

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	SECURITY INTEREST		
EFFECTIVE DATE:	07/01/2005		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Vicwest Operating Limited Partnership		07/01/2005	LIMITED PARTNERSHIP: CANADA
RECEIVING PARTY DATA			
Name:	GE Canada Finance Holding Company		
Street Address:	11 King Street West, Suite 1500		
City:	Toronto		
State/Country:	CANADA		
Postal Code:	M5H 4C7		
Entity Type:	COMPANY: CANADA		
PROPERTY NUMBERS Total: 2			
Property Type	Number	Word Mark	
Serial Number:	78757446	EASYCHECK	
Serial Number:	78757460	WESTEEL EASYCHECK	
CORRESPONDENCE DATA			
Fax Number:	(202)842-8465		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	202-842-8800		
Email:	MaryPat.Weyback@dbr.com, Andrea.Engel@dbr.com		
Correspondent Name:	Mary Pat A. Weyback		
Address Line 1:	1500 K Street, N.W., Ste. 1100		
Address Line 4:	Washington, DISTRICT OF COLUMBIA 20005-1209		
ATTORNEY DOCKET NUMBER:	31522.323		
DOMESTIC REPRESENTATIVE			

CH \$65.00 78757446

Name: Mary Pat A. Weyback
Address Line 1: 1500 K Street, N.W.
Address Line 4: Washington, DISTRICT OF COLUMBIA 20005-1209

NAME OF SUBMITTER:	Mary Pat A. Weyback
Signature:	/Mary Pat A. Weyback/
Date:	08/02/2006

Total Attachments: 28

source=security agreement#page1.tif
source=security agreement#page2.tif
source=security agreement#page3.tif
source=security agreement#page4.tif
source=security agreement#page5.tif
source=security agreement#page6.tif
source=security agreement#page7.tif
source=security agreement#page8.tif
source=security agreement#page9.tif
source=security agreement#page10.tif
source=security agreement#page11.tif
source=security agreement#page12.tif
source=security agreement#page13.tif
source=security agreement#page14.tif
source=security agreement#page15.tif
source=security agreement#page16.tif
source=security agreement#page17.tif
source=security agreement#page18.tif
source=security agreement#page19.tif
source=security agreement#page20.tif
source=security agreement#page21.tif
source=security agreement#page22.tif
source=security agreement#page23.tif
source=security agreement#page24.tif
source=security agreement#page25.tif
source=security agreement#page26.tif
source=security agreement#page27.tif
source=security agreement#page28.tif

SECURITY AGREEMENT

Made as of July 1, 2005

Between

VICWEST OPERATING LIMITED PARTNERSHIP
as Grantor

and

GE CANADA FINANCE HOLDING COMPANY
as Agent for Lenders

TABLE OF CONTENTS

SECTION 1 – INTERPRETATION.....	2
1.1 TERMS DEFINED IN PPSA	2
1.2 OTHER DEFINED TERMS.....	2
1.3 TERMS DEFINED IN CREDIT AGREEMENT.....	3
SECTION 2 – GRANT OF SECURITY	3
2.1 GRANT OF SECURITY.....	3
2.2 EXCEPTION RESPECTING TRADEMARKS.....	4
2.3 AGREEMENTS AND LICENSES	4
2.4 EXCEPTION TO LAST DAY	5
2.5 LIABILITY FOR DEFICIENCY	5
SECTION 3 — AGENT’S AND LENDERS’ RIGHTS; LIMITATIONS ON AGENT’S AND LENDERS’ OBLIGATIONS.....	5
3.1 CONTINUED LIABILITY OF GRANTOR UNDER LICENSES, ETC.....	5
3.2 NOTICE TO ACCOUNT DEBTORS.....	5
3.3 VERIFICATION OF ACCOUNTS.....	6
SECTION 4 — REPRESENTATIONS AND WARRANTIES OF GRANTOR.....	6
4.1 REPRESENTATIONS AND WARRANTIES.....	6
GRANTOR REPRESENTS AND WARRANTS THAT:.....	6
SECTION 5 — COVENANTS OF THE GRANTOR.....	8
5.1 COVENANTS	8
SECTION 6 — REMEDIES.....	11
6.1 APPOINTMENT OF RECEIVER.....	11
6.2 EXERCISE OF RIGHTS BY AGENT.....	11
6.3 TAKING POSSESSION OF COLLATERAL	12
6.4 RIGHTS AND REMEDIES UNDER PPSA.....	12
6.5 CO-OPERATION OF GRANTOR WITH RESPECT TO TAKING POSSESSION.....	12
6.6 COSTS.....	12
6.7 NOTICE OF SALE.....	12
6.8 GRANT OF LICENCE TO USE INTELLECTUAL PROPERTY COLLATERAL	13

6.9	LIMITATION ON AGENT'S AND LENDERS' DUTY IN RESPECT OF COLLATERAL	13
6.10	WAIVER BY GRANTOR.....	13
6.11	ACKNOWLEDGEMENT BY GRANTOR	13
SECTION 7 — MISCELLANEOUS		14
7.1	EXTENSIONS, ETC.	14
7.2	NO WAIVER.....	14
7.3	WAIVER OF PROTEST	15
7.4	ASSIGNMENT AND ENUREMENT	15
7.5	AMENDMENT.....	15
7.6	NOTICES.....	15
7.7	REMEDIES CUMULATIVE.....	15
7.8	HEADINGS	16
7.9	REINSTATEMENT	16
7.10	NUMBER AND GENDER.....	16
7.11	LIMITATION BY LAW; SEVERABILITY.....	16
7.12	ATTACHMENT	16
7.13	AMALGAMATION.....	16
7.14	AGENT'S APPOINTMENT AS ATTORNEY-IN-FACT	17
7.15	TERMINATION OF THIS AGREEMENT	17
7.16	FURTHER ASSURANCES	18
7.17	GOVERNING LAW.....	18
7.18	COUNTERPARTS	18
7.19	NO STRICT CONSTRUCTION	18
7.20	ADVICE OF COUNSEL.....	18
7.21	BENEFIT OF AGENT AND LENDERS.....	18
7.22	DELIVERY BY TELECOPIER.....	18
SECTION 8 — COPY OF AGREEMENT		19
8.1	COPY.....	19
8.2	WAIVER.....	19
SCHEDULE 4.1(4) – FINANCING STATEMENTS.....		4.1(4)1
EXHIBIT A - POWER OF ATTORNEY.....		A-1

SECURITY AGREEMENT

This Agreement is made as of July 1, 2005, between

VICWEST OPERATING LIMITED PARTNERSHIP, a
Manitoba limited partnership, by its general partner, **VICWEST
CORPORATION**, a Canada corporation (“**Grantor**”),

and

GE CANADA FINANCE HOLDING COMPANY, a Nova
Scotia unlimited company, in its individual capacity, and as Agent
for Lenders that are from time to time Lenders under the Credit
Agreement (as hereinafter defined)

RECITALS

A. Pursuant to that Credit Agreement dated as of September 12, 2003 between Vicwest Corporation, as borrower (which amalgamated with Westeel Limited (the corporation continuing from the amalgamation of Westeel Limited and Dumbarton Construction Limited) and Vicwest Acquisition Inc. to continue as Vicwest Corporation), the lenders thereunder and GE Canada Finance Inc., as agent for such lenders, as amended and restated by that certain Amended and Restated Credit Agreement dated as of the date hereof (as from time to time further amended, restated, supplemented, or otherwise modified, the “**Credit Agreement**”), between the Grantor and Vicwest Corporation, as borrowers (each, a “**Borrower**”, and collectively the “**Borrowers**”), the other Credit Parties (as defined in the Credit Agreement), the Lenders thereunder from time to time and GE Canada Finance Holding Company, as agent for the Lenders, the Lenders have agreed to make Loans to Borrowers and to incur Letter of Credit Obligations for the accounts of Borrowers.

B. In connection with continuing the outstanding Loans and Letter of Credit Obligations and making available additional Loans and incurring additional Letter of Credit Obligations, as provided for in the Credit Agreement, and as a condition precedent thereto, Agent and the Lenders require that Grantor shall have executed and delivered a guarantee of the obligations of each other Credit Party, including Vicwest Corporation’s obligations, as a borrower, under the Credit Agreement and the other Loan Documents.

VICWEST OPERATING LIMITED
PARTNERSHIP – SECURITY AGREEMENT

TRADEMARK
REEL: 003360 FRAME: 0807

FOR VALUE RECEIVED, the parties agree as follows:

SECTION 1 – INTERPRETATION

1.1 Terms Defined in PPSA

The terms “Chattel Paper”, “Document of Title”, “Goods”, “Instrument”, “Intangible”, “Security”, “Proceeds”, “inventory”, “Accession”, “Money”, “Account”, “financing statement” and “financing change statement” whenever used herein shall be interpreted in accordance with their respective meanings in the *Personal Property Security Act* (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” unless expressly stated or provided otherwise herein and notwithstanding section 12.7 of the Credit Agreement. Any reference herein to “Collateral” shall, unless the context otherwise requires, be deemed a reference to “Collateral or any part thereof”. The term “Proceeds”, whenever used herein and interpreted as above, shall, by way of example, include trade-ins, equipment, Money, bank accounts, notes, Chattel Paper, Goods, contract rights, Accounts and any other personal property or obligation received when such Collateral or Proceeds are sold, exchanged, collected or otherwise disposed of or dealt with.

1.2 Other Defined Terms

Unless otherwise defined or stated, capitalized terms used herein have the following meanings:

- (1) *Account Debtor* has the meaning given to it in Section 4.1(6).
- (2) *Agreement* means this agreement and all schedules attached hereto as the same may be amended, restated, supplemented and otherwise modified from time to time. All uses of the words “hereto”, “herein”, “hereof”, “hereby” and “hereunder” and similar expressions refer to this security agreement and not to any particular section or portion of it.
- (3) *Credit Agreement* has the meaning given to it in paragraph A of the Recitals.
- (4) *Collateral* has the meaning given to it in Section 2.1.
- (5) *Inventory* has the meaning given to it in Section 2.1.
- (6) *Obligations* means the Grantor’s Obligations (as defined in the Credit Agreement) including, without limitation, any and all indebtedness, liabilities and obligations, now or hereafter existing, direct or indirect, absolute or contingent, as principal or surety, of Grantor to Agent and Lenders or any of them arising under, by virtue of or otherwise in connection with this Agreement, the Credit Agreement or any other Loan Document.
- (7) *Receiver* has the meaning given to it in Section 6.1.
- (8) *Related Rights* means in relation to any material contract or License, (i) all rights of Grantor in, to and under that material contract or License and (ii) all rights, including, without

limitation, all claims, actions and causes of action, which Grantor now has, or could in the future have, against any party under, by reason of, or otherwise in respect of that material contract or License, whether based in contract, in tort, under statute, at law or in equity.

(9) *Security Interest* has the meaning given to it in Section 2.1.

1.3 Terms Defined in Credit Agreement

Other capitalized terms used herein and not otherwise defined have the meanings given to them in the Credit Agreement or in Annex "A" thereto.

SECTION 2 – GRANT OF SECURITY

2.1 Grant of Security

As continuing collateral security for the due payment and performance by Grantor of all of the Obligations, Grantor hereby grants, assigns, conveys, mortgages, pledges, hypothecates and transfers to Agent, for its benefit and for the benefit of Lenders, and grants to Agent, for its benefit and for the benefit of Lenders, a security interest (collectively, the "Security Interest") in, all of its right, title and interest in, to and under all of Grantor'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, Money and Securities now owned or hereafter owned or acquired by or on behalf of Grantor (including such as may be returned to or repossessed by Grantor) and in all Proceeds and renewals thereof, accretions thereto and substitutions therefor and, further including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of Grantor:

- (1) 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 Grantor ("Debts");
- (2) all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
- (3) all inventory of whatever kind and wherever situate, including, for greater certainty, all raw materials, work in process and materials used or consumed or to be used or consumed in the processing, production, packaging, promotion, delivery or shipping of the same, including other supplies (collectively, "Inventory");
- (4) all Equipment (other than Inventory) of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures, motor vehicles and other vehicles of whatsoever nature or kind;
- (5) all Intangibles;

- (6) all present and future contracts, contract rights and insurance claims;
- (7) all Intellectual Property;
- (8) all present and future Instruments; and
- (9) all Money and Securities.

The foregoing property is collectively referred to as the "Collateral". In addition, to secure the prompt and complete payment, performance and observation of the Obligations, Grantor hereby grants to Agent, for its benefit and for the benefit of Lenders, a right of set-off against Collateral now or hereafter in the possession or custody of or in transit to Agent or any Lender for any purpose.

2.2 Exception Respecting Trademarks

Notwithstanding Section 2.1, Grantor's grant of security in trademarks (as defined in the *Trademarks Act* (Canada)) under this Agreement shall be limited to a grant by Grantor of a security interest in all of Grantor's right, title and interest in such trademarks.

2.3 Agreements and Licenses

- (a) If Grantor cannot lawfully grant the Security Interest in any agreement or License comprised in the Collateral in which it now or hereafter has rights because the agreement or License prohibits or restricts such Security Interest, the agreement or License requires the consent of any Person which has not been obtained or the grant of such Security Interest in the agreement or License would contravene applicable law (each, a "Proscribed Agreement or License"), that Proscribed Agreement or License shall not, to the extent of such restriction or prohibition or if it would be unlawful or result in a breach of the subject agreement or result in forfeiture of any rights or any penalties or liabilities thereunder, be subject to the Security Interest (save to the extent provided below). The Security Interest shall nonetheless immediately attach to any Related Rights of Grantor arising under, by reason of, or otherwise in respect of such Proscribed Agreement or License, such as the right to receive payments thereunder and all Proceeds of the Proscribed Agreement or License, if and to the extent and as at the time such attachment to the Related Rights is not unlawful or would not result in the consequences described above.
- (b) Grantor will hold in trust for the Agent, and provide the Agent with the benefits of, each Proscribed Agreement or License and will enforce all Related Rights in relation thereto at the direction of the Agent for the benefit of the Agent and the Lenders or such other Person (including, without limitation, any purchaser of Collateral from the Agent or any Receiver) as the Agent may designate.
- (c) Notwithstanding the foregoing paragraphs (a) and (b), and unless specifically provided otherwise in the Credit Agreement, prior to the occurrence and during the continuance of an Event of Default and the notification by the Agent to

Grantor that it is enforcing its rights hereunder, Grantor shall be entitled to amend, modify, replace, transfer, assign or otherwise deal with each Proscribed Agreement or License.

2.4 Exception to Last Day

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, Grantor shall stand possessed of such last day in trust to assign the same to any person acquiring such term.

2.5 Liability for Deficiency

If the Collateral is realized upon and the Security Interest in the Collateral is not sufficient to satisfy all Obligations, Grantor acknowledges and agrees that Grantor shall continue to be liable for any Obligations remaining outstanding and Agent shall be entitled to pursue full payment thereof.

SECTION 3 — AGENT'S AND LENDERS' RIGHTS; LIMITATIONS ON AGENT'S AND LENDERS' OBLIGATIONS

3.1 Continued Liability of Grantor under Licenses, etc.

It is expressly agreed by Grantor that, anything herein to the contrary notwithstanding, Grantor shall remain liable under each of its contracts and each of its Licenses to observe and perform all the conditions and obligations to be observed and performed by it thereunder. Neither Agent nor any Lender shall have any obligation or liability under any Contract or License by reason of or arising out of this Agreement or the granting herein of a Security Interest therein or the receipt by Agent or any Lender of any payment relating to any Contract or License pursuant hereto. Neither Agent nor any Lender shall be required or obligated in any manner to perform or fulfil any of the obligations of Grantor under or pursuant to any Contract or License, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by it or the sufficiency of any performance by any party under any Contract or License, or to present or file any claims, or to take any action to collect or enforce any performance or the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

3.2 Notice to Account Debtors

Without in any way limiting the provisions of Section 1.4 and Annex C of the Credit Agreement, Agent may, following the occurrence and during the continuance of a Default or Event of Default, without prior notice to Grantor, notify any Account Debtors and other Persons obligated on the Collateral that Agent has a security interest therein, and that payments shall be made directly to Agent for its benefit and the benefit of Lenders. Upon the request of Agent in such circumstances, Grantor shall so notify such Account Debtors and other Persons obligated on the Collateral. Once any such notice has been given to any Account Debtor or other Person

obligated on the Collateral, Grantor shall not give any contrary instructions to such Account Debtor or other Person without Agent's prior written consent.

3.3 Verification of Accounts

Agent may at any time, in the name of a nominee of Agent (or at Agent's election, in Agent's own name) or in the name of Grantor, communicate with Account Debtors, parties to contracts, obligors in respect of Instruments and obligors in respect of Chattel Paper to verify with such Persons, to Agent's satisfaction, the existence, amount, terms of and any other matter relating to any such Accounts, contracts, Instruments or Chattel Paper. If a Default or an Event of Default shall have occurred and be continuing, Grantor, at its own expense, shall cause the independent chartered accountants then engaged by Grantor to prepare and deliver to Agent and each Lender at any time and from time to time promptly upon Agent's request the following reports with respect to Grantor: (i) a reconciliation of all Accounts; (ii) an ageing of all Accounts; (iii) trial balances; and (iv) a test verification of such Accounts as Agent may request. Grantor, at its own expense, shall deliver to Agent the results of each physical verification, if any, which Grantor may in its discretion have made, or caused any other Person to have made on its behalf, of all or any portion of its Inventory.

SECTION 4 — REPRESENTATIONS AND WARRANTIES OF GRANTOR

4.1 Representations and Warranties

Grantor represents and warrants that:

- (1) Grantor's correct name is "Vicwest Operating Limited Partnership" [and Grantor's general partner's correct legal name is "Vicwest Corporation"];
- (2) Grantor is the sole owner of each item of the Collateral upon which it purports to grant a Security Interest hereunder, and has good and marketable title thereto free and clear of any and all Liens other than Permitted Encumbrances;
- (3) no effective security agreement, financing statement, equivalent security or Lien instrument or continuation statement covering all or any part of the Collateral is on file or of record in any public office, except such as may have been filed (i) by Grantor in favour of Agent, pursuant to this Agreement or the other Loan Documents, and (ii) in connection with any other Permitted Encumbrances;
- (4) this Agreement is effective to create a valid and continuing Security Interest on and, upon the filing of the appropriate financing statements listed on Schedule 4.1(4) hereto, a perfected Security Interest in favour of Agent, for its benefit and the benefit of Lenders, on the Collateral with respect to which a security interest may be perfected by filing pursuant to the PPSA (as such term is defined in the Credit Agreement). Such Security Interest is prior to all other Liens, except Permitted Encumbrances that would be prior to the Security Interest in favour of Agent for the benefit of Agent and Lenders as a matter of law, and is enforceable as such as against any and all creditors of and purchasers from Grantor (other than purchasers of Inventory in the

ordinary course of business). All action by Grantor necessary or desirable to protect and perfect such Security Interest on each item of the Collateral has been duly taken;

(5) Each of the Accounts constituting Collateral is genuine and enforceable in accordance with its terms against the party obligated to pay thereunder (individually, an "Account Debtor" and collectively, the "Account Debtors") and the amount represented by the Grantor to the Agent or Lenders from time to time as owing by each Account Debtor or by all Account Debtors, to the best of the Grantor's knowledge, is the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, save and except for normal cash discounts where applicable and a reasonable reserve for bad debts;

(6) with respect to any Inventory scheduled or listed on any Collateral Report delivered to Agent pursuant to the terms of this Agreement or the Credit Agreement, (i) such Inventory is located at one of Grantor's locations or the location of a customer of Grantor set forth on Schedule 3.2 to the Credit Agreement, (ii) no Inventory is now, or shall at any time or times hereafter be stored at any other location without prior notice to Agent and Grantor will concurrently therewith obtain, to the extent required by the Credit Agreement, bailee, landlord and mortgagee agreements, (iii) the Grantor has good title to such property and such property is not subject to any Lien or security interest or document whatsoever except for the Security Interest granted to Agent, for the benefit of Agent and Lenders, and except for Permitted Encumbrances, (iv) such property is not subject to any licensing, patent, royalty, trademark, trade name, industrial design or copyright agreements with any third parties which would require any consent of any third party upon sale or disposition of that Inventory or the payment of any money to any third party upon such sale or other disposition, and (v) the completion of manufacture, sale or other disposition of such property by Agent, following an Event of Default, shall not require the consent of any Person and shall not constitute a breach or default under any contract or agreement to which Grantor is a party or to which such property is subject;

(7) Grantor has no interest in, or title to, any Design, Patent, Trademark or Copyright except as set forth in Schedule 3.14 to the Credit Agreement. This Agreement is effective to create a valid and continuing security interest on and, upon filing of this Agreement with the Canadian Intellectual Property Office and of the financing statement pursuant to the PPSA and listed on Schedule 4.1(4), perfected security interest in favour of Agent on Grantor's Designs, Patents, Trademarks and Copyrights, and such perfected security interest is enforceable as such as against any and all creditors of and purchasers from Grantor. Upon completion of the filings referred to in the immediately preceding sentence, all action necessary or desirable to protect and perfect Agent's Security Interest on Grantor's Designs, Patents, Trademarks or Copyrights shall have been duly taken;

(8) Except for those filings contemplated by the Loan Documents, 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 for the grant by Grantor of Liens on the Collateral pursuant to this Agreement or for the execution, delivery or performance of this Agreement by Grantor; and

(9) This Agreement has been duly authorized, executed and delivered by Grantor and constitutes a legal, valid and binding obligation of Grantor enforceable against Grantor in accordance with its terms.

SECTION 5 — COVENANTS OF THE GRANTOR

5.1 Covenants

Grantor covenants and agrees with Agent, for the benefit of Agent and Lenders, that from and after the date of this Agreement and until the Termination Date:

- (1) **Limitation on Liens on Collateral.** Grantor will not create, permit or suffer to exist, and Grantor will defend the Collateral against, and take such other action as is necessary to remove, any Lien on the Collateral except Permitted Encumbrances, and will defend the right, title and interest of Agent and Lenders in and to any of Grantor's rights in respect of the Collateral against the claims and demands of all Persons whomsoever.
- (2) **Limitations on Disposition.** Grantor will not sell, lease, transfer or otherwise dispose of any of the Collateral, or attempt or contract to do so except as permitted by the Credit Agreement.
- (3) **Notice to Agent.** Grantor will advise Agent promptly, in reasonable detail, (i) of any Lien (other than Permitted Encumbrances) or claim made or asserted against any of the Collateral, and (ii) of the occurrence of any other event which would have a material adverse effect on the aggregate value of the Collateral or on the Liens created hereunder or under any other Loan Document.
- (4) **No Accessions.** Grantor shall prevent Collateral, except for Collateral disposed of as permitted hereby or under the Credit Agreement, from being or becoming an accession not covered by this Agreement.
- (5) **Maintenance of Records.** Grantor shall keep and maintain, at its own cost and expense, satisfactory and complete records of the Collateral, including a record of any and all payments received and any and all credits granted with respect to the Collateral and all other dealings with the Collateral. Grantor shall mark its books and records pertaining to the Collateral to evidence this Agreement and the Security Interests granted hereby. If Grantor retains possession of any Chattel Paper or Instrument with Agent's consent, 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 GE Canada Finance Holding Company, as Agent, for the benefit of Agent and certain secured creditors."
- (6) **Further Assurances; Pledge of Instruments; Chattel Paper.** At any time and from time to time, upon the reasonable written request of Agent and at the sole expense of Grantor, Grantor shall promptly and duly execute and deliver any and all such further instruments and documents (including deeds of hypothec with respect to Collateral located in the Province of Québec) and take such further actions as Agent may reasonably deem desirable to obtain the full benefits of this Agreement and the other Loan Documents to which Grantor is a party and of the rights and

powers herein and therein granted, including (i) using its best efforts to secure all consents and approvals necessary or appropriate for the assignment to or for the benefit of Agent of any License or Contract held by Grantor or in which Grantor has any rights not heretofore assigned, (ii) filing any financing statements or financing change statements (or applicable similar instruments) under applicable law with respect to the Security Interest granted hereunder or any Liens granted under any other Loan Document to which Grantor is a party unless Agent shall otherwise consent in writing (which consent may be revoked), (iii) delivering to Agent all Collateral consisting of negotiable Documents of Title, certificated Securities, Chattel Paper and Instruments (in each case, accompanied by share transfer powers, allonges or other instruments of transfer executed in blank) promptly after Grantor receives same, (iv) Grantor shall, in accordance with the Credit Agreement, obtain or use all commercially reasonable efforts to obtain, waivers or subordinations of Liens from landlords and mortgagees and Grantor shall use commercially reasonable efforts to obtain signed acknowledgements of Agent's Liens from bailees having possession of any Grantor's Goods and that they hold such goods for the benefit of Agent, and (v) if Grantor is or becomes a beneficiary of a letter of credit, it shall promptly and, in any event, within five (5) Business Days after becoming a beneficiary, notify Agent thereof and, if requested by Agent, enter into a tri-party agreement with Agent and the issuer and/or confirmation bank with respect to letter-of-credit rights assigning such letter-of-credit rights to Agent and directing all payments thereunder to the Collection Account, all in form and substance reasonably satisfactory to Agent. Grantor also hereby authorizes Agent, for the benefit of Agent and Lenders, to file any such financing statements or financing change statements (or applicable similar instruments) without the signature of Grantor to the extent permitted by applicable law. If any amount payable under or in connection with any of the Collateral is or shall become evidenced by any Instrument, such Instrument, other than cheques and notes received in the ordinary course of business, shall be duly endorsed in a manner satisfactory to Agent immediately upon Grantor's receipt thereof.

(7) **Indemnification.** In any suit, proceeding or action brought by Agent or any Lender relating to any Collateral for any sum owing with respect thereto or to enforce any rights or claims with respect thereto, Grantor will save, indemnify and keep Agent and Lenders harmless from and against all expense (including reasonable legal fees and expenses), loss or damage suffered by reason of any defence, set-off, counterclaim, recoupment or reduction of liability whatsoever of the Account Debtor or other Person obligated on the Collateral, arising out of a breach by Grantor of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to, or in favour of, such obligor or its successors from Grantor, except in the case of Agent or any Lender, to the extent such expense, loss, or damage is attributable solely to the gross negligence or wilful misconduct of Agent or such Lender as finally determined by a court of competent jurisdiction. All such obligations of Grantor shall be and remain enforceable against and only against Grantor and shall not be enforceable against Agent or any Lender. Notwithstanding Section 7.15 hereof, this Section 5.1(7) shall survive the termination of this Agreement.

(8) **Compliance with Terms of Accounts, etc.** In all material respects, Grantor will perform and comply with all obligations in respect of the Collateral and all other agreements to which it is a party or by which it is bound relating to the Collateral.

(9) *Intellectual Property Collateral.*

- (a) Grantor shall notify Agent immediately if it knows or has reason to know that any application or registration relating to any of Grantor's Designs, Patents, Trademarks or Copyrights (now or hereafter existing) may become abandoned or of any adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the Canadian Intellectual Property Office or the United States Patent and Trademark Office or the United States Copyright Office or any similar office or agency or any court) regarding Grantor's ownership of any Design, Patent, Trademark or Copyright, its rights to register the same, or to keep and maintain the same.
- (b) In no event shall Grantor, either itself or through any agent, employee, licensee or designee, file an application for the registration of any Design, Patent, Trademark or Copyright with any Canadian Intellectual Property Office or the United States Patent and Trademark Office or the United States Copyright Office or any similar office or agency without giving Agent prior written notice thereof, and, upon request of Agent, Grantor shall execute and deliver any and all intellectual property security agreements, as Agent may reasonably request to evidence Agent's Lien on such Design, Patent, Trademark or Copyright, and the Intangibles of Grantor relating thereto or represented thereby.
- (c) Grantor shall take all actions necessary or reasonably requested by Agent to maintain and pursue each application, to obtain the relevant registration and to maintain the registration of each of Grantor's Designs, Patents, Trademarks and Copyrights (now or hereafter existing), including the filing of applications for renewal, affidavits or declarations of use, affidavits of non-contestability and opposition and interference and cancellation proceedings, unless Grantor shall determine that such Design, Patent, Trademark or Copyright is not material to the conduct of its business.
- (d) In the event that any of Grantor's Design, Patent, Trademark or Copyright Collateral is infringed upon, or misappropriated or diluted by a third party, Grantor shall notify Agent promptly after Grantor learns thereof. Grantor shall, unless Grantor shall reasonably determine that such Design, Patent, Trademark or Copyright Collateral is in no way material to the conduct of its business or operations, promptly sue for infringement, misappropriation or dilution and to recover any and all damages for such infringement, misappropriation or dilution, and shall take such other actions as Agent shall reasonably deem appropriate under the circumstances to protect such Design, Patent, Trademark or Copyright Collateral.

(10) *Further Identification of Collateral.* Grantor will, if so requested by Agent, furnish to Agent, as often as Agent reasonably requests, statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as Agent may reasonably request, all in such detail as Agent may specify.

- (11) *Certificates of Status.* At the request of Agent, no more frequently than semi-annually, Grantor shall, unless Agent shall otherwise consent, provide to Agent a certificate of status from its jurisdiction of organization.
- (12) *No Reincorporation.* Without limiting the prohibitions on amalgamations involving Grantor contained in the Credit Agreement, Grantor shall not reincorporate, reorganize or continue itself under the laws of any jurisdiction outside Ontario without the prior written consent of Agent.
- (13) *Amendments Not Authorized.* Grantor acknowledges that it is not authorized to file any financing change statement with respect to any financing statement that has been filed in respect of any Collateral Document without the prior written consent of Agent.

SECTION 6 — REMEDIES

6.1 Appointment of Receiver

Upon the occurrence of and during the continuance of any Event of Default, Agent may appoint or reappoint by instrument in writing, any Person or Persons, whether an officer or officers or an employee or employees of Agent or not, to be an interim receiver, receiver or receivers (hereinafter called a "Receiver", which term, when used herein, also shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his/her/its stead. Any such Receiver shall, so far as concerns responsibility for his/her/its acts, be deemed the agent of Grantor and not agent of Agent or any of Lenders, and neither Agent nor any of Lenders shall be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver or his/her/its servants, agents or employees. Subject to the provisions of the instrument appointing him/her/it, any such Receiver shall have power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of Grantor and to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including Grantor, enter upon, use and occupy all premises owned or occupied by Grantor wherein Collateral may be situate, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on Grantor's business or as security for loans or advances to enable the Receiver to carry on Grantor's business or otherwise, as such Receiver shall, in its discretion, determine. Except as may be otherwise directed by Agent, all Money received from time to time by such Receiver in carrying out his/her/its appointment shall be received in trust for and be paid over to Agent. Every such Receiver may, in the discretion of Agent, be vested with all or any of the rights and powers of Agent.

6.2 Exercise of Rights by Agent

Upon and during the continuance of any Event of Default, Agent may, either directly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of Section 6.1.

6.3 Taking Possession of Collateral

Upon the occurrence and during the continuance of an Event of Default, Agent may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and Agent also may sell, license, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to Agent may seem reasonable and in compliance with applicable law.

6.4 Rights and Remedies under PPSA

In addition to those rights granted herein and in any other agreement now or hereafter in effect between Grantor and Agent and any Lender, and in addition to any other rights Agent or Lenders may have at law or in equity, Agent shall have, both before and after the occurrence of any Event of Default, all rights and remedies of a secured party under the PPSA. However, Agent shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease, license or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, none of Agent or Lenders shall have any obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper, whether Collateral or proceeds and whether or not in Agent's or any Lender's possession, and shall not be liable or accountable for failure to do so.

6.5 Co-operation of Grantor with respect to Taking Possession

Grantor acknowledges that, after and during the continuance of an Event of Default, Agent or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and Grantor agrees upon request from Agent or any such Receiver to assemble and deliver possession of Collateral at such place or places as reasonably directed.

6.6 Costs

Grantor agrees to be liable for and to pay all costs, charges and expenses reasonably incurred by Agent, any Lender or any Receiver appointed by Agent, whether directly or for services rendered (including reasonable legal and auditors' costs and expenses and Receiver remuneration), in operating Grantor's accounts, in preparing or enforcing this Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting indebtedness and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by Agent, any Lender or any Receiver appointed by Agent, as permitted hereby, shall be a first priority Security Interest on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.

6.7 Notice of Sale

The Agent will give Grantor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as may be required by the PPSA.

6.8 Grant of Licence to Use Intellectual Property Collateral

For the purpose of enabling Agent to exercise rights and remedies under Section 6 hereof (including, without limiting the terms of Section 6 hereof, in order to take possession of, hold, preserve, process, assemble, prepare for sale, market for sale, sell or otherwise dispose of Collateral) at such time as Agent shall be lawfully entitled to exercise such rights and remedies, Grantor hereby grants to Agent, for the benefit of Agent and Lenders, an irrevocable, non-exclusive licence (exercisable without payment of royalty or other compensation to Grantor) to use, license or sublicense any Intellectual Property now owned or hereafter acquired by Grantor, and wherever the same may be located, and including in such license access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof.

6.9 Limitation on Agent's and Lenders' Duty in Respect of Collateral

Agent and each Lender shall use reasonable care with respect to the Collateral in its possession or under its control. Neither Agent nor any Lender shall have any other duty as to any Collateral in its possession or control or in the possession or control of any agent or nominee of Agent or such Lender, or any income thereon or as to the preservation of rights against prior parties or any other rights pertaining thereto.

6.10 Waiver by Grantor

To the maximum extent permitted by applicable law, Grantor waives all claims, damages and demands against Agent or any Lender or any Receiver appointed by Agent arising out of the repossession, retention or sale of the Collateral except such as arise solely out of the gross negligence or wilful misconduct of Agent or any Lender or any Receiver appointed by Agent as finally determined by a court of competent jurisdiction.

6.11 Acknowledgement by Grantor

To the extent that applicable law imposes duties on Agent to exercise remedies in a commercially reasonable manner, Grantor acknowledges and agrees that it is not commercially unreasonable for Agent (i) to fail to incur expenses reasonably deemed significant by Agent to prepare the Collateral for disposition or otherwise to complete raw material or work in process into finished goods or other finished products for disposition, (ii) to fail to obtain third party consents for access to the Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of the Collateral to be collected or disposed of, (iii) to fail to exercise collection remedies against Account Debtors or other Persons obligated on the Collateral or to remove Liens on or any adverse claims against the Collateral, (iv) to exercise collection remedies against Account Debtors and other Persons obligated on the Collateral directly or through the use of collection agencies and other collection specialists, (v) to advertise dispositions of the Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (vi) to contact other Persons, whether or not in the same business of Grantor, for expressions of interest in acquiring all or any portion of such Collateral, (vii) to hire one or more professional auctioneers to assist in the disposition of the Collateral, whether or not the

Collateral is of a specialized nature, (viii) to dispose of the Collateral by utilizing internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capacity of doing so, or that match buyers and sellers of assets, (ix) to dispose of assets in wholesale rather than retail markets, (x) to disclaim disposition warranties, such as title, possession or quiet enjoyment, (xi) to purchase insurance or credit enhancements to insure Agent and Lenders against risks of loss, collection or disposition of the Collateral or to provide to Agent and Lenders a guaranteed return from the collection or disposition of the Collateral, or (xii) to the extent deemed appropriate by Agent, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist Agent in the collection or disposition of any of the Collateral. Grantor acknowledges that the purpose of this Section 6.11 is to provide non-exhaustive indications of what actions or omissions by Agent would not be commercially unreasonable in the Agent's exercise of remedies against the Collateral and that other actions or omissions by Agent shall not be deemed commercially unreasonable solely on account of not being indicated in this Section 6.11. Without limitation upon the foregoing, nothing contained in this Section 6.11 shall be construed to grant any rights to Grantor or to impose duties on Agent that would not have been granted or imposed by this Agreement or by applicable law in the absence of this Section 6.11.

SECTION 7 — MISCELLANEOUS

7.1 Extensions, etc.

Agent may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with Grantor, debtors of Grantor, any other Credit Party, sureties and others and with Collateral and other security as Agent may see fit without prejudice to the liability of Grantor or Agent's right to hold and realize the Security Interest. Furthermore, without limiting any other provision hereof, after and during the continuance of an Event of Default, Agent may demand, collect and sue on Collateral in either Grantor's or Agent's name, at Agent's option, and may endorse Grantor's name on any and all cheques, commercial paper, and any other Instruments pertaining to or constituting Collateral. Nothing herein contained shall in any way obligate Agent to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Obligations.

7.2 No Waiver

No delay or omission by Agent in exercising any right or remedy hereunder or with respect to any of the Obligations shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, Agent may remedy any default by Grantor hereunder or with respect to any Obligations in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Grantor. All rights and remedies of Agent granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.

7.3 Waiver of Protest

Grantor waives protest of any Instrument constituting Collateral at any time held by Agent on which Grantor is in any way liable and, subject to Section 6.7 hereof, notice of any other action taken by Agent, each to the extent permitted by applicable law.

7.4 Assignment and Enurement

This Agreement and all obligations of Grantor hereunder shall be binding upon the successors and assigns of Grantor (including any debtor-in-possession on behalf of Grantor) and shall, together with the rights and remedies of Agent, for the benefit of Agent and Lenders, hereunder, inure to the benefit of Agent and Lenders, all future holders of any instrument evidencing any of the obligations of any other Credit Party and their respective successors and assigns. No sales of participations, other sales, assignments, transfers or other dispositions of any agreement governing or instrument evidencing the obligations of any other Credit Party or any portion thereof or interest therein shall in any manner affect the Security Interest granted to Agent, for the benefit of Agent and Lenders, hereunder. Grantor may not assign, sell, hypothecate or otherwise transfer any interest in or obligation under this Agreement.

7.5 Amendment

Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Agreement shall be made except by a written agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.

7.6 Notices

Except as otherwise provided herein, whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon one party by the other party, or whenever one party desires to give or serve upon the other party any communication with respect to this Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be validly served, given or delivered if served, given or delivered in accordance with Section 12.10 of the Credit Agreement.

7.7 Remedies Cumulative

This Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by Agent and is intended to be a continuing security agreement and shall remain in full force and effect until all Obligations and any extensions or renewals thereof together with interest accruing thereon shall be paid in full.

7.8 Headings

The headings used in this Agreement are for convenience only and are not to be considered a part of this Agreement and do not in any way limit or amplify the terms and provisions of this Agreement.

7.9 Reinstatement

This Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against Grantor for liquidation or reorganization, should Grantor become insolvent or make an assignment for the benefit of any creditor or creditors or should a receiver or trustee or similar Person be appointed for all or any significant part of Grantor's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Obligations, whether as a "voidable preference", "fraudulent conveyance", or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

7.10 Number and Gender

When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.

7.11 Limitation by Law; Severability

All rights, remedies and powers provided in this Agreement may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of this Agreement are intended to be subject to all applicable mandatory provisions of law that may be controlling and to be limited to the extent necessary so that they shall not render this Agreement invalid, unenforceable, in whole or in part, or not entitled to be recorded, registered or filed under the provisions of any applicable law. In the event any provisions of this Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Agreement shall remain in full force and effect.

7.12 Attachment

The Security Interest created hereby is intended to attach when this Agreement is signed by Grantor and delivered to Agent.

7.13 Amalgamation

The Grantor acknowledges and agrees that in the event that it amalgamates with any other Person or Persons or enters into a transaction whereby all of its assets would become the property of any other Person (whether by way of reorganization, consolidation, merger, transfer,

sale or otherwise), it is the intention of the parties hereto that the term "Grantor", when used herein, shall apply to each Person party to the amalgamation or other transaction (including the original Grantor and to each Person continuing or surviving therefrom) such that the Security Interest granted hereby:

- (A) shall extend and attach to "Collateral" (as that term is herein defined) owned by each Person party to the applicable transaction (including the original Grantor) at the time of such transaction and to any "Collateral" thereafter owned or acquired by the Person continuing or surviving therefrom, and
- (B) shall secure all "Obligations" (as that term is herein defined) of each Person party to the transaction (including the original Grantor) to Agent and Lenders at the time of such transaction and all "Obligations" of the Person surviving therefrom to Agent and Lenders thereafter arising.

7.14 Agent's Appointment as Attorney-In-Fact

On the Closing Date, Grantor shall execute and deliver to Agent a power of attorney (the "Power of Attorney") substantially in the form attached hereto as Exhibit A. The power of attorney granted pursuant to the Power of Attorney is a power coupled with an interest and shall be irrevocable until the Termination Date. The powers conferred on Agent, for the benefit of Agent and Lenders, under the Power of Attorney are solely to protect Agent's interests (for the benefit of Agent and Lenders) in the Collateral and shall not impose any duty upon Agent or any Lender to exercise any such powers. Agent agrees that (a) it shall not exercise any power of attorney or authority granted under the Power of Attorney unless an Event of Default has occurred and is continuing, and (b) Agent shall account for any money received by Agent in respect of any foreclosure on or disposition of Collateral pursuant to the Power of Attorney provided that none of Agent or Lenders shall have any duty as to any Collateral, and Agent and Lenders shall be accountable only for amounts that they actually receive as a result of the exercise of such powers. NONE OF AGENT, LENDERS OR THEIR RESPECTIVE AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR REPRESENTATIVES SHALL BE RESPONSIBLE TO GRANTOR FOR ANY ACT OR FAILURE TO ACT UNDER ANY POWER OF ATTORNEY OR OTHERWISE, EXCEPT IN RESPECT OF DAMAGES ATTRIBUTABLE SOLELY TO THEIR OWN GROSS NEGLIGENCE OR WILFUL MISCONDUCT AS FINALLY DETERMINED BY A COURT OF COMPETENT JURISDICTION, NOR FOR ANY PUNITIVE, EXEMPLARY, INDIRECT OR CONSEQUENTIAL DAMAGES.

7.15 Termination of This Agreement

Subject to Section 7.9 hereof, this Agreement shall terminate upon the Termination Date.

7.16 Further Assurances

Grantor hereby authorizes Agent to file such financing statements, financing change statements and other documents and instruments and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any Permitted Encumbrances affecting Collateral or identifying the locations at which Grantor's business is carried on and Collateral and records relating thereto are situate) as Agent may reasonably deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve Collateral and, following an Event of Default, to realize upon the Security Interest.

7.17 Governing Law

This Agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the province of Ontario and the federal laws of Canada applicable therein, as the same may from time to time be in effect, including, where applicable, the PPSA.

7.18 Counterparts

This Agreement may be executed in any number of counterparts which shall, collectively and separately constitute one agreement.

7.19 No Strict Construction

The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favouring or disfavouring any party by virtue of the authorship of any provisions of this Agreement.

7.20 Advice of Counsel

Each of the parties represents to each other party hereto that it has discussed this Agreement with its counsel.

7.21 Benefit of Agent and Lenders

All Liens granted or contemplated hereby shall be for the benefit of Agent and Lenders, and all proceeds or payments realized from Collateral in accordance herewith shall be applied to the Obligations in accordance with the terms of the Credit Agreement.

7.22 Delivery by Telecopier

Any party may deliver an executed copy of this Agreement by telecopier and that party shall promptly deliver to the other parties an originally executed copy of this Agreement.

SECTION 8 — COPY OF AGREEMENT

8.1 Copy

Grantor hereby acknowledges receipt of an executed copy of this Agreement.

8.2 Waiver

To the extent permitted by applicable law, Grantor waives Grantor's right to receive a copy of any financing statement or financing change statement registered by Agent, or of any verification statement with respect to any financing statement or financing change statement registered by Agent.

[INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

**VICWEST OPERATING LIMITED
PARTNERSHIP, by its general partner,
VICWEST CORPORATION**

By: _____

Name:

Title:

**GE CANADA FINANCE HOLDING
COMPANY, as Agent**

By: _____

Name: Ellis Gaston

Title: Senior Vice-President

VICWEST OPERATING LIMITED
PARTNERSHIP - SECURITY AGREEMENT

**TRADEMARK
REEL: 003360 FRAME: 0826**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

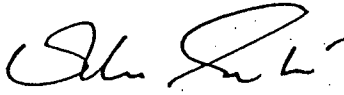
**VICWEST OPERATING LIMITED
PARTNERSHIP, by its general partner,
VICWEST CORPORATION**

By: _____

Name:

Title:

**GE CANADA FINANCE HOLDING
COMPANY, as Agent**

By:  _____

Name: Ellis Gaston

Title: Senior Vice-President

VICWEST OPERATING LIMITED
PARTNERSHIP - SECURITY AGREEMENT

TRADEMARK
REEL: 003360 FRAME: 0827

Schedule 4.1(4) – Financing Statements

Financing statements filed under the *Personal Property Security Act* in each of the following Provinces of Canada:

1. A financing statement was filed in British Columbia against the Grantor on ● for a period of 6 years as base registration ●, control number ●.
2. A financing statement was filed in Alberta against the Grantor on ● for a period of 6 years as registration number ●.
3. A financing statement was filed in Saskatchewan against the Grantor on ● for a period of 6 years as registration number ●.
4. A financing statement was filed in Manitoba against the Grantor on ● for a period of 6 years as registration number ●.
5. A financing statement was filed in Ontario against the Grantor on ● for a period of 6 years as registration number ●, file number ●.

EXHIBIT A

POWER OF ATTORNEY

This Power of Attorney is executed and delivered by Vicwest Operating Limited Partnership, a Manitoba limited partnership, by its general partner, Vicwest Corporation ("Grantor"), to GE Canada Finance Holding Company, a Nova Scotia unlimited company (hereinafter referred to as "Attorney"), as Agent for the benefit of Agent and Lenders, under a Security Agreement, dated as of July 1, 2005, as such agreement may be amended, restated, supplemented, revised or otherwise modified from time to time, and other related documents (the "Loan Documents"). No person to whom this Power of Attorney is presented, as authority for Attorney to take any action or actions contemplated hereby, shall be required to inquire into or seek confirmation from Grantor as to the authority of Attorney to take any action described below, or as to the existence of or fulfilment of any condition to this Power of Attorney, which is intended to grant to Attorney unconditionally the authority to take and perform the actions contemplated herein, and Grantor irrevocably waives any right to commence any suit or action, in law or equity, against any person or entity which acts in reliance upon or acknowledges the authority granted under this Power of Attorney. The power of attorney granted hereby is coupled with an interest and may not be revoked or cancelled by Grantor without Attorney's written consent.

Grantor hereby irrevocably constitutes and appoints Attorney (and all officers, employees or agents designated by Attorney), with full power of substitution, as Grantor's true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of Grantor and in the name of Grantor or in its own name, from time to time in Attorney's discretion, to take any and all appropriate action and to execute and deliver any and all documents and instruments which may be necessary or desirable to accomplish the purposes of the Loan Documents and, without limiting the generality of the foregoing, Grantor hereby grants to Attorney the power and right, on behalf of Grantor, without notice to or assent by Grantor, and at any time, to do the following: (a) change the mailing address of Grantor, open a post office box on behalf of Grantor, open mail for Grantor, and ask, demand, collect, give acquittances and receipts for, take possession of, endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, and notices in connection with any property of Grantor; (b) continue or obtain any insurance and pay all or any part of the premiums therefor and costs thereof, and make, settle and adjust all claims under such policies of insurance, and make all determinations and decisions with respect to such policies; (c) pay or discharge any taxes, liens, security interests or other encumbrances levied or placed on or threatened against Grantor or its property; (d) defend any suit, action or proceeding brought against Grantor if Grantor does not defend such suit, action or proceeding or if Attorney believes that Grantor is not pursuing such defense in a manner that will maximize the recovery to Attorney, and settle, compromise or adjust any suit, action, or proceeding described above and in connection therewith, give such discharges or releases as Attorney may deem appropriate; (e) file or prosecute any claim, litigation, suit or proceeding in any court of competent jurisdiction or before any arbitrator; or take any other action otherwise deemed appropriate by Attorney for the purpose of collecting any and all such money due to Grantor whenever payable and to enforce any other right in respect of Grantor's property; (f) communicate in its own name with any party to any contract with regard to the assignment of the right, title and interest of such Grantor in and

under the contracts and other matters relating thereto; and (g) execute, in connection with any sale provided for in any Loan Document, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral and to otherwise direct such sale or resale, all as though Attorney were the absolute owner of the property of Grantor for all purposes, and to do, at Attorney's option and Grantor's expense, at any time or from time to time, all acts and other things that Attorney reasonably deems necessary to perfect, preserve, or realize upon Grantor's property or assets and Attorney's Liens thereon, all as fully and effectively as Grantor might do. Grantor hereby ratifies, to the extent permitted by law, all that said Attorney shall lawfully do or cause to be done by virtue hereof.

THIS POWER OF ATTORNEY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE PROVINCE OF ONTARIO APPLICABLE TO CONTRACTS MADE AND PERFORMED IN THAT PROVINCE.

IN WITNESS WHEREOF, this Power of Attorney is executed by Grantor pursuant to the authority of its board of directors this 1st day of July, 2005.

**VICWEST OPERATING LIMITED
PARTNERSHIP, by its general partner, VICWEST
CORPORATION**

By: _____ c/s

SCHEDULE "A"

No.	Trademark	Serial. No.	Status
1	C-RING	75744055	registered 2564139
2	CENTURION	76431002	registered 2860954
3	COLORITE	75584800	registered 2418144
4	EASYFLOW	78695551	pending
5	MAGNUM-F	75744051	registered 2942279
6	MAGNUM-G	75744054	registered 2942280
7	MAGNUM - L	76501846	pending
8	SEED-STAR	7574053	registered 2649837
9	VICWEST	76351718	registered 2649216
10	VICWEST	76351716	registered 2649215
11	VICWEST STEEL U.S. OPERATIONS VW	74088862	registered 1669134
12	WESTEEL	73372722	registered 1280478
13	WESTEEL WIDE-CORR.	73372655	registered 1327974
14	ZERO-GROUND-DISTURBANCE	76549664	registered 2892060