622	16-Sep-2008	3896618	14-Dec-2010	9 Int., 18 Int., 35 Int.		F001 BRANDS ACQUISITION CORP.	14-Dec-2020	
001	Registered	United States of America	77394985	12-Feb-2008	3504668	11-Jan-2011	18 Int., 25 Int.		F001 BRANDS ACQUISITION CORP.	11-Jan-2021	
SPACEPAK	Registered	United States of America	78694548	31-10-15	20-Feb-2007	18 Int.	ORD		F001 BRANDS ACQUISITION CORP.	20-Feb-2027	

SCHEDULE 4.7 - Claims

Takbo Limited has asserted a claim (a) that its security interests in China trademarks- Registration numbers 10055768 and 88678 and Taiwan Trademark Application No. 104025910 are senior to any interest of Midway Industries America Inc. (and thus senior to any interest of Flight 001Brands Acquisition Corp.) in and to such trademarks and (b) that China Trademark Registration number 23093028 should have been pledged to Takbo Limited and that Takbo Limited has a senior interest therein, senior to any interest of Midway Industries America Inc. (and thus senior to any interest of Flight 001Brands Acquisition Corp.) . Midway Industries America Inc. has disputed Takbo Limited's claims.



July 25, 2019

By Facsimile

QUÉBEC
 MONTRÉAL
 TORONTO
 VANCOUVER
 OTTAWA
 PARIS
 LYON
 BORDEAUX
 LILLE
 BRUXELLES
 MILAN
 LA REUNION
 BARCELONE
 MADRID
 STUTTGART
 BUENOS AIRES
 SANTIAGO
 LIMA
 DAKAR
 BEIJING
 SHANGHAI
 GUANGZHOU
 SINGAPOUR
 HO CHI MINH VILLE

UNITED STATES PATENT AND TRADEMARK OFFICE

Mail Stop Assignment Recordation Services

Director of the USPTO

P.O. Box 1450

Alexandria VA, 22313-1450

Subject: Security Agreement (Lien) granted by F001 Brands Acquisition Corp. ("**Conveying Party**") in favour of BDC Capital Inc. ("**Receiving Party**")
 Our File: 5088/3

Madam:

Sir:

Please find enclosed herewith a copy of the Security Agreement executed on June 25, 2019 by and between the Receiving Party and the Conveying Party (the "**Security Agreement**").

Under the terms of the enclosed Security Agreement, the Conveying Party granted a security interest in favour of the Receiving Party on all of its Trademarks and on all the Trademarks Applications duly registered with the United States Patent and Trademark Office under the names and registration numbers described hereinafter:

Name	<i>Trademark Registration Number/ Application Number</i>
DESIGN MARK (interior cabin of 1960s era commercial aircraft)	3453856
FLIGHT 001 & Design	2343804
FLIGHT 001 & Design	2737121
FLIGHT 001	4964824
FLIGHT 001	3890618
001	3904668

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 F: 1 416 214-1374

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 Tél: 1 604 669-8858
 Fax: 1 604 669-8857

150 Metcalfe Street, Suite 1401
 Ottawa (ON) K2P 1P1, Canada
 T: 1 613 319-9997
 F: 1 613 903-6002

www.dsavocats.com

TRADEMARK
REEL: 006738 FRAME: 0806

Name	Trademark Registration Number/ Application Number
SPACEPAK	3210415

Receiving Party

Ms. Isabelle Dionne
BDC CAPITAL INC.
5 Place Ville-Marie
Suite 500
Montreal, Quebec, H3B 5E7

Debtor/Registered Owner of Trademark

Mr. Craig Steven Bromberg
F001 Brands Acquisition Corp.
10 West, 33rd Street
New York, New York, USA 10001

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 Trademarks and/or Trademarks 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.

Yours very truly,



Kim Toffoli
Partner

ktoffoli@dsavocats.ca
1-514-360-5103
Encl.

cc. Isabelle Dionne