

GENERAL SECURITY AGREEMENT (Ontario)

IN CONSIDERATION OF THE SECURED PARTY PROVIDING THE DEBTOR WITH LOANS, ADVANCES, CREDIT FACILITIES OR OTHERWISE, THE DEBTOR HEREBY AGREES AS FOLLOWS:

SECURITY INTEREST

- (a) For value received, the undersigned ("Debtor") hereby grants to [NAME OF LENDER] ("Secured Party"), a security interest ("Security Interest") in the undertaking of Debtor, and in all of Debtor's present and after acquired personal property including, without limitation, in all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and Securities now owned or hereafter owned or acquired by or on behalf of Debtor (including such as may be returned to or repossessed by Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefor (hereinafter collectively called Collateral), and including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of Debtor:
- (i) all inventory of whatever kind and wherever situate;
 - (ii) all equipment (other than Inventory) of whatever kind and wherever situate, including, without limitation, all machinery, tools,
 - (iii) apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;
 - (iv) all Accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by Debtor (Debts);
 - (v) all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
 - (vi) all contractual rights and insurance claims;
 - (vii) all patents, industrial designs, trade-marks, trade secrets and know-how, including without limitation environmental technology and biotechnology, confidential information, trade-names, goodwill, copyrights, personality rights, plant breeders' rights, integrated circuit topographies, software and all other forms of intellectual and industrial property, and any registrations and applications for registration of any of the foregoing (collectively, "Intellectual Property"); and
 - (viii) all property described in Schedule "C" or any schedule now or hereafter annexed hereto.
- (b) The Security Interest granted hereby shall not extend or apply to, and Collateral shall not include the last day of the term of any lease or agreement therefor, but upon the enforcement of the Security Interest, Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term.
- (c) The terms "Goods", "Chattel Paper", "Document of Title", "Instrument", "Intangible", "Security", "proceed", "Inventory", "accession", "Money", "Account", "financing statement" and "financing change statement" whenever used herein shall be interpreted pursuant to their respective meanings when used in The Personal Property Security Act of the Province of Ontario, as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "PPSA". Provided

always that the term "Goods" when used herein shall not include "consumer goods" of Debtor as that term is defined in the PPSA, and the term "Inventory" when used herein shall include livestock and the young thereof after conception and crops that become such within one (1) year of execution of this Security Agreement. Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof".

INDEBTEDNESS SECURED

The Security Interest granted hereby secures payment and performance of any and all obligations, indebtedness and liability of Debtor to Secured Party (including interest thereon) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof, and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, and whether Debtor be bound alone or with another or others and whether as principal or surety (hereinafter collectively called the "Indebtedness"). If the Security Interest in the Collateral is not sufficient, in the event of default, to satisfy all Indebtedness of the Debtor, the Debtor acknowledges and agrees that Debtor shall continue to be liable for any Indebtedness remaining outstanding and Secured Party shall be entitled to pursue full payment thereof.

REPRESENTATIONS AND WARRANTIES OF DEBTOR

Debtor represents and warrants and, so long as this Security Agreement remains in effect, shall be deemed to continuously represent and warrant that:

- (a) the Collateral is genuine and owned by Debtor free of all security interests, mortgages, liens, claims, charges, licences, leases, infringements by third parties, encumbrances or other adverse claims or interests (hereinafter collectively called "Encumbrances"), save for the Security Interest and those Encumbrances shown on Schedule "A" or hereafter approved in writing by Secured Party, prior to their creation or assumption;
- (b) all Intellectual Property applications and registrations are valid and in good standing, and Debtor is the owner of the applications and registrations;