

Form PTO-1595 (Rev. 06-12)
OMB No. 0651-0027 (exp. 04/30/2015)

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

RECORDATION FORM COVER SHEET**PATENTS 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)

E.E. System Corporation

Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

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

Execution Date(s) January 1, 2006

- ☐ Assignment ☐ Merger
☒ Security Agreement ☐ Change of Name
☐ Joint Research Agreement
☐ Government Interest Assignment
☐ Executive Order 9424, Confirmatory License
☐ Other _____

2. Name and address of receiving party(ies)

Name: Ronald John Seguin

Internal Address: _____

Street Address: 904 Cliveden Avenue

City: Delta

State: British Columbia

Country: Canada Zip: V3M 5R5

Additional name(s) & address(es) attached? ☐ Yes ☒ No

4. Application or patent number(s):

☐ This document serves as an Oath/Declaration (37 CFR 1.63).

A. Patent Application No.(s)

B. Patent No.(s)

09/667,621

8,041,646

Additional numbers attached? ☐ Yes ☒ No

5. Name and address to whom correspondence concerning document should be mailed:

Name: Anthony R. Lambert

Internal Address: _____

Street Address: #200, 10328-81 Avenue

City: Edmonton

State: Alberta Zip: T6E 1X2

Phone Number: 780 448 0606

Docket Number: 5226-1

Email Address: tony@lambertlaw.ca

6. Total number of applications and patents involved: 2**7. Total fee (37 CFR 1.21(h) & 3.41) \$80**

- ☐ Authorized to be charged to deposit account
☒ Enclosed
☐ None required (government interest not affecting title)

8. Payment Information

Deposit Account Number _____

Authorized User Name _____

9. Signature:

Signature

September 25, 2013

Date

Anthony R. Lambert

Name of Person Signing

Total number of pages including cover sheet, attachments, and documents:

17

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

PATENT

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GENERAL SECURITY AGREEMENT

THIS SECURITY AGREEMENT is made with effect the 1st day of January, 2006.

BETWEEN:

E.E. SYSTEM CORPORATION a company duly incorporated under the laws of the Province of British Columbia and having its registered and records office located at 111 Wallace Street, PO Box 667, Nanaimo, BC V9R 5L9

(the "Debtor")

AND:

RONALD JOHN SEGUIN, Businessman of 904 Cliveden Avenue, Delta, BC, V3M 5R5

(the "Secured Party")

1. **SECURITY INTEREST**

For consideration and as security for the payment and performance of the Obligations referred to in Clause 3 hereof, the Debtor, subject to the exceptions set out in Clause 2, hereby mortgages, charges, assigns, and transfers to the Secured Party, and grants to the Secured Party a security interest in all the Debtor's right, title, and interest in and to all presently owned or held and after acquired or held personal property, assets, and undertakings of the Debtor (other than real property), of whatever nature or kind and wheresoever situate and all proceeds thereof and therefrom (all of which is hereinafter collectively called the "Collateral") including, without limiting the generality of the foregoing:

(a) **Equipment**

all equipment including, without limiting the generality of the foregoing, machinery, tools, fixtures, furniture, furnishings, chattels, motor vehicles, vessels, and other tangible personal property that is not Inventory, and all parts, components, attachments, accessories, accessions, replacements, substitutions, additions, and improvements to any of the foregoing (all of which is hereinafter collectively called the "Equipment");

(b) **Inventory**

all inventory including, without limiting the generality of the foregoing, goods acquired or held for sale or lease or furnished or to be furnished under contracts of rental or service, all raw materials, work in process, finished goods, returned goods, repossessed goods, and all packaging materials, supplies, and containers relating to or used or consumed in connection with any of the foregoing (all of which is hereinafter collectively called the "Inventory");

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(c) Accounts

all debts, accounts, claims, monies, and choses in action which now are, or which may at any time hereafter be, due or owing to or owned by the Debtor and all books, records, documents, papers, and electronically recorded data recording, evidencing or relating to the said debts, accounts, claims, monies and choses in action or any part thereof (all of which is hereinafter collectively called the "Accounts");

(d) Other Personal Property

all documents of title, chattel paper, instruments, securities, and money, and all other goods of the Debtor that are not Equipment, Inventory or Accounts;

(e) Intangibles

all contractual rights, licenses, goodwill, patents, trademarks, trade names, copyrights, and other intellectual property of the Debtor of every kind which now are, or which may at any time hereafter be, due or owing to or owned by the Debtor, and all other intangible property of the Debtor which is not Accounts, chattel paper, instruments, documents of title, securities, or money;

(f) Specific Property

all of the property of the Debtor described in Schedule "A" hereto, if any.

2. EXCEPTIONS

2.1 The last 10 days of the term created by any lease or agreement therefor are hereby excepted out of any charge or security interest created by this Security Agreement but the Debtor shall stand possessed of the reversion thereby remaining upon trust to assign and dispose thereof to any third party as the Secured Party shall direct.

2.2 There shall be excluded from the security interests hereby created any consumer goods of the Debtor.

3. OBLIGATIONS SECURED

This Security Agreement and the security interests hereby created are in addition to and not in substitution for any other security interest now or hereafter held by the Secured Party from the Debtor or from any other person whomsoever and shall be general and continuing security for the payment of all indebtedness and liability of the Debtor to the Secured Party (including interest thereon), present and future, absolute or contingent, joint or several, direct or indirect, matured or not, extended or renewed, wheresoever and howsoever incurred, and any ultimate balance thereof, including all future advances and re-advances, and for the performance of all obligations of the Debtor to the Secured Party, whether or not contained in this Security Agreement (all of which indebtedness, liability, and obligations are hereinafter collectively called the "Obligations").

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4. PROHIBITIONS

Without the prior written consent of the Secured Party, the Debtor shall not have power to:

- (a) create or permit to exist any security interest in, charge, encumbrance or lien over, or claim against any of its property, assets, or undertakings which rank or could in any event rank in priority to or pari passu with any security interest created by this Security Agreement, or
- (b) grant, sell, or otherwise assign its chattel paper.

5. ATTACHMENT

The Debtor acknowledges that the security interests hereby created attach upon the execution of this Security Agreement (or in the case of any after acquired property, upon the date of acquisition thereof), that value has been given, and that the Debtor has, or in the case of after acquired property will have, rights in the Collateral.

6. REPRESENTATIONS AND WARRANTIES

6.1 The Debtor, if a company or a partnership, represents and warrants that this Security Agreement is granted in accordance with resolutions of the directors (and of the shareholders as applicable) or of the partners, as the case may be, of the Debtor and all other matters and things have been done and performed so as to authorize and make the execution and delivery of this Security Agreement, and the performance of the Debtor's obligations hereunder, legal, valid, and binding.

6.2 The Debtor represents and warrants that the Debtor lawfully owns and possesses all presently held Collateral and has good title thereto, free from all security interests, charges, encumbrances, liens, and claims, save only the charges or security interests, if any, shown in the Schedule hereto and those consented to in writing by the Secured Party, and the Debtor has good right and lawful authority to grant a security interest in the Collateral as provided by this Security Agreement.

7. COVENANTS OF THE DEBTOR

7.1 The Debtor covenants that at all times while this Security Agreement remains in effect the Debtor will:

- (a) defend the title to the Collateral for the benefit of the Secured Party against the claims and demands of all persons;
- (b) fully and effectually maintain and keep maintained the security interests hereby created valid and effective;
- (c) maintain insurance on the Collateral with an insurer, of kinds, for amounts and payable to such person or persons, all as the Secured Party may require;
- (d) maintain the Collateral in good order and repair;

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- (e) forthwith pay:
- (i) all taxes, assessments, rates, duties, levies, government fees, claims and dues lawfully levied, assessed or imposed upon it or the Collateral when due, unless the Debtor shall in good faith contest its obligations so to pay and shall furnish such security as the Secured Party may require; and
 - (ii) all security interests, charges, encumbrances, liens, and claims which rank or could in any event rank in priority to any security interest created by this Security Agreement, other than the charges or security interests, if any, shown in the Schedule hereto and those consented to in writing by the Secured Party;
- (f) forthwith pay all costs, charges, expenses, and legal fees and disbursements (on a solicitor and his own client basis) which may be incurred by the Secured Party in:
- (i) inspecting the Collateral;
 - (ii) negotiating, preparing, perfecting, and registering this Security Agreement and other documents, whether or not relating to this Security Agreement;
 - (iii) investigating title to the Collateral;
 - (iv) taking, recovering, keeping possession of and insuring the Collateral; and
 - (v) all other actions and proceedings taken in connection with the preservation of the Collateral and the enforcement of this Security Agreement and of any other security interest held by the Secured Party as security for the Obligations;
- (g) at the Secured Party's request at any time and from time to time execute and deliver such further and other documents and instruments and do all acts and things as the Secured Party in its absolute discretion requires in order to confirm and perfect, and maintain perfection of, the security interests and charges hereby created in favour of the Secured Party upon any of the Collateral;
- (h) notify the Secured Party promptly of:
- (i) any change in the information contained herein relating to the Debtor, its address, its business or the Collateral;
 - (ii) the details of any material acquisition of the Collateral;
 - (iii) any material loss or damage to the Collateral;
 - (iv) any material default by any account debtor in payment or other performance of his obligations to the Debtor with respect to any Accounts; and
 - (v) the return to or repossession by the Debtor of the Collateral where such return or repossession of the Collateral is material in relation to the business of the Debtor;

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- (i) prevent the Collateral, other than Inventory sold, leased, or otherwise disposed of as permitted hereby, from being or becoming an accession to other property not covered by this Security Agreement;
- (j) permit the Secured Party and its representatives, at all reasonable times, access to all its property, assets and undertakings and to all its books of account and records for the purpose of inspection and render all assistance necessary for such inspection; and
- (k) deliver to the Secured Party from time to time promptly upon request:
 - (i) any documents of title, instruments, securities, and chattel paper constituting, representing or relating to Collateral;
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral for the purpose of inspecting, auditing or copying the same;
 - (iii) all financial statements prepared by or for the Debtor regarding the Debtor's business;
 - (iv) all policies and certificates of insurance relating to the Collateral; and
 - (v) such information concerning the Collateral, the Debtor, and the Debtor's business and affairs as the Secured Party may require.

7.2 The Debtor, if a company, covenants that at all times while this Security Agreement remains in effect, without the prior written consent of the Secured Party, it will not:

- (a) declare or pay any dividends;
- (b) purchase or redeem any of its shares or otherwise reduce its share capital;
- (c) become guarantor of any obligation;
- (d) become an endorser in respect of any obligation or otherwise become liable upon any note or other obligation other than bills of exchange deposited to the bank account of the Debtor.

8. PERFORMANCE OF OBLIGATIONS

If the Debtor fails to perform its Obligations hereunder, the Secured Party may, but shall not be obliged to, perform any or all of such Obligations without prejudice to any other rights and remedies of the Secured Party hereunder, and any payments made and any costs, charges, expenses, and legal fees and disbursements (on a solicitor and his own client basis) incurred in connection therewith shall be payable by the Debtor to the Secured Party forthwith with interest until paid at the highest rate borne by any of the Obligations and such amounts shall be a charge upon and security interest in the Collateral in favour of the Secured Party prior to all claims subsequent to this Security Agreement.

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9. RESTRICTIONS ON SALE OR DISPOSAL OF COLLATERAL

9.1 Except as herein provided, without the prior written consent of the Secured Party, the Debtor will not:

- (a) sell, lease or otherwise dispose of the Collateral;
- (b) release, surrender, or abandon possession of the Collateral; or
- (c) move or transfer the Collateral from its present location.

9.2 Provided that the Debtor is not in default under this Security Agreement, at any time without the consent of the Secured Party the Debtor may lease, sell, license, consign or otherwise deal with items of Inventory in the ordinary course of its business and for the purposes of carrying on its business.

10. DEFAULT

The Debtor shall be in default under this Security Agreement, unless waived by the Secured Party, in any of the following events:

- (a) the Debtor makes default in payment when due of any indebtedness or liability of the Debtor to the Secured Party; or
- (b) the Debtor is in breach of any term, condition, obligation or covenant to the Secured Party, or any representation or warranty to the Secured Party is untrue, whether or not contained in this Security Agreement; or
- (c) the Debtor makes an assignment for the benefit of its creditors, is declared bankrupt, makes a proposal or otherwise takes advantage of provisions for relief under the *Bankruptcy Act*, the *Companies Creditors' Arrangement Act*, or similar legislation in any jurisdiction, or makes an authorized assignment; or
- (d) a receiver, receiver and manager, or receiver-manager of all or any part of the Collateral is appointed; or
- (e) an order of execution against the Collateral or any part thereof remains unsatisfied for a period of 10 days; or
- (f) without the prior written consent of the Secured Party, the Debtor creates or permits to exist any charge, encumbrance or lien on or claim against or any security interest in, any of the Collateral which ranks or could in any event rank in priority to or pari passu with any security interest or charge created by this Security Agreement; or
- (g) the holder of any other charge, encumbrance or lien on or claim against, or security interest in, any of the collateral does anything to enforce or realize on such charge, encumbrance, lien, claim or security interest; or
- (h) if the Debtor is a company or a partnership, an order is made or an effective resolution is passed for

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winding up the Debtor; or

- (i) the Debtor, if a company, enters into any reconstruction, reorganization, amalgamation, merger or other similar arrangement with any other person; or
- (j) the Debtor, if an individual, dies or is declared incompetent by a court of competent jurisdiction;
- (k) the Secured Party in good faith believes and has commercially reasonable grounds to believe that the prospect of payment or performance of any of the Obligations is impaired or that any of the Collateral is or is about to be placed in jeopardy; or
- (l) if any person, company, partnership or other legal entity which is liable to pay or is in breach of any term, condition, obligation or covenant hereunder or makes a default in payment when due of any of its obligations or liabilities to the Secured Party, or any other party.

11. ENFORCEMENT

11.1 Upon any default under this Security Agreement the Secured Party may declare any or all of the Obligations not payable on demand to become immediately due and payable and the security hereby constituted will immediately become enforceable. To enforce and realize on the security constituted by this Security Agreement the Secured Party may take any action permitted by law or in equity, as it may deem expedient, and in particular without limiting the generality of the foregoing, the Secured Party may do any of the following:

- (a) appoint by instrument a receiver, receiver and manager or receiver-manager (the person so appointed is hereinafter called the "Receiver") of the Collateral, with or without bond as the Secured Party may determine, and from time to time in its absolute discretion remove such Receiver and appoint another in its stead;
- (b) enter upon any premises of the Debtor and take possession of the Collateral with power to exclude the Debtor, its agents and its servants therefrom, without becoming liable as a mortgagee in possession;
- (c) preserve, protect, and maintain the Collateral and make such replacements thereof and repairs and additions thereto as the Secured Party may deem advisable;
- (d) sell, lease or otherwise dispose of all or any part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to the Secured Party may seem reasonable, provided that if any sale is on credit the Debtor will not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies therefor are actually received; and
- (e) exercise all of the rights and remedies of a secured party under the Act.

11.2 A Receiver appointed pursuant to this Security Agreement shall be the agent of the Debtor and not of the Secured Party and, to the extent permitted by law or to such lesser extent permitted by its appointment, shall have all the powers of the Secured Party hereunder, and in addition shall have power to carry on the business of the Debtor and for such purpose from time to time to borrow money either secured or unsecured,

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and if secured by a security interest on any of the Collateral; such security interest may rank before or pari passu with or behind any security interest created by this Security Agreement, and if it does not so specify, such security interest shall rank before the security interests created by this Security Agreement.

11.3 Subject to the claims, if any, of the creditors of the Debtor ranking in priority to this Security Agreement, all amounts realized from the disposition of Collateral pursuant to this Security Agreement will be applied as the Secured Party, in its absolute discretion, may direct as follows:

- (a) in payment of all costs, charges, and expenses (including legal fees and disbursements on a solicitor and his own client basis) incurred by the Secured Party in connection with or incidental to:
 - (i) the exercise by the Secured Party of all or any of the powers granted to it pursuant to this Security Agreement; and
 - (ii) the appointment of the Receiver and the exercise by the Receiver of all or any of the powers granted to it pursuant to this Security Agreement, including the Receiver's reasonable remuneration, and all outgoings properly payable by the Receiver;
- (b) in or toward payment to the Secured Party of all principal and other monies (except interest) due in respect of the Obligations;
- (c) in or toward payment to the Secured Party of all interest remaining unpaid in respect of the Obligations.

Subject to applicable law and the claims, if any, of other creditors of the Debtor, any surplus will be paid to the Debtor.

12. DEFICIENCY

If the amounts realized from the disposition of the Collateral are not sufficient to pay the Obligations in full, the Debtor will immediately pay to the Secured Party the amount of such deficiency.

13. RIGHTS CUMULATIVE

All rights and remedies of the Secured Party set out in this Security Agreement are cumulative and no right or remedy contained herein is intended to be exclusive but each will be in addition to every other right or remedy contained herein or in any existing or future security agreement or now or hereafter existing at law, in equity or by statute, or pursuant to any other agreement between the Debtor and the Secured Party that may be in effect from time to time.

14. LIABILITY OF SECURED PARTY

The Secured Party shall not be responsible or liable for any debts contracted by it, for damages to persons or property or for salaries or non-fulfilment of contracts during any period when the Secured Party shall manage the Collateral upon entry, as herein provided, nor shall the Secured Party be liable to account as mortgagee in

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possession or for anything except actual receipts or be liable for any loss on realization or for any default or omission for which a mortgagee in possession may be liable. The Secured Party shall not be bound to do, observe or perform, or to see to the observance or performance by the Debtor of any obligations or covenants imposed upon the Debtor nor shall the Secured Party, in the case of securities, instruments or chattel paper, be obliged to preserve rights against other persons, nor shall the Secured Party be obliged to keep any of the Collateral identifiable. The Debtor hereby waives any applicable provision of law permitted to be waived by it which imposes higher or greater obligations upon the Secured Party than aforesaid.

15. APPOINTMENT OF ATTORNEY

The Debtor hereby irrevocably appoints the Secured Party or the Receiver, as the case may be, with full power of substitution, to be the attorney of the Debtor for and in the name of the Debtor to sign, endorse, or execute under seal or otherwise any deeds, documents, transfers, cheques, instruments, demands, assignments, assurances, or consents that the Debtor is obliged to sign, endorse, or execute and generally to use the name of the Debtor and to do all things as may be necessary or incidental to the exercise of all or any of the powers conferred on the Secured Party or the Receiver, as the case may be, pursuant to this Security Agreement.

16. ACCOUNTS

Notwithstanding any other provision of this Security Agreement, the Secured Party may collect, realize, sell or otherwise deal with the Accounts or any part thereof in such manner, upon such terms and conditions, and at such time or times, whether before or after default, as may seem to it advisable, and without notice to the Debtor, except in the case of disposition after default and then subject to the provisions of Part V of the Act. All monies or other forms of payment received by the Debtor in payment of any Account will be received and held by the Debtor in trust for the Secured Party.

17. APPROPRIATION OF PAYMENTS

Any and all payments made in respect of the Obligations from time to time and monies realized from any security interests held thereto (including monies collected in accordance with or realized on any enforcement of this Security Agreement) may be applied to such part or parts of the Obligations as the Secured Party may see fit, and the Secured Party may at all times and from time to time change any appropriation as the Secured Party may see fit.

18. LIABILITY TO ADVANCE

None of the preparation, execution, perfection, and registration of this Security Agreement or the advance of any monies shall bind the Secured Party to make any advance or loan or further advance or loan, or renew any note or extend any time for payment of any indebtedness or liability of the Debtor to the Secured Party.

19. SECURITY EFFECTIVE NOTWITHSTANDING DATE OF ADVANCE

The lien created under this Agreement shall be effective and the undertakings in this Agreement in respect

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thereto shall be continuing, whether the loan or any part thereof shall be advanced before or after or at the same time as the creation of any such liens or before or after or upon the date of execution of this Agreement.

20. FURTHER ASSURANCES - SECURITY

The Debtor shall execute and deliver to the Secured Party such other, additional or supplemental security agreements, instruments and financing statements as the Secured Party may at any time or from time to time hereafter reasonably request, in each case in form and substance satisfactory to the Secured Party.

21. WAIVER

The Secured Party may from time to time and at any time, waive in whole or in part any right, benefit or default under any clause of this Security Agreement, but any such waiver of any right, benefit or default on any occasion shall be deemed not to be a waiver of any such right, benefit or default hereafter, or of any other right, benefit or default, as the case may be.

22. NOTICE

Notice may be given to either party by sending it through the post in prepaid mail or delivered to the party for whom it is intended, at the principal address of such party provided herein or at such other address as may be given in writing by such party to the other, and any notice if posted shall be deemed to have been given at the expiration of three business days after posting and if delivered, on delivery.

23. EXTENSIONS

The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of security interests, and otherwise deal with the Debtor, account debtors of the Debtor, sureties and others and with the Collateral and other security interests as the Secured Party may see fit without prejudice to the liability of the Debtor or the Secured Party's right to hold and realize on the security constituted by this Security Agreement.

24. NO MERGER

This Security Agreement shall not operate so as to create any merger or discharge of any of the Obligations, or any assignment, transfer, guarantee, lien, contract, promissory note, bill of exchange or security interest of any form held or which may hereafter be held by the Secured Party from the Debtor or from any other person whomsoever. The taking of a judgment with respect to any of the Obligations will not operate as a merger of any of the covenants contained in this Security Agreement.

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25. ASSIGNMENT

The Secured Party may, without further notice to the Debtor, at any time assign, transfer, or grant a security interest in this Security Agreement and the security interests granted hereby. The Debtor expressly agrees that the assignee, transferee or secured party, as the case may be, shall have all of the Secured Party's rights and remedies under this Security Agreement and the Debtor will not assert any defense, counterclaim, right of set-off or otherwise any claim which it now has or hereafter acquires against the Secured Party in any action commenced by such assignee, transferee, or secured party, as the case may be, and will pay the Obligations to the assignee, transferee, or secured party, as the case may be, as the Obligations become due.

26. SATISFACTION AND DISCHARGE

Any partial payment or satisfaction of the Obligations, or any ceasing by the Debtor to be indebted to the Secured Party, shall be deemed not to be a redemption or discharge of this Security Agreement. The Debtor shall be entitled to a release and discharge of this Security Agreement upon full payment and satisfaction of all Obligations and upon written request by the Debtor and payment to the Secured Party of all costs, charges, expenses, and legal fees and disbursements (on a solicitor and his own client basis) incurred by the Secured Party in connection with the Obligations and such release and discharge.

27. ENUREMENT

This Security Agreement shall enure to the benefit of the Secured Party and its successors and assigns, and shall be binding upon the respective heirs, executors, personal representatives, successors and permitted assigns of the Debtor.

28. INTERPRETATION**28.1 In this Security Agreement:**

- (a) "Collateral" has the meaning set out in Clause 1 hereof and any reference to Collateral shall, unless the context otherwise requires, be deemed a reference to Collateral as a whole or any part thereof;
- (b) "Debtor" and the personal pronoun "it" or "its" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used depending upon whether the Debtor is one or more individuals, corporations, or partnerships and, if more than one, shall apply and be binding upon each of them severally;
- (c) "the Act" means the *Personal Property Security Act* of British Columbia and all regulations thereunder as amended from time to time.

28.2 Words and expressions used herein that have been defined in the Act shall be interpreted in accordance with their respective meanings given in the Act unless otherwise defined herein or unless the context otherwise requires.

28.3 The invalidity or unenforceability of the whole or any part of any clause of this Security Agreement

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shall not affect the validity or enforceability of any other clause or the remainder of such clause.

28.4 The headings of the clauses of this Security Agreement have been inserted for reference only and do not define, limit, alter or enlarge the meaning of any provision of this Security Agreement.

28.5 This Security Agreement shall be governed by the laws of British Columbia.

29. COPY OF AGREEMENT AND FINANCING STATEMENT

The Debtor hereby:

- (a) acknowledges receiving a copy of this Security Agreement, and
- (b) waives all rights to receive from the Secured Party a copy of any financing statement, financing change statement, or verification statement filed at any time in respect of this Security Agreement.

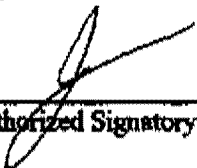
30. FAX AND COUNTERPART

This Security Agreement may be executed in any number of counterparts or by facsimile, each of which shall together, for all purposes, constitute one and the same instrument, binding on the Parties, and each of which shall together be deemed to be an original, notwithstanding that all of the Parties are not signatory to the same counterpart or facsimile.

IN WITNESS WHEREOF the Debtor has executed this Security Agreement made with effect the 1st day of January, 2006.

E.E. SYSTEM CORPORATION

Per:



Authorized Signatory

05/31/06 WED 12:28 FAX 16045405523

ENGLISH BAY

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SIGNED, SEALED AND DELIVERED by)
RONALD JOHN SEGUIN in the presence of:)

RONALD J. SEGUIN
Name
907 CLIVEDEN AVE
Address
DELTA, B.C. V3M 5A5
BUSINESS MAN
Occupation


RONALD JOHN SEGUIN

Principal address of Debtor:

111 Wallace Street
PO Box 667
Nanaimo, BC
V9R 5L9

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Schedule "A"

1. **United States patent application number 09/667621
Online Electronic Transaction and Funds Transfer Method and System**
2. **United States provisional patent application number 600/690488
Method and System for Real Time Online Debit Transactions**