

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
AirIQ Marine, Inc.		04/25/2005	CORPORATION: DELAWARE

RECEIVING PARTY DATA

Name:	Royal Bank of Canada
Street Address:	200 Bay Street, 4th Floor
Internal Address:	Royal Bank Plaza, South Tower
City:	Toronto, Ontario M5J 2W7
State/Country:	CANADA
Entity Type:	CORPORATION: CANADA

PROPERTY NUMBERS Total: 5

Property Type	Number	Word Mark
Registration Number:	2341173	BOATRACS
Registration Number:	2408052	BOATRACS
Registration Number:	2326811	BOATRACS
Registration Number:	2292931	BOATMAIL
Registration Number:	2263381	BOATCOMM

CORRESPONDENCE DATA

Fax Number: (215)965-1210
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: (215) 965-1200
 Email: dballantyne@akingump.com
 Correspondent Name: Jordan A. LaVine
 Address Line 1: 2005 Market Street
 Address Line 2: One Commerce Sq.
 Address Line 4: Philadelphia, PENNSYLVANIA 19103-7013

DOMESTIC REPRESENTATIVE

900026041

**TRADEMARK
 REEL: 003098 FRAME: 0395**

CH \$140.00 2341173

Name:
Address Line 1:
Address Line 2:
Address Line 3:
Address Line 4:

NAME OF SUBMITTER:	Jordan A. LaVine
Signature:	/Jordan A. LaVine/
Date:	06/07/2005

Total Attachments: 9

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GENERAL SECURITY AGREEMENT

THIS GENERAL SECURITY AGREEMENT (this "**Agreement**") is entered into as of May 2, 2005, by AirIQ Marine, Inc., a Delaware corporation ("**Grantor**"), and Royal Bank of Canada (the "**Bank**").

RECITALS

WHEREAS, Grantor is now an indirect, wholly owned subsidiary of AirIQ Inc., a corporation incorporated under the laws of Canada (the "**Borrower**");

WHEREAS, the Bank has agreed to make certain credit facilities available to the Borrower upon the terms and conditions contained in a credit agreement between the Borrower and the Bank, dated as of April 25, 2005 (such credit agreement as it may at any time or from time to time hereafter be amended, supplemented, restated or replaced, the "**Credit Agreement**");

WHEREAS, Grantor has guaranteed the Borrower's obligations under the Credit Agreement pursuant to a guarantee, dated as of the date hereof, made by Grantor to and in favor of the Bank (such guarantee as it may at any time or from time to time hereafter be amended, supplemented, restated or replaced, the "**Guarantee**");

WHEREAS, Grantor has agreed to execute and deliver this Agreement and that certain Securities Pledge Agreement, dated as of the date hereof (the "**Securities Pledge Agreement**"), to and in favor of the Bank as security for the payment and performance of Grantor's Obligations (as defined below); and

WHEREAS, Grantor has agreed to grant to the Bank a perfected security interest in all of Grantor's personal and fixture property of every kind and nature, now or hereafter acquired, on the terms and subject to the conditions hereinafter set forth.

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the parties hereto, intending to be legally bound, agree as follows:

1. Certain Definitions; Currency. Capitalized terms used but not defined in this Agreement have the meanings ascribed to them in the Credit Agreement. As used in this Agreement, "**Code**" means the Uniform Commercial Code as in effect from time to time in the State of Delaware and all references herein to the Code shall include all successor provisions under any subsequent version or amendment to any Article of the Code. Terms such as "**accounts**," "**security interest**," "**general intangibles**," "**chattel paper**," "**instruments**," and the like which are not otherwise defined in this Agreement have the meanings ascribed to them in the Code. References to sums of money herein are to Canadian dollars, unless otherwise specified.

2. Grant of Security Interest. Grantor hereby assigns and grants to the Bank, to secure the due and timely payment and performance of the Obligations (as defined below), whether now existing or hereafter arising, a first priority perfected security interest in all of Grantor's right, title and interest, whether now existing or hereafter arising, in and to the Collateral (as defined below).

3. Collateral. The "**Collateral**" consists of all of Grantor's personal and fixture property of every kind and nature, now or hereafter acquired, including, without limitation, all of Grantor's right, title and interest in the following:

(a) All accounts (whether or not earned by performance), letters of credit, letter of credit rights, rents, license fees, contract rights, chattel paper (including tangible chattel paper and electronic chattel paper), instruments (including promissory notes), documents, supporting obligations and all other forms of obligations at any time owing to Grantor, all guaranties and other security therefor, all merchandise returned to or repossessed by Grantor, and all rights of stoppage in transit and all other rights or remedies of an unpaid vendor, lienor or secured party;

(b) Any demand, time, savings, passbook or similar account now or hereafter maintained by or for the benefit of Grantor with a bank and all amounts therein, whether or not restricted or designated for a particular purpose (collectively, "**Deposit Accounts**");

(c) Any and all goods, supplies, wares, merchandise, and other tangible personal property, including raw materials, work in process, materials consumed in Grantor's business, supplies and components, goods in transit and finished goods (and further including software embedded in such goods and other property), whether leased by Grantor as lessor, held for sale or lease or to be furnished under any contract for service or so leased or furnished, and also including products of and accessions to inventory, packing and shipping materials, and all documents of title, warehouse receipts and other documents, whether negotiable or nonnegotiable, representing any of the foregoing (collectively, the "**Inventory**");

(d) All of Grantor's securities (other than those securities pledged pursuant to the Securities Pledge Agreement), whether certificated or uncertificated, security entitlements, securities accounts, commodity contracts, or commodity accounts presently existing or hereafter acquired (collectively, "**Investment Property**");

(e) All equipment, fixtures, machinery, machine tools, office equipment, furniture, computer equipment, furnishings, motor vehicles, goods, all attachments, accessories, accessions, parts, replacements, substitutions, additions and improvements thereto, and all supplies used or to be used in connection therewith, including, without limitation, each of the items of equipment set forth on any schedule of equipment that is either now or in the future delivered by Grantor to the Bank and incorporated herein by reference (collectively, the "**Equipment**");

(f) All general intangibles of Grantor, whether now owned or hereafter created or acquired by Grantor, including, without limitation, payment intangibles, all choses in

action, causes of action, corporate or other business records, software, discs, inventions, designs, drawings, blueprints, patents, patent applications, trademarks and the goodwill of the business symbolized thereby, names, trade names, trade secrets, goodwill, copyrights, registrations, licenses, franchises, customer lists, security and other deposits, rights in all litigation presently or hereafter pending for any cause or claim (whether in contract, non-commercial tort or otherwise), and all judgments now or hereafter arising therefrom, rights to purchase or sell real or personal property, rights as a licensor or licensee of any kind, royalties, telephone numbers, proprietary information, purchase orders, and all insurance policies and claims (including without limitation life insurance, key man insurance, credit insurance, liability insurance, property insurance and other insurance), tax refunds and claims, tapes and tape files, claims under guaranties, security interests or other security held by or granted to Grantor, all rights to indemnification and all other intangible property of every kind and nature (other than receivables) (collectively, "**General Intangibles**");

(g) All notes, drafts, instruments, documents, money, advices of credit or other property owned by Grantor or in which Grantor has an interest that now or hereafter are at any time in the possession or control of the Bank or in transit by mail or carrier to or in the possession of any third party acting on behalf of the Bank, without regard to whether the Bank received the same in pledge, for safekeeping, as agent for collection or transmission or otherwise, or whether the Bank had conditionally released the same (collectively, "**Instruments**");

(h) All commercial tort claims;

(i) All replacements, modifications and accessions to and products of, the foregoing, wherever located;

(j) All proceeds (including all insurance proceeds) of the foregoing; and

(k) All books, correspondence, records and other documents relating to the above-described property.

As used in this Agreement, the term "**proceeds**" includes:

(a) Whatever is acquired upon the sale, lease, license, exchange, or other disposition of Collateral;

(b) Whatever is collected on, or distributed on account of, Collateral;

(c) Rights arising out of Collateral;

(d) To the extent of the value of Collateral, claims arising out of the loss, nonconformity, or interference with the use of, defects or infringement of rights in, or damage to, the Collateral; and

(e) To the extent of the value of Collateral and to the extent payable to Grantor or the Bank, insurance payable by reason of the loss or nonconformity of, defects or infringement of rights in, or damage to, the Collateral.

4. Obligations Secured.

(a) The security interest in the Collateral granted hereby (the “**Security Interest**”) secures the payment and performance of all debts, liabilities and obligations of the Grantor to the Bank pursuant to or in connection with the Guarantee and each of the other Credit Documents to which it is a party (collectively, and together with the expenses, costs and charges set out in Section 4(b), the “**Obligations**”).

(b) All reasonable expenses, costs and charges incurred by or on behalf of the Bank in connection with this Agreement, the Security Interest or the realization of the Collateral, including all legal fees, court costs, receiver’s or agent’s remuneration and other expenses of, or of taking or defending any action in connection with, taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling, transferring, delivering or obtaining payment of the Collateral or other lawful exercises of the powers conferred by the Guarantee and the other Credit Documents shall be added to and form a part of the Obligations.

5. Perfection and Priority. Grantor represents and warrants and covenants that the Bank now has, and will continue to have, a first priority perfected and enforceable security interest in all of the Collateral, subject only to the Permitted Liens, and Grantor will at all times defend the Bank and the Collateral against all claims of others and do all acts reasonably necessary or desirable to create, maintain, and perfect the Bank’s first priority security interest in the Collateral. Without limiting the foregoing, Grantor represents, warrants and covenants that:

(a) Grantor hereby authorizes the Bank to file, or record, as the case may be, without Grantor’s signature, one or more financing statements with respect to the Collateral. Grantor agrees that a carbon, photographic, photostatic or other reproduction of this Agreement or of a financing statement is sufficient as a financing statement. Grantor approves, authorizes and ratifies any filings or recordings made by or on behalf of the Bank in connection with the perfection and continuation of the Bank’s security interest with respect to the Collateral.

(b) Grantor will execute, deliver, file or record, as appropriate, any financing statements and other writings reasonably necessary to perfect, maintain and protect the Bank’s first priority security interest in the Collateral and will deliver promptly to the Bank all originals of Collateral or proceeds consisting of chattel paper or instruments, if any. Grantor hereby appoints the Bank as Grantor’s attorney-in-fact (which appointment is coupled with an interest) to execute, deliver, file or record, as appropriate, in Grantor’s name, any financing statements and other writings reasonably necessary to perfect, maintain and protect the Bank’s first priority security interest in the Collateral

(c) Grantor acknowledges and agrees that it is not authorized to, and will not file financing statements or other filing or recording documents with respect to the Collateral and the Bank’s security interest in the Collateral (including any amendments thereto, or continuation

or termination statements thereof), without the express prior written approval of the Bank, consenting to the form and substance of such financing statement or other filing or recording documents.

(d) In the event that any Collateral is in the possession of a third party, Grantor will join with the Bank in notifying such third party of the Bank's security interest and obtaining an acknowledgement from such third party that it is holding such Collateral for the benefit of the Bank.

(e) If requested by the Bank, Grantor will cooperate with the Bank in obtaining a control agreement in form and substance reasonably satisfactory to the Bank with respect to all Deposit Accounts (other than those maintained with the Bank), Investment Property, letter-of-credit rights, and electronic chattel paper.

(f) As used in this Agreement, "**Permitted Liens**" has the same meaning ascribed to it in the Credit Agreement.

6. Covenants of Grantor. Grantor agrees to comply with the covenants contained in Sections 17 and 18 of the Credit Agreement as if such covenants were made by Grantor.

7. Events of Default. An "**Event of Default**" shall be deemed to have occurred under this Agreement if any of the Events of Default set forth in Section 20 of the Credit Agreement shall have occurred.

8. Remedies.

(a) Upon the occurrence of an Event of Default, the Bank may:

(i) At the Bank's option declare all Obligations immediately due and payable;

(ii) Exercise with respect to the Collateral all of the remedies of a secured party under the Code (including any right to recover any deficiency from Grantor); and

(iii) Exercise any and all remedies available under law or in equity.

Without limiting the foregoing, the Bank may:

(I) Notify any person obligated on Collateral (an "**Obligor**") to make payment or otherwise render performance directly to the Bank, enforce and exercise the rights of Grantor with respect to the obligations of any Obligor, settle or adjust disputes and claims directly with any Obligor on such terms as the Bank reasonably determines;

(II) Make any payment or do any act the Bank, deems reasonably necessary or desirable to protect the Collateral and the Bank's interest therein (*provided*, that the Bank has no obligation to make any such payment or do any such act);

(III) Require Grantor to assemble the Collateral and make it available to the Bank at a place designated by the Bank; and

(IV) Store, finish, maintain, repair, ship, reclaim, recover, prepare for sale and sell the Collateral, in one or more public or private sales, at wholesale or at retail.

(b) No delay or omission to exercise any right or remedy of the Bank upon a default by Grantor will waive any right or remedy of the Bank or be construed as a waiver of any similar default that occurs later. Grantor waives any right to require the Bank to proceed against any other person or to exhaust any Collateral or to pursue any other remedy in the Bank's power.

(c) Grantor hereby irrevocably appoints the Bank as Grantor's attorney-in-fact (which appointment is coupled with an interest and irrevocable until the Obligations are indefeasibly paid in full) to do any of the following after the occurrence of an Event of Default or any event which, with the giving of notice or passage of time, would constitute an Event of Default: (i) endorse Grantor's name on any checks or other payments; (ii) sign Grantor's name on any invoice, bill of lading or draft with respect to any account; (iii) make, settle and adjust all claims under insurance policies; (iv) collect any amounts due from, and settle and adjust any claims or disputes directly with, Obligors, as the Bank reasonably determines; and (v) transfer all or any part of the Collateral to the Bank or its nominee.

(d) Grantor hereby grants the Bank a license to enter into and occupy any of Grantor's premises, without the Bank's rights or remedies.

(e) Grantor hereby grants to the Bank a non-exclusive, royalty-free license or other right to use, without change, Grantor's labels, patents, copyrights, trade names, trademarks, trade secrets, servicemarks, logos, advertising material or similar property in completing production of, advertising for sale, and selling any Collateral.

(f) Cash proceeds of collection, enforcement, or disposition of Collateral will be applied, without duplication, in the following order:

(i) First, to the payment of the reasonable costs and expenses of foreclosure or suit, if any, of such collection, enforcement or disposition;

(ii) Second, to repay all other Obligations; and

(iii) Third, any surplus shall be paid to Grantor or its assigns or otherwise as a court of competent jurisdiction may direct.

9. Miscellaneous.

(a) The terms of this Agreement will inure to the benefit of and bind the parties hereto and their respective successors, assigns, executors, heirs and legal representatives.

(b) This Agreement, the Credit Agreement, the Securities Pledge Agreement, the other Credit Documents, and any other document delivered in connection herewith or therewith and delivered in connection with any loan, advance, or other financial accommodation made to Borrower by the Bank constitute the entire agreement between the parties hereto and supersede any prior agreements, undertakings, declarations, representations and understandings, both written and oral, in respect of the subject matter hereof.

(c) No amendment to or waiver of any provision of this Agreement shall in any event be effective unless the same shall be in writing and signed by the parties hereto.

(d) If any of the provisions of this Agreement are held invalid or unenforceable, this Agreement will be construed as if not containing the invalid or unenforceable provisions.

(e) This Agreement will be construed in accordance with and governed by the laws of the State of Delaware, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws.

(f) Should any party hereto institute any action or proceeding to enforce any provisions hereof, or for damages by reason of any alleged breach of any provisions of this Agreement, or for a declaration of such party's rights or obligations hereunder, or for any other judicial remedy, the prevailing party will be entitled to be reimbursed by the losing party all costs and expenses incurred thereby including, but not limited to, the reasonable fees, expenses and disbursements of legal counsel to such prevailing party.

(g) All notices and other communications required or given under this Agreement will be given in accordance with the provisions of Section 3.01 of the Guarantee.

(h) Time is of the essence in each and every provision of this Agreement.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this General Security Agreement as of the date and year first above written.

AIRIQ MARINE, INC.

By: 
Name: _____
Title: _____

ROYAL BANK OF CANADA

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties hereto have executed this General Security Agreement as of the date and year first above written.

AIRIQ MARINE, INC.

By: _____
Name:
Title:

ROYAL BANK OF CANADA

By: Tom Fairbrother
Name: Tom Fairbrother
Title: Attorney-in-Fact

By: _____
Name:
Title: