

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM663180

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Avocor Technologies USA, Inc.		07/27/2021	Corporation: DELAWARE
RECEIVING PARTY DATA			
Name:	Beedie Investments Ltd.		
Street Address:	1111West Georgia Street		
Internal Address:	Suite 1570		
City:	Vancouver, British Columbia		
State/Country:	CANADA		
Postal Code:	V6E 4M3		
Entity Type:	Corporation: CANADA		
PROPERTY NUMBERS Total: 1			
Property Type	Number	Word Mark	
Serial Number:	87217827	AVOCOR	
CORRESPONDENCE DATA			
Fax Number:	6137839690		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>			
Phone:	6137839644		
Email:	anna.clark@dentons.com		
Correspondent Name:	Anna Clark		
Address Line 1:	99 Bank Street		
Address Line 2:	Suite 1420		
Address Line 4:	Ottawa, ONTARIO K1P 1H4		
NAME OF SUBMITTER:	Anna Clark		
SIGNATURE:	/Anna Clark/		
DATE SIGNED:	07/28/2021		
Total Attachments: 25			
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SECURITY AGREEMENT

This **SECURITY AGREEMENT** (this “Agreement”), dated as of July 27, 2021, is between **AVOCOR TECHNOLOGIES USA, INC.**, a Delaware corporation (together with its successors and permitted assigns, “Grantor”), and **BEEDIE INVESTMENTS LTD.**, a corporation formed under the laws of the Province of British Columbia (together with its successors and assigns, “Lender”).

WITNESSETH:

WHEREAS, pursuant to that certain Credit Agreement dated as of the date hereof (as amended, restated, supplemented, renewed, extended or otherwise modified from time to time, the “Credit Agreement”; capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Credit Agreement), between Grantor and Lender, Lender has agreed to make Advances to, and for the benefit of, Grantor from time to time pursuant to the terms and conditions thereof; and

WHEREAS, in order to induce Lender to make Advances to Grantor as provided in the Credit Agreement, Grantor has agreed to grant a continuing security interest in and to the Collateral in order to secure the prompt and complete payment, observance and performance of, among other things, the Secured Obligations;

NOW, THEREFORE, for and in consideration of the recitals made above and other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Defined Terms. All capitalized terms used herein (including in the preamble and recitals) without definition shall have the meanings ascribed thereto in the Credit Agreement. Any terms used in this Agreement that are defined in the UCC shall be construed and defined as set forth in the UCC unless otherwise defined herein or in the Credit Agreement; provided, however, that to the extent that the UCC is used to define any term herein and if such term is defined differently in different Articles of the UCC, the definition of such term contained in Article 9 of the UCC shall govern. In addition to those terms defined elsewhere in this Agreement, as used in this Agreement, the following terms shall have the following meanings:

“Account” means an account (as that term is defined in Article 9 of the UCC).

“Account Debtor” means an account debtor (as that term is defined in Article 9 of the UCC).

“Agreement” has the meaning specified therefor in the preamble.

“Bankruptcy Code” means the United States Bankruptcy Code (11 U.S.C. Section 101 et seq.), as amended.

“Books” means books and records (including Grantor’s Records indicating, summarizing, or evidencing Grantor’s assets (including the Collateral) or liabilities, Grantor’s Records relating to Grantor’s business operations or financial condition, and Grantor’s goods or General Intangibles related to such information).

“Chattel Paper” means chattel paper (as that term is defined in Article 9 of the UCC) and includes tangible chattel paper and electronic chattel paper.

“Collateral” has the meaning specified therefor in Section 2.

“Commercial Tort Claims” means commercial tort claims (as that term is defined in Article 9 of the UCC), and includes those commercial tort claims listed on Schedule 1.

“Commodity Account” means a commodity account (as that term is defined in Article 9 of the UCC).

“Control Agreement” means a Deposit Account, Securities Account or Commodities Account control agreement by and among Grantor, Lender and the applicable depository, securities intermediary or commodities intermediary, each in form and substance satisfactory to Lender in its reasonable discretion, and in any event providing to Lender “control” of such Deposit Account, Securities Account or Commodity Account, as applicable, within the meaning of Articles 8 and 9 of the UCC.

“Copyrights” means any and all copyrights and copyright registrations, including without limitation, (a) the copyright registrations and recordings thereof and all applications in connection therewith listed on Schedule 2, (b) all restorations, reversions, extensions or renewals thereof, (c) all income, royalties, damages and payments now and hereafter due or payable under and with respect thereto, including payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof, (d) the right to sue for past, present and future infringements thereof and (e) all of Grantor’s rights corresponding thereto throughout the world.

“Credit Agreement” has the meaning specified therefor in the recitals.

“Deposit Account” means a deposit account (as that term is defined in Article 9 of the UCC).

“Document” means a document (as that term is defined in Article 9 of the UCC).

“Equipment” means equipment (as that term is defined in Article 9 of the UCC).

“General Intangibles” means general intangibles (as that term is defined in the UCC) and includes payment intangibles, contract rights, rights to payment, rights arising under common law, statutes, or regulations, choses or things in action, goodwill (including the goodwill associated with any Trademark), Patents, Trademarks, Copyrights, URLs and domain names, industrial designs, other industrial or Intellectual Property or rights therein or applications therefor, whether under license or otherwise, programs, programming materials, blueprints, drawings, purchase orders, customer lists, monies due or recoverable from pension funds, route lists, rights to payment and other rights under any royalty or licensing agreements, including Intellectual Property Licenses, infringement claims, computer programs, information contained on computer disks or tapes, software, literature, reports, catalogs, pension plan refunds, pension plan refund claims, insurance premium rebates, tax refunds, and tax refund claims, interests in a partnership or limited liability company which do not constitute a security under Article 8 of the UCC, and any other personal property other than Commercial Tort Claims, money, Accounts, Chattel Paper, Deposit Accounts, goods, Investment Related Property, Negotiable Collateral, and oil, gas, or other minerals before extraction.

“Goods” means goods (as that term is defined in Article 9 of the UCC).

“Grantor” has the meaning specified therefor in the preamble.

“Insolvency Proceeding” means any proceeding commenced by or against any Person under any provision of the Bankruptcy Code or under any other state, provincial or federal (domestic or

foreign) bankruptcy or insolvency law, assignments for the benefit of creditors, formal or informal moratoria, compositions, extensions generally with creditors, or proceedings seeking reorganization, arrangement, or other similar relief.

“Intellectual Property” means any and all Intellectual Property Licenses, Patents, Copyrights, Trademarks, the goodwill associated with such Trademarks, trade secrets and customer lists, and includes, for the avoidance of doubt, all Intellectual Property Collateral as defined in the Credit Agreement.

“Intellectual Property Licenses” means rights under or interests in any Patent, Trademark, Copyright or other Intellectual Property, including software license agreements with any other party, whether Grantor is a licensee or licensor under any such license agreement (but excluding any off-the-shelf software license agreement) that is material to the Grantor’s business, taken as a whole, and the right to use the foregoing in connection with the enforcement of rights of Lender under the Loan Documents, including the right to prepare for sale and sell any and all Inventory and Equipment now or hereafter owned by Grantor and now or hereafter covered by such licenses.

“Intellectual Property Security Agreement” means each Intellectual Property Security Agreement between Grantor and Lender, in form and substance satisfactory to Lender in its reasonable discretion, pursuant to which Grantor has granted to Lender a security interest in all of its Intellectual Property, including without limitation, all of its Copyrights, Patents and Trademarks.

“Inventory” means inventory (as that term is defined in Article 9 of the UCC).

“Investment Related Property” means any and all investment property (as that term is defined in the UCC).

“Lender” has the meaning specified therefor in the preamble.

“Lien Waiver” means the waiver or subordination of security interests, in form and substance satisfactory to Lender in its reasonable discretion, duly executed by a lessor, mortgagee, warehouse operator, bailee, consignee, processor or other third party that may have a security interests upon any Collateral that is in such third party’s possession or is located or leased by such party to Grantor, by which such Person shall waive or subordinate its security interests and claims with respect to any Collateral in favor of Lender, and shall assure Lender’s access to any Collateral for the purpose of allowing Lender to enforce its rights and security interests with respect thereto.

“Negotiable Collateral” means letters of credit, letter-of-credit rights, instruments, promissory notes, drafts and Documents.

“Patents” means patents and patent applications, including without limitation, (a) the patents and patent applications listed on Schedule 2, (b) all renewals, continuations, divisionals, continuations-in-part, reissues and re-examinations thereof, (c) all income, royalties, damages and payments now and hereafter due or payable under and with respect thereto, including payments under all licenses entered into in connection therewith and damages and payments for past or future infringements thereof, (d) the right to sue for past, present and future infringements thereof, and (e) all of Grantor’s rights corresponding thereto throughout the world.

“Proceeds” has the meaning specified therefor in Section 2(m).

“Real Property” means any estates or interests in real property now owned or hereafter acquired by Grantor and the improvements thereto.

“Records” means information that is inscribed on a tangible medium or which is stored in an electronic or other medium and is retrievable in perceivable form.

“Secured Obligations” means each and all of the following: (a) all of the present and future indebtedness, obligations and liabilities of Grantor arising from this Agreement, the Credit Agreement or the other Loan Documents; and (b) all other Obligations, including, in the case of each of clauses (a) and (b), reasonable attorneys’ fees and expenses and any interest, fees, or expenses that accrue after the filing of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any Insolvency Proceeding.

“Securities Account” means a securities account (as that term is defined in Article 8 of the UCC).

“Supporting Obligations” means supporting obligations (as such term is defined in the UCC) and includes letters of credit and guaranties issued in support of Accounts, Chattel Paper, Documents, General Intangibles, instruments or Investment Related Property.

“Trademarks” means any and all trademarks, trade names, registered trademarks, trademark applications, service marks, registered service marks and service mark applications, including without limitation, (a) the trade names, registered trademarks, trademark applications, registered service marks and service mark applications listed on Schedule 2, (b) all extensions, modifications and renewals thereof, (c) all income, royalties, damages and payments now and hereafter due or payable under and with respect thereto, including payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (d) the right to sue for past, present and future infringements and dilutions thereof, (e) the goodwill of Grantor’s business symbolized by the foregoing or connected therewith and (f) all of Grantor’s rights corresponding thereto throughout the world.

“UCC” means the New York Uniform Commercial Code, as in effect from time to time; provided, however, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, priority, or remedies with respect to Lender’s security interest on any Collateral is governed by the Uniform Commercial Code as enacted and in effect in a jurisdiction other than the State of New York, the term “UCC” means the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority, or remedies.

“United States” means the United States of America.

“URL” means “uniform resource locator,” an internet web address.

2. Grant of Security. Grantor hereby unconditionally grants, assigns, and pledges to Lender, to secure the payment and performance in full of the Secured Obligations, a continuing lien and security interest in Grantor’s right, title, and interest in and to the following, whether now owned or hereafter acquired or arising and wherever located (the “Collateral”):

- (a) all of Grantor’s Accounts;
- (b) all of Grantor’s Books;

- (c) all of Grantor's Chattel Paper;
- (d) all of Grantor's interest with respect to any Deposit Account;
- (e) all of Grantor's Equipment, Inventory, fixtures and other Goods;
- (f) all of Grantor's General Intangibles (other than any intent-to-use United States trademark application for which an amendment to allege use or statement of use has not been filed and accepted by the United States Patent and Trademark Office and that would otherwise be deemed invalidated, cancelled or abandoned due to the grant of a security interest thereon (provided that each intent-to-use application shall be considered Collateral immediately and automatically upon such filing and acceptance));
- (g) all of Grantor's Investment Related Property;
- (h) all of Grantor's Negotiable Collateral;
- (i) all of Grantor's rights in respect of Supporting Obligations;
- (j) all of Grantor's interest with respect to any Commercial Tort Claims;
- (k) all of Grantor's money or other assets of Grantor that now or hereafter come into the possession, custody, or control of Lender;
- (l) all other personal property of Grantor; and
- (m) all of the proceeds (as that term is defined in the UCC) and products, whether tangible or intangible, of any of the foregoing, including proceeds of insurance or Commercial Tort Claims covering or relating to any or all of the foregoing, and any and all Accounts, Books, Chattel Paper, Commodity Accounts, Deposit Accounts, Equipment, General Intangibles, Inventory, Investment Related Property, Negotiable Collateral, Securities Accounts, Supporting Obligations, money, or other tangible or intangible property resulting from the sale, lease, license, exchange, collection, or other disposition of any of the foregoing, whatever is collected on, or distributed on account of any of the foregoing, any and all rights arising out of the foregoing, the proceeds of any award in condemnation with respect to any of the foregoing, any rebates or refunds, whether for taxes or otherwise, and all proceeds of any such proceeds, or any portion thereof or interest therein, and the proceeds thereof, claims arising out of the loss, non-conformity, or interference with the use of, defects, or infringement of rights in, or damage to, any of the foregoing, and all proceeds of any loss of, damage to, or destruction of the above, whether insured or not insured, and, to the extent not otherwise included, any indemnity, warranty, insurance, or guaranty payable by reason of loss or non-conformity of, defects or infringement of rights in, or damage to, or otherwise with respect to any of the foregoing (collectively, the "Proceeds"). Without limiting the generality of the foregoing, the term "Proceeds" includes whatever is receivable or received when Investment Related Property or proceeds are sold, exchanged, collected, or otherwise disposed of, whether such disposition is voluntary or involuntary, and includes proceeds of any indemnity or guaranty payable to Grantor or Lender from time to time with respect to any of the Investment Related Property.

3. Security for Secured Obligations. The security interest created hereby secures the payment and performance of the Secured Obligations, whether now existing or arising hereafter. Without limiting the generality of the foregoing, this Agreement secures the payment of all amounts which constitute part of the Secured Obligations and would be owed by Grantor to Lender, but for the fact that they are unenforceable or not allowable due to the existence of an Insolvency Proceeding involving Grantor.

4. Grantor Remains Liable. Anything herein to the contrary notwithstanding, (a) Grantor shall remain liable under the contracts and agreements included in the Collateral to perform all of the duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by Lender of any of the rights hereunder shall not release Grantor from any of its duties or obligations under such contracts and agreements included in the Collateral, and (c) Lender shall have no obligation or liability under such contracts and agreements included in the Collateral by reason of this Agreement, nor shall Lender be obligated to perform any of the obligations or duties of Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder. Until an Event of Default shall occur and be continuing, except as otherwise provided in this Agreement, the Credit Agreement or other Loan Documents, Grantor shall have the right to possession and enjoyment of the Collateral for the purpose of conducting the ordinary course of its business, subject to and upon the terms hereof and of the Credit Agreement and the other Loan Documents. Without limiting the generality of the foregoing, it is the intention of the parties hereto that record and beneficial ownership of the Equity Securities pledged hereunder, including all voting, consensual, and dividend rights, shall remain in Grantor until the occurrence of an Event of Default and until Lender shall notify Grantor of Lender's exercise of voting, consensual, or dividend rights with respect to such Equity Interests pursuant to Section 15.

5. Representations and Warranties. Grantor hereby represents and warrants as follows:

(a) Schedule 3 correctly sets forth, as of the date hereof, (i) the correct legal name of Grantor, (ii) Grantor's jurisdiction of organization, (iii) Grantor's organizational identification number, (iv) the location(s) of Grantor's chief executive office or sole place of business and its books and records, (v) all names and trade names that Grantor has used in the last five years and (vi) the chief executive office or sole place of business of Grantor over the last five years (if different from Grantor's current chief executive office or sole place of business).

(b) Grantor owns no Real Property as of the date of this Agreement.

(c) Grantor is the legal and beneficial owner or exclusive or non-exclusive licensee of all Intellectual Property that is material to the conduct of its business as currently conducted. As of the date of this Agreement, Grantor has no interest in, or title to, any Copyrights, Patents, or Trademarks except as set forth on Schedule 2. This Agreement is effective to create a valid and continuing security interest on such Copyrights, Intellectual Property Licenses, Patents and Trademarks and, upon filing of the Intellectual Property Security Agreement with the United States Copyright Office and United States Patent and Trademark Office, and the filing of appropriate financing statements with the Secretary of State of the State of Delaware, all action necessary to protect and perfect the security interest granted hereunder in and on Grantor's Patents, Trademarks, or Copyrights shall have been taken and such perfected security interest shall be enforceable as such as against any and all creditors of and purchasers from Grantor. Grantor owns no registered Copyright or any Copyright that is the subject of an application for registration that is not the subject of an Intellectual Property Security Agreement in favor of Lender.

(d) This Agreement creates a valid and continuing security interest in the Collateral of Grantor, to the extent a security interest therein can be created under the UCC, securing the payment of the Secured Obligations. Except to the extent a security interest in the Collateral cannot be perfected by the filing of a financing statement under the UCC or pursuant to filings with the United States Patent and Trademark Office or the United States Copyright Office, all filings and other actions necessary to perfect and protect such security interest have been duly taken or will have been taken upon the filing of (i) a financing statement listing Grantor, as debtor, and Lender, as secured party, with the Secretary of State of the State of Delaware and (ii) with respect to any United States registered Copyrights, Patents or Trademarks, or applications therefor, the Intellectual Property Security Agreement with the United States Copyright Office and with the United States Patent and Trademark Office, as applicable. Upon the making

of such filings, Lender shall have a first priority perfected security interest (subject to Permitted Encumbrances) in the Collateral to the extent such security interest can be perfected by the filing of a financing statement or pursuant to filings with the United States Patent and Trademark Office or the United States Copyright Office.

(e) All actions necessary to perfect, establish the priority of, or otherwise protect, Lender's security interests in the Investment Related Property, and the proceeds thereof, will have been duly taken, (i) upon the execution and delivery of this Agreement, (ii) if such Investment Related Property is represented by a certificate, upon the taking of possession by Lender of such certificate, together with an undated power endorsed in blank by Grantor, (iii) with respect to any Securities Accounts, upon the delivery of Control Agreements with respect thereto, and (iv) upon the filing of a financing statement with the Secretary of State of the State of Delaware with respect to all other Investment Related Property. None of the Equity Securities pledged hereunder has been issued or transferred in violation of any securities registration, securities disclosure, or similar laws of any jurisdiction to which such issuance or transfer may be subject.

(f) All information with respect to the Collateral set forth in any schedule, certificate or other writing at any time heretofore or hereafter furnished by Grantor to Lender, and all other written information heretofore or hereafter furnished by Grantor to Lender, is and will be true and correct in all material respects as of the date furnished.

(g) No consent, approval, authorization, or other order or other action by, and no notice to or filing with, any Governmental Authority or any other Person is required (i) for the grant of a security interest by Grantor in and to the Collateral pursuant to this Agreement or for the execution, delivery, or performance of this Agreement or any other Loan Document to which Grantor is a party by Grantor, or (ii) for the exercise by Lender of the voting or other rights provided for in this Agreement with respect to the Investment Related Property or the remedies in respect of the Collateral pursuant to this Agreement, except (x) such consents that have been obtained, namely the Required Approvals, all of which are in full force and effect, and (y) as may be required in connection with such disposition of Investment Related Property by laws affecting the offering and sale of securities generally. No Intellectual Property License that is material to Grantor's business taken as a whole, other than ordinary course outbound licenses to customers, resellers or other similar arrangements, requires any consent for Grantor to grant the security interest granted hereunder in Grantor's right, title or interest in or to any Copyrights, Patents, Trademarks or material Intellectual Property Licenses.

(h) With respect to the Intellectual Property identified on Schedule 2, Grantor has made, in good faith and in accordance with the procedures and regulations of the United States Copyright Office and the United States Patent and Trademark Office, all payments, filings and recordations to protect and maintain its interest in such Intellectual Property in a manner sufficient to claim in the public record Grantor's ownership thereof, including (i) making all necessary registration, maintenance, and renewal fee payments with respect thereto, and (ii) filing all necessary documents, including all applications for registration of Copyrights, Patents and Trademarks.

(i) Grantor has and enforces a policy requiring its employees, consultants, licensees, vendors and contractors who develop software or other material technology or material intellectual property of Grantor to execute appropriate assignment agreements, pursuant to which each such employee, consultant or contractor assigns to Grantor all of such individual's rights (including with respect to Intellectual Property) in and to all ideas, inventions, processes, works of authorship and other work products that relate to Grantor's business and that were conceived, created, authored or developed during the term of such employee's, consultant's, licensee's, vendor's and contractor's employment, engagement or other business arrangement by Grantor. No past or present employee, consultant or contractor of Grantor

has any ownership interest, license, permission or other right in or to any Intellectual Property that is material to the conduct of Grantor's business, except that, to the extent necessary for the conduct of their work for or on behalf of Grantor, consultants and contractors may have permission to use or license rights in Intellectual Property of Grantor.

(j) No claim has been made in writing and is continuing or, to Grantor's knowledge, threatened that the use by Grantor of any Intellectual Property that is material to the conduct of Grantor's business does or may violate the Intellectual Property rights of any other Person, and, to Grantor's knowledge, there is currently no infringement or unauthorized use of any item of Intellectual Property listed on Schedule 2.

6. Covenants. Grantor covenants and agrees with Lender that from and after the date of this Agreement and until the date of termination of this Agreement in accordance with Section 22:

(a) Protection of Collateral. Grantor shall make and maintain all filings, registrations and recordations necessary to protect its right, title and interest in the Collateral, including all filings, registrations and recordations necessary in respect of Patents, Trademarks, Copyrights and industrial designs included in the Intellectual Property.

(b) Possessory Collateral. In the event that any Collateral, individually or in the aggregate, having a value in excess of \$50,000, including proceeds, is evidenced by or consists of Negotiable Collateral, Investment Related Property, or Chattel Paper, Grantor shall notify Lender within five Business Days of the possession thereof and, promptly upon the request of Lender (and in no event later than five Business Days after receiving such request), shall execute such other documents and instruments as shall be requested by Lender or, if applicable, endorse and deliver physical possession of such Negotiable Collateral, Investment Related Property, or Chattel Paper to Lender, together with such undated powers endorsed in blank as shall be requested by Lender.

(c) Chattel Paper.

(i) Grantor, promptly upon the request of Lender (and in no event later than five Business Days after receiving such request), shall take all steps reasonably necessary to grant Lender control of all electronic Chattel Paper having a value, individually or in the aggregate, in excess of \$50,000, in accordance with the UCC and all "transferable records" as that term is defined in Section 16 of the Uniform Electronic Transaction Act and Section 201 of the federal Electronic Signatures in Global and National Commerce Act as in effect in any relevant jurisdiction.

(ii) If Grantor retains possession of Chattel Paper or instruments, individually or in the aggregate, in excess of \$50,000, (which retention of possession shall be permitted to the extent permitted hereby and by the Credit Agreement), promptly upon the request of Lender (and in no event later than five Business Days after receiving such request), such Chattel Paper and instruments shall be marked with the following legend: "This writing and the obligations evidenced or secured hereby are subject to the security interest of Beedie Investments Ltd."

(d) Control Agreements.

(i) Grantor shall obtain an authenticated Control Agreement from each bank maintaining a Deposit Account for Grantor as required by and in accordance with the terms of the Credit Agreement.

(ii) Grantor shall obtain an authenticated Control Agreement from each issuer of uncertificated securities, securities intermediary, or commodities intermediary issuing or holding any financial assets or commodities to or for Grantor (if any).

(e) Letter-of-Credit Rights. If Grantor is or becomes the beneficiary of letters of credit, individually or in the aggregate, in excess of \$50,000, it shall promptly (and in no event later than five Business Days after becoming a beneficiary), notify Lender thereof and, promptly upon the request of Lender (and in no event later than five Business Days after receiving such request), enter into a tri-party agreement with Lender and the issuer or confirming bank(s) with respect to letter-of-credit rights assigning such letter-of-credit rights to Lender and directing all payments thereunder to Lender, all in form and substance satisfactory to Lender in its reasonable discretion.

(f) Commercial Tort Claims. Grantor shall promptly (and in no event later than five Business Days of receipt thereof), notify Lender in writing upon incurring or otherwise obtaining any Commercial Tort Claim seeking damages, individually or in the aggregate, in excess of \$100,000 after the date of this Agreement and, upon request of Lender, promptly (and in no event later than five Business Days after receiving such request) amend Schedule 1 to describe such after-acquired Commercial Tort Claims in a manner that reasonably identifies such Commercial Tort Claims, and hereby authorizes the filing of additional financing statements or amendments to existing financing statements describing such Commercial Tort Claims, and agrees to do such other acts or things deemed necessary by Lender in its reasonable discretion to give Lender a perfected security interest in any such Commercial Tort Claims.

(g) Government Contracts. If any Account or Chattel Paper, individually or in the aggregate, in excess of \$50,000 arises out of a contract or contracts with the United States or any department, agency, or instrumentality thereof, Grantor shall promptly (and in no event later than five Business Days of the creation thereof) notify Lender thereof in writing and execute any instruments or take any steps reasonably required by Lender in order that all moneys due or to become due under such contract or contracts shall be assigned to Lender, and shall provide written notice thereof under the Assignment of Claims Act or other Applicable Law.

(h) Intellectual Property.

(i) Upon request of Lender, in order to facilitate filings with the United States Patent and Trademark Office and the United States Copyright Office, Grantor shall promptly (and in no event later than five Business Days of the creation or acquisition thereof) execute and deliver to Lender one or more additional Intellectual Property Security Agreements or updated exhibit(s) thereto further evidence Lender's security interest on Grantor's Patents, Trademarks, or Copyrights, and the General Intangibles of Grantor relating thereto or represented thereby.

(ii) Grantor hereby agrees, to the extent necessary or materially economically desirable in the operation of Grantor's business, and to the extent commercially reasonable (A) to promptly sue for infringement, misappropriation, or dilution of any Intellectual Property right and to recover any and all damages for such infringement, misappropriation, or dilution, (B) to prosecute diligently any trademark application or service mark application that is part of the Trademarks pending as of the date hereof or hereafter until the termination of this Agreement, (C) to prosecute diligently any patent application that is part of the Patents pending as of the date hereof or hereafter until the termination of this Agreement, and (D) to take all necessary action to preserve and maintain all of Grantor's Trademarks, Patents, Copyrights, Intellectual Property Licenses, and its rights therein, including the filing of applications for renewal, affidavits of use, affidavits of non-contestability and opposition and interference and cancellation proceedings and the making of all necessary payments and filings in connection with the registration, maintenance, and renewal of Copyrights, Patents, and Trademarks in the United States Copyright Office or

the United States Patent and Trademark Office (as appropriate) to maintain all Intellectual Property and all rights therein. Grantor shall promptly file an application with the United States Copyright Office for any Copyright that has not been registered with the United States Copyright Office if such Copyright is necessary in connection with the operation of Grantor's business. Any expenses incurred in connection with the foregoing shall be borne by Grantor. Grantor further agrees not to abandon any Trademark, Patent, Copyright, or Intellectual Property License that is necessary or economically desirable in the operation of the Grantor's business.

(iii) Grantor acknowledges and agrees that Lender shall have no duties with respect to the Trademarks, Patents, Copyrights, or Intellectual Property Licenses. Without limiting the generality of this Section 6(h), Grantor acknowledges and agrees that Lender shall not be under any obligation to take any steps necessary to preserve rights in the Trademarks, Patents, Copyrights, or Intellectual Property Licenses against any other Person, but Lender may do so at its option from and after the occurrence and during the continuance of an Event of Default, and all reasonable expenses incurred in connection therewith (including reasonable fees and expenses of attorneys and other professionals) shall be for the sole account of Grantor and shall constitute Secured Obligations.

(iv) In no event shall Grantor, either itself or through any agent, employee, licensee, or designee, file an application for the registration of any Copyright with the United States Copyright Office without giving Lender prior written notice thereof or any Patent or Trademark with the United States Patent and Trademark Office without giving Lender written notice thereof promptly thereafter. Upon any such filing, Grantor shall comply with Section 6(h)(i).

(v) Grantor shall take the actions that are commercially reasonable and reasonably necessary to protect the confidentiality of the Intellectual Property rights that are material to the conduct of its business or that Grantor has determined in its reasonable business judgment should otherwise remain confidential, including with respect to such Intellectual Property rights (A) taking reasonable actions to protect the secrecy and confidentiality of its confidential information and trade secrets by requiring all current employees, consultants, licensees, vendors and contractors to execute appropriate confidentiality agreements, (B) taking actions reasonably necessary to ensure that no trade secret that is material to the conduct of its business or that Grantor has determined in its business judgment should remain confidential falls or has fallen into the public domain, and (C) to the extent necessary or economically desirable in the operation of Grantor's business, protecting the secrecy and confidentiality of the source code of all computer software programs and applications of which it is the owner or licensee by requiring any licensee (or sublicensees) of such source code to enter into license agreements with appropriate use and non disclosure restrictions, it being understood that Grantor may maintain its customary practices of disclosing its source code; provided that customers are subject to reasonable obligations of confidentiality and reasonable restrictions governing the use of such disclosed source code.

(vi) Grantor shall enforce a policy requiring all employees, consultants and contractors that participate in the development of Intellectual Property to execute appropriate assignment agreements, pursuant to which each such employee, consultant or contractor assigns to Grantor, to the extent permitted by applicable law, all of its rights, including all Intellectual Property rights, in and to all ideas, inventions, processes, works of authority and other work products that relate to Grantor's business and that were conceived, created, authored or developed during the term of and in the course of such employee's, consultant's or contractor's employment or engagement by Grantor.

(i) Investment Related Property.

(i) Upon the occurrence of an Event of Default and following Lender's request, all sums of money and property paid or distributed in respect of the Investment Related Property

which are received by Grantor shall be held by Grantor in trust for the benefit of Lender segregated from Grantor's other property, and Grantor shall promptly (and in no event later than five Business Days of receipt thereof) deliver such property to Lender in the exact form received.

(ii) Grantor shall not make or consent to any amendment or other modification or waiver with respect to any agreement governing any company, corporation, limited liability company or partnership interests in which Grantor has any right, title or interest, or enter into any agreement or permit to exist any restriction with respect to any company, corporation, limited liability company or partnership interests in which Grantor has any right, title or interest to the extent prohibited by the Loan Documents.

(iii) Grantor agrees that it will cooperate with Lender in obtaining all necessary approvals and making all necessary filings under federal (domestic or foreign), state, provincial, local, or foreign law in connection with the security interest granted hereunder on the Investment Related Property or any sale or transfer thereof.

(iv) As to all limited liability company or partnership interests in which Grantor has an interest, Grantor hereby represents, warrants and covenants that such interests (A) are not and shall not be dealt in or traded on securities exchanges or in securities markets, (B) do not and will not constitute investment company securities, and (C) are not and will not be held by Grantor in a Securities Account. In addition, no agreement governing any limited liability company or partnership interests pledged hereunder provide or shall provide that such interests are securities governed by Article 8 of the Uniform Commercial Code as in effect in any relevant jurisdiction.

(vii) Grantor will not deliver the certificates (if any) representing any of its Investment Related Property to any Person other than Lender.

(j) Transfers and other Security Interests. Grantor shall not (i) sell, assign (by operation of law or otherwise) or otherwise dispose of, or grant any option with respect to, any of the Collateral, except as expressly permitted by the Credit Agreement, or (ii) create or permit to exist any security interest upon or with respect to any of the Collateral of Grantor, except for Permitted Encumbrances. The inclusion of Proceeds in the Collateral shall not be deemed to constitute Lender's consent to any sale or other disposition of any of the Collateral except as expressly permitted in this Agreement or the other Loan Documents.

(k) Other Actions as to Any and All Collateral. Grantor shall promptly (and in no event later than five Business Days of acquiring or obtaining such Collateral) notify Lender in writing upon (i) acquiring or otherwise obtaining any Collateral after the date hereof consisting of Investment Related Property, Chattel Paper (electronic, tangible or otherwise), Documents, promissory notes (as defined in the UCC), or instruments (as defined in the UCC), (ii) any amount in excess of \$50,000, individually or in the aggregate, payable under or in connection with any of the Collateral being or becoming evidenced after the date hereof by any Chattel Paper, Documents, promissory notes, or instruments or (iii) acquiring or otherwise obtaining any Collateral after the date hereof consisting of any Intellectual Property License, and in each such case, promptly upon the request of Lender (and in no event later than five Business Days after receiving such request) execute such other documents, or if applicable, deliver such Chattel Paper, other documents or certificates evidencing any Investment Related Property and do such other acts or things deemed necessary by Lender in its reasonable discretion to protect Lender's security interest therein.

(l) Motor Vehicles. Promptly upon the request of Lender, with respect to motor vehicles having a value, individually or in the aggregate, in excess of \$50,000 owned by Grantor, Grantor shall deliver to Lender a certificate of title for all such motor vehicles and shall cause those title certificates to be filed (with Lender's security interest noted thereon) in the appropriate state motor vehicle filing office.

(m) Further Identification of Collateral. Grantor will furnish to Lender from time to time, at Grantor's sole cost and expense, statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as Lender may reasonably request, all in reasonable detail.

(n) Changes in Names and other Information. Grantor recognizes that financing statements pertaining to the Collateral have been or may be filed by Lender where Grantor is organized. Without limitation of any other covenant herein, Grantor will not cause or permit (i) any change to be made in its legal name, jurisdiction of organization, identity, structure, state organizational number or taxpayer identification number, or (ii) any change to the identity of any warehouseman, common carrier, other third party transporter, bailee or any agent or processor in possession or control of any Collateral having a value, individually or in the aggregate, in excess of \$50,000, unless, in each case, Grantor shall have first (x) notified Lender of such change at least 15 days prior to the date of such change, and (y) taken all action reasonably requested by Lender for the purpose of maintaining the perfection and priority of Lender's security interests under this Agreement. In any notice furnished pursuant to this Section 6(n), Grantor will expressly state in a conspicuous manner that the notice is required by this Agreement and contains facts that may require additional filings of financing statements or other notices for the purposes of continuing perfection of Lender's security interest in the Collateral.

(o) Owned Real Property. To the extent otherwise permitted under the Loan Documents, if Grantor acquires a fee ownership interest in Real Property having a value, individually or in the aggregate, in excess of \$250,000 after the date of this Agreement, it shall within 30 days of such acquisition provide to Lender such documentation as Lender may reasonably request (including title insurance, surveys, appraisals and legal opinions), in form and substance satisfactory to Lender in its reasonable discretion, in order to grant and perfect a security interest for the benefit of Lender with respect to such Real Property.

(p) Leased Real Property; Consignment. If Grantor intends (which intention must be permitted under the Credit Agreement) to lease any Real Property or have any Collateral at a new location after the date hereof, it shall notify Lender and, if requested by Lender, obtain a Lien Waiver from the applicable lessor, mortgagee, warehouse operator, bailee, consignee, processor or other third party, which Lien Waiver shall be satisfactory in form and substance to Lender in its reasonable discretion. In addition to the foregoing, in no event shall Grantor consign any Collateral to any Person unless Grantor obtains a Lien Waiver from such Person.

(q) Books and Records. Grantor will keep and maintain at its own cost and expense satisfactory and complete Books of the Collateral, including a record of all payments received and all credits granted with respect to the Accounts comprising any part of the Collateral.

7. Relation to Other Security Documents. The provisions of this Agreement shall be read and construed with the other Loan Documents referred to below in the manner so indicated.

(a) Credit Agreement. In the event of any conflict between any provision in this Agreement and a provision in the Credit Agreement, such provision of the Credit Agreement shall control. For greater certainty, a provision of the Agreement and a provision of the Credit Agreement shall not be considered to be in conflict if both relate to the same subject-matter and the provision in this Agreement imposes more onerous obligations or restrictions than the corresponding provision in the Credit Agreement.

(b) Patent, Trademark, Copyright Security Agreements. The provisions of the Intellectual Property Security Agreement are supplemental to the provisions of this Agreement, and nothing contained in the Intellectual Property Security Agreement, shall limit any of the rights or remedies of Lender hereunder.

8. Further Assurances.

(a) Grantor agrees that from time to time, at its own expense, Grantor will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or that Lender may reasonably request, in order to perfect and protect the security interest granted or purported to be granted hereby or to enable Lender to exercise and enforce its rights and remedies hereunder with respect to any of the Collateral.

(b) Grantor authorizes the filing by Lender of financing or continuation statements, or amendments thereto, and Grantor will execute and deliver to Lender such other instruments or notices, as may be necessary or as Lender may reasonably request, in order to perfect and preserve the security interest granted or purported to be granted hereby.

(c) Grantor authorizes Lender at any time and from time to time to file, transmit, or communicate, as applicable, financing statements and amendments (i) describing the Collateral as "all personal property of debtor" or "all assets of debtor, whether now owned or hereafter acquired or arising and wherever located" or words of similar effect, (ii) describing the Collateral as being of equal or lesser scope or with greater detail, or (iii) that contain any information required by part 5 of Article 9 of the UCC for the sufficiency or filing office acceptance. A photocopy or other reproduction of this Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by Applicable Law. Grantor also hereby ratifies any and all financing statements or amendments previously filed by or on behalf of Lender in any jurisdiction.

(d) Grantor acknowledges that it is not authorized to file any financing statement or amendment or termination statement with respect to any financing statement filed in connection with this Agreement without the prior written consent of Lender, subject to Grantor's rights under Section 9-509(d)(2) of the UCC.

9. Lender's Right to Perform Contracts, Exercise Rights, etc.

(a) Upon the occurrence of an Event of Default, Lender (or its designee) (i) may proceed to perform any and all of the obligations of Grantor contained in any contract, lease, or other agreement and exercise any and all rights of Grantor therein contained as fully as Grantor itself could, (ii) shall have the right to use Grantor's rights under Intellectual Property Licenses in connection with the enforcement of Lender's rights hereunder, including the right to prepare for sale and sell any and all Inventory and Equipment now or hereafter owned by Grantor and now or hereafter covered by such licenses, and (iii) shall have the right to request that any Equity Securities that are pledged hereunder be registered in the name of Lender or any of its nominees.

(b) In addition to the foregoing, and provided that Lender provides reasonable notice to Grantor, Lender shall have the right at any time and from time to time to make test verifications of the Accounts, Chattel Paper and payment intangibles comprising a portion of the Collateral in any manner and through any medium that it reasonably considers advisable, and Grantor, at Grantor's sole cost and expense, shall furnish all such assistance and information as Lender may require in connection therewith.

10. Lender Appointed Attorney-in-Fact. Grantor hereby irrevocably appoints Lender its attorney-in-fact, with full authority in the place and stead of Grantor and in the name of Grantor or otherwise, at such time as an Event of Default has occurred and is continuing, to take any action and to execute any instrument which Lender may reasonably deem necessary or advisable to accomplish the purposes of this Agreement, including:

(a) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in connection with the Accounts or any other Collateral of Grantor;

(b) to receive and open all mail addressed to Grantor and to notify postal authorities to change the address for the delivery of mail to Grantor to that of Lender;

(c) to receive, indorse, and collect any drafts or other Negotiable Collateral or Chattel Paper;

(d) to file any claims or take any action or institute any proceedings which Lender may deem necessary for the collection of any of the Collateral of Grantor or otherwise to enforce the rights of Lender with respect to any of the Collateral;

(e) to repair, alter, or supply goods, if any, necessary to fulfill in whole or in part the purchase order of any Person obligated to Grantor in respect of any Account of Grantor;

(f) to use any labels, Patents, Trademarks, trade names, URLs, domain names, industrial designs, Copyrights, advertising matter or other industrial or intellectual property rights, in advertising for sale and selling Inventory and other Collateral and to collect any amounts due under Accounts, contracts or Negotiable Collateral of Grantor; and

(g) Lender shall have the right, but shall not be obligated, to bring suit in its own name to enforce the Trademarks, Patents, Copyrights and Intellectual Property Licenses and, if Lender shall commence any such suit, Grantor shall, at the request of Lender, do any and all lawful acts and execute any and all proper documents reasonably required by Lender in aid of such enforcement.

To the extent permitted by law, Grantor hereby ratifies all that such attorney-in-fact shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until this Agreement is terminated.

11. Lender May Perform. If Grantor fails to perform any agreement contained herein, Lender may itself perform, or cause performance of, such agreement, and the reasonable expenses of Lender incurred in connection therewith shall be payable by Grantor.

12. Lender's Duties. The powers conferred on Lender hereunder are solely to protect Lender's interest in the Collateral and shall not impose any duty upon Lender to exercise any such powers. Except for the safe custody of any Collateral in its actual possession and the accounting for moneys actually received by it hereunder, Lender shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral. Lender shall be deemed to have exercised reasonable care in the custody and preservation of any Collateral in its actual possession if such Collateral is accorded treatment substantially equal to that which Lender accords its own property.

13. Collection of Accounts, General Intangibles and Negotiable Collateral. At any time upon the occurrence and during the continuation of an Event of Default, Lender or Lender's designee may (a) notify Account Debtors of Grantor that the Accounts, General Intangibles, Chattel Paper or Negotiable Collateral have been assigned to Lender, or that Lender has a security interest therein, and (b) collect the Accounts, General Intangibles and Negotiable Collateral directly, and any collection costs and expenses reasonably incurred shall constitute part of the Secured Obligations.

14. Disposition of Equity Securities by Lender. None of the Equity Securities pledged hereunder existing as of the date of this Agreement are, and none of the Equity Securities hereafter pledged hereunder on the date of acquisition by Grantor thereof will be, registered or qualified under the various federal (domestic or foreign), state or provincial securities laws of the applicable jurisdiction and disposition thereof after an Event of Default may be restricted to one or more private (instead of public) sales in view of the lack of such registration. Grantor understands that in connection with such disposition, Lender may approach only a restricted number of potential purchasers and further understands that a sale under such circumstances may yield a lower price for the Equity Securities pledged hereunder than if such Equity Securities were registered and qualified pursuant to federal (domestic or foreign), state or provincial securities laws of the applicable jurisdiction and sold on the open market. Grantor, therefore, agrees that: (a) if Lender shall, pursuant to the terms of this Agreement, sell or cause such Equity Securities or any portion thereof to be sold at a private sale, Lender shall have the right to rely upon the advice and opinion of any nationally recognized brokerage or investment firm (but shall not be obligated to seek such advice and the failure to do so shall not be considered in determining the commercial reasonableness of such action) as to the best manner in which to offer such Equity Securities or any portion thereof for sale and as to the best price reasonably obtainable at the private sale thereof; and (b) such reliance shall be conclusive evidence that Lender has handled the disposition in a commercially reasonable manner.

15. Voting Rights.

(a) Upon the occurrence of an Event of Default, (i) Lender may, at its option, and with prior notice to Grantor, and in addition to all rights and remedies available to Lender under any other agreement, at law, in equity, or otherwise, exercise all voting rights, and all other ownership or consensual rights in respect of the Equity Securities pledged hereunder, but under no circumstances is Lender obligated by the terms of this Agreement to exercise such rights, and (ii) if Lender duly exercises its right to vote any of such Equity Securities, Grantor hereby appoints Lender, Grantor's true and lawful attorney-in-fact and IRREVOCABLE PROXY to vote such Equity Securities in any manner Lender deems advisable for or against all matters submitted or which may be submitted to a vote of shareholders, partners or members, as the case may be. The power-of-attorney granted hereby is coupled with an interest and shall be irrevocable.

(b) For so long as Grantor shall have the right to vote the Equity Securities pledged hereunder, Grantor covenants and agrees that it will not, without the prior written consent of Lender, vote or take any consensual action with respect to such Equity Securities that would materially adversely affect the rights of Lender, would materially adversely affect the value of such Equity Securities or be inconsistent with or result in a violation of any provision of the Credit Agreement or any other Loan Document.

16. Remedies. Upon the occurrence of an Event of Default:

(a) Lender may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein, in the other Loan Documents, or otherwise available to it, all the rights and remedies of a secured party on default under the UCC or any other Applicable Law. Without limiting the generality of the foregoing, Grantor expressly agrees that, in any such event, Lender without demand of performance or other demand, advertisement or notice of any kind (except a notice specified below of time and place of public or private sale) to or upon Grantor or any other Person (all and each of which demands, advertisements and notices are hereby expressly waived to the maximum extent permitted by the UCC or any other Applicable Law), may take immediate possession of all or any portion of the Collateral and (i) require Grantor to, and Grantor hereby agrees that it will at its own expense and upon request of Lender forthwith, assemble all or part of the Collateral as directed by Lender and make it available to Lender at one or more locations where Grantor regularly maintains Inventory, and (ii) without notice except as specified below, sell the Collateral or any part thereof in one or more parcels at public or private sale, at any of Lender's offices or elsewhere, for cash, on credit, and upon such other terms as Lender may deem

commercially reasonable. Grantor agrees that, to the extent notice of sale shall be required by law, at least 10 days' notice to Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification and specifically such notice shall constitute a reasonable "authenticated notification of disposition" within the meaning of Section 9-611 of the UCC. Lender shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. Lender may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) Lender is hereby granted a license or other right to use, without liability for royalties or any other charge, Grantor's labels, Patents, Copyrights, rights of use of any name, trade secrets, trade names, Trademarks, service marks and advertising matter, URLs, domain names, industrial designs, other industrial or intellectual property or any property of a similar nature, whether owned by Grantor or with respect to which Grantor has rights under license, sublicense, or other agreements, as it pertains to the Collateral, in preparing for sale, advertising for sale and selling any Collateral, and Grantor's rights under all licenses and all franchise agreements shall inure to the benefit of Lender.

(c) Lender may, in addition to other rights and remedies provided for herein, in the other Loan Documents, or otherwise available to it under Applicable Law and without the requirement of notice to or upon Grantor or any other Person (which notice is hereby expressly waived to the maximum extent permitted by the UCC or any other Applicable Law), (i) with respect to any of Grantor's Deposit Accounts in which Lender has a security interest, instruct the bank maintaining such Deposit Account for Grantor to pay the balance of such Deposit Account to or for the benefit of Lender, and (ii) with respect to any of Grantor's Securities Accounts or Commodity Accounts in which Lender has a security interest, instruct the securities intermediary or commodities intermediary maintaining such Securities Account or Commodity Account for Grantor to (A) transfer any cash in such Securities Account to or for the benefit of Lender, or (B) liquidate any financial assets or commodities in such Securities Account or Commodity Account that are customarily sold on a recognized market and transfer the cash proceeds thereof to or for the benefit of Lender.

(d) Any cash held by Lender as Collateral and all cash proceeds received by Lender in respect of any sale of, collection from, or other realization upon all or any part of the Collateral shall be applied against the Secured Obligations as determined by Lender. In the event the proceeds of Collateral are insufficient to satisfy all of the Secured Obligations in full, Grantor shall remain liable for any such deficiency.

(e) Grantor hereby acknowledges that the Secured Obligations arose out of a commercial transaction, and agrees that if an Event of Default shall occur Lender shall have the right to an immediate writ of possession without notice of a hearing. Lender shall have the right to the appointment of a receiver for the properties and assets of Grantor, and Grantor hereby consents to such rights and such appointment and hereby waives any objection Grantor may have thereto or the right to have a bond or other security posted by Lender.

17. Remedies Cumulative. Each right, power, and remedy of Lender as provided for in this Agreement or in the other Loan Documents or now or hereafter existing at law or in equity or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power, or remedy provided for in this Agreement or in the other Loan Documents or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by Lender, of any one or more of such rights, powers, or remedies shall not preclude the simultaneous or later exercise by Lender of any or all such other rights, powers, or remedies.

18. Marshaling. Lender shall not be required to marshal any present or future collateral security (including the Collateral) for, or other assurances of payment of, the Secured Obligations or any of them or to resort to such collateral security or other assurances of payment in any particular order, and all of its rights and remedies hereunder and in respect of such collateral security and other assurances of payment shall be cumulative and in addition to all other rights and remedies, however existing or arising. To the extent that it lawfully may, Grantor hereby agrees that it will not invoke any law relating to the marshaling of collateral which might cause delay in or impede the enforcement of Lender's rights and remedies under this Agreement or under any other instrument creating or evidencing any of the Secured Obligations or under which any of the Secured Obligations is outstanding or by which any of the Secured Obligations is secured or payment thereof is otherwise assured, and, to the extent that it lawfully may, Grantor hereby irrevocably waives the benefits of all such laws.

19. Indemnity and Expenses.

(a) Grantor agrees to indemnify Lender from and against all claims, lawsuits and liabilities (including reasonable attorneys' fees) growing out of or resulting from this Agreement (including enforcement of this Agreement) or any other Loan Document to which Grantor is a party, except claims, losses or liabilities resulting from the gross negligence or willful misconduct of the party seeking indemnification as determined by a final non-appealable order of a court of competent jurisdiction. This provision shall survive the termination of this Agreement and the Credit Agreement and the repayment of the Secured Obligations.

(b) Grantor shall, upon demand, pay to Lender (or Lender may charge to the Secured Obligations as provided in the Credit Agreement) all the costs and expenses which Lender may reasonably incur in connection with (i) the administration of this Agreement, (ii) the custody, preservation, use or operation of, or, upon an Event of Default, the sale of, collection from, or other realization upon, any of the Collateral in accordance with this Agreement and the other Loan Documents, (iii) the exercise or enforcement of any of the rights of Lender hereunder or (iv) the failure by Grantor to perform or observe any of the provisions hereof.

20. Merger, Amendments; Etc. THIS AGREEMENT, TOGETHER WITH THE OTHER LOAN DOCUMENTS, REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN AGREEMENTS BETWEEN THE PARTIES. No waiver of any provision of this Agreement, and no consent to any departure by Grantor herefrom, shall in any event be effective unless the same shall be in writing and signed by Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No amendment of any provision of this Agreement shall be effective unless the same shall be in writing and signed by Lender and Grantor.

21. Addresses for Notices. All notices and other communications provided for hereunder shall be given in the form and manner and delivered to Lender and Grantor at their respective addresses specified in the Credit Agreement.

22. Continuing Security Interest: Assignments under the Credit Agreement. This Agreement shall create a continuing security interest in the Collateral and shall (a) remain in full force and effect until the Secured Obligations have been paid in full in cash in accordance with the provisions of the Credit Agreement and any and all commitments of Lender to provide Advances and other financial accommodations to Grantor have expired or have been terminated, (b) be binding upon Grantor, and its successors and assigns, and (c) inure to the benefit of, and be enforceable by, Lender and its successors, transferees and assigns. Without limiting the generality of the foregoing clause (c), Lender may, in

accordance with the provisions of the Credit Agreement, assign or otherwise transfer all or any portion of its rights and obligations under the Credit Agreement to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to Lender herein or otherwise. Upon payment in full in cash of the Secured Obligations in accordance with the provisions of the Credit Agreement and the expiration or termination of any and all commitments of Lender to provide Advances and other financial accommodations to Grantor, the security interest granted hereby shall terminate and all rights to the Collateral shall revert to Grantor or any other Person entitled thereto. At such time, Lender will authorize the filing of appropriate termination statements to terminate such security interest. No transfer or renewal, extension, assignment, or termination of this Agreement, the Credit Agreement, any other Loan Document, or any other instrument or document executed and delivered by Grantor to Lender, nor the taking of further security, nor the retaking or re-delivery of the Collateral to Grantor by Lender, nor any other act of Lender shall release Grantor from any obligation, except a release or discharge executed in writing by Lender in accordance with the provisions of the Credit Agreement. Lender shall not by any act, delay, omission or otherwise, be deemed to have waived any of its rights or remedies hereunder, unless such waiver is in writing and signed by Lender and then only to the extent therein set forth. A waiver by Lender of any right or remedy on any occasion shall not be construed as a bar to the exercise of any such right or remedy which Lender would otherwise have had on any other occasion.

23. Governing Law; Jurisdiction; Service of Process; Waiver of Jury Trial.

(a) THE VALIDITY OF THIS AGREEMENT, THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF, AND THE RIGHTS OF THE PARTIES HERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR RELATED HERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(b) THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS AGREEMENT SHALL BE TRIED AND LITIGATED ONLY IN THE STATE OF NEW YORK AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, FEDERAL COURTS LOCATED IN NEW YORK COUNTY (BOROUGH OF MANHATTAN) IN THE STATE OF NEW YORK; PROVIDED, HOWEVER, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT LENDER'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE LENDER ELECTS TO BRING SUCH ACTION OR WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. LENDER AND GRANTOR WAIVE, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 23(b).

(c) EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS FOR THIS AGREEMENT IN THE MANNER PROVIDED FOR NOTICES IN SECTION 21. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

(d) TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, LENDER AND GRANTOR HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED THEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. LENDER AND GRANTOR REPRESENT THAT EACH HAS REVIEWED

THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT OR THIS SECTION 23(d) MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

24. Miscellaneous.

(a) Grantor agrees that the representations and warranties hereunder shall be deemed to have been made by Grantor on the date of each borrowing by Grantor under the Credit Agreement or any other Loan Document and on each date when a Compliance Certificate is to be delivered, in each case, on and as of such date as though made hereunder on and as of such date.

(b) This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same agreement. In proving this Agreement in any judicial proceedings, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom such enforcement is sought. Delivery of an executed counterpart of a signature page of this Agreement, or any certificate delivered thereunder, by fax transmission or e-mail transmission (e.g. "pdf" or "tif") or other electronic means (including electronic signature system providers such as DocuSign, Inc.) shall be effective as delivery of a manually executed counterpart of this Agreement or certificate.

(c) Any provision of this Agreement which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof in that jurisdiction or affecting the validity or enforceability of such provision in any other jurisdiction.

(d) Headings used in this Agreement are for convenience only and shall not be used in connection with the interpretation of any provision hereof.

(e) The pronouns used herein shall include, when appropriate, either gender and both singular and plural, and the grammatical construction of sentences shall conform thereto.

(f) Unless the context of this Agreement clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, the terms "includes" and "including" are not limiting, and the term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or." The words "hereof," "herein," "hereby," "hereunder," and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. Preamble, Recital, Section, clause and schedule references herein are to this Agreement unless otherwise specified. Any reference in this Agreement to any agreement, instrument, or document shall include all alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements, thereto and thereof, as applicable (subject to any restrictions on such alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements set forth herein). Any reference herein to the satisfaction, payment or repayment in full of the Secured Obligations shall mean the indefeasible repayment in full in cash of all Secured Obligations and the expiration or termination of any and all commitments of Lender to provide Advances and other financial accommodations to Grantor. Any reference herein to any Person shall be construed to include such Person's successors and assigns. Any requirement of a writing contained herein shall be satisfied by the transmission of a Record and any Record so transmitted shall constitute a representation and warranty as to the accuracy and completeness of the information contained therein.

(g) To the extent that any payments on the Secured Obligations or proceeds of any Collateral are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, debtor in possession, receiver or other Person under any bankruptcy law, common law or equitable cause, then, to such extent, the Secured Obligations so satisfied shall be revived and continue as if such payment or proceeds had not been received and Lender's security interests, rights, powers and remedies under this Agreement and any other Loan Document provided by Grantor shall continue in full force and effect. In such event, this Agreement and any other security provided by Grantor shall be automatically reinstated and Grantor shall take such action as may be reasonably requested by Lender to effect such reinstatement.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Agreement by and through their duly authorized officers, as of the day and year first above written.

GRANTOR:

AVOCOR TECHNOLOGIES USA, INC.,
a Delaware corporation

DocuSigned by:
By: Scott Hix
Name: Scott Hix
Title: CEO

LENDER:

BEDDIE INVESTMENTS LTD., a British Columbia corporation

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the undersigned parties hereto have executed this Agreement by and through their duly authorized officers, as of the day and year first above written.

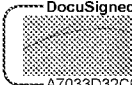
GRANTOR:

AVOCOR TECHNOLOGIES USA, INC.,
a Delaware corporation

By: _____
Name: _____
Title: _____

LENDER:

BEEIDIE INVESTMENTS LTD., a British Columbia corporation

DocuSigned by:

By: _____
Name: Ryan Beedie
Title: President

SCHEDULE 1

COMMERCIAL TORT CLAIMS

None

SCHEDULE 2

COPYRIGHTS, PATENTS AND TRADEMARKS

Copyrights: None

Patents: None

Trademarks:

Description	Registration/ Application <u>Number</u>	Country	Registration/ Application <u>Date</u>
Avocor	5415457	United States	March 6, 2018
Avocor	UK00003171818	United Kingdom	September 30, 2016
Avocor	017947300	European Union	August 12, 2018

SCHEDULE 3

GRANTOR INFORMATION

Legal name: Avocor Technologies USA, Inc.

Jurisdiction of organization: Delaware

Organizational identification number: 6071675

Chief executive office: 9375 SW Commerce Circle, STE 7A, Wilsonville, OR 97070

Primary place of business: 9375 SW Commerce Circle, STE 7A, Wilsonville, OR 97070

Location of books and records: 9375 SW Commerce Circle, STE 7A, Wilsonville, OR 97070

Prior names: None

Prior locations: None