

## TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1  
Stylesheet Version v1.2

ETAS ID: TM523356

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT		
<b>NATURE OF CONVEYANCE:</b>	Security Agreement		
<b>CONVEYING PARTY DATA</b>			
<b>Name</b>	<b>Formerly</b>	<b>Execution Date</b>	<b>Entity Type</b>
Paradigm Electronics Inc.		05/10/2019	Corporation: CANADA
<b>RECEIVING PARTY DATA</b>			
<b>Name:</b>	Bank of Montreal, as Agent		
<b>Street Address:</b>	100 King Street West		
<b>Internal Address:</b>	18th Fl		
<b>City:</b>	Toronto		
<b>State/Country:</b>	CANADA		
<b>Postal Code:</b>	M5X 1A1		
<b>Entity Type:</b>	Bank: CANADA		
<b>PROPERTY NUMBERS Total: 6</b>			
<b>Property Type</b>	<b>Number</b>	<b>Word Mark</b>	
<b>Registration Number:</b>	5343749	ARC	
<b>Registration Number:</b>	5614381	ARC ANTHEM ROOM CORRECTION	
<b>Registration Number:</b>	4045888	ANTHEM	
<b>Registration Number:</b>	2240451	P	
<b>Registration Number:</b>	2169614	PARADIGM	
<b>Registration Number:</b>	5213951	PERSONA	
<b>CORRESPONDENCE DATA</b>			
<b>Fax Number:</b>	8888295819		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>			
<b>Phone:</b>	888-829-5817		
<b>Email:</b>	j.murphy@wolterskluwer.com		
<b>Correspondent Name:</b>	CT Corporation		
<b>Address Line 1:</b>	208 South LaSalle St.		
<b>Address Line 2:</b>	Suite 814		
<b>Address Line 4:</b>	Chicago, ILLINOIS 60604		
<b>NAME OF SUBMITTER:</b>	Diandra M. LaMiantia		
<b>SIGNATURE:</b>	/Diandra M. LaMantia/		
<b>DATE SIGNED:</b>	05/13/2019		

OP \$165.00 5343749

**Total Attachments: 24**

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**Exhibit A**  
**to Trademark Cover Sheet**

Trademarks:

<b>Trademark</b>	<b>Registration Number</b>	<b>Jurisdiction</b>
ARC	5343749	United States
ARC ANTHEM ROOM CORRECTION	5614381	United States
ANTHEM	4,045,888	United States
P LOGO	2,240,451	United States
PARADIGM	2,169,614	United States
PERSONA	5213951	United States

PARADIGM ELECTRONICS INC.

GENERAL SECURITY AGREEMENT

THIS GENERAL SECURITY AGREEMENT (as amended, modified, supplemented, restated or replaced from time to time, this "Agreement"), dated as of May 10, 2019, made by PARADIGM ELECTRONICS INC., a corporation existing under the laws of Canada (together with any successors, by amalgamation or otherwise, and permitted assigns, the "Obligor"), in favour of BANK OF MONTREAL, as administrative agent under the Credit Agreement (as defined below) (together with any successor(s) thereto in such capacity, the "Agent") for the Lender Parties (as defined below).

WITNESSETH:

WHEREAS pursuant to a senior credit agreement dated as of May 10, 2019 (together with all amendments, modifications, supplements, restatements or replacements, if any, from time to time thereafter made thereto, the "Credit Agreement"), among the Agent, the financial institutions party thereto from time to time, as lenders (each a "Lender" and collectively the "Lenders" and together with the Agent and their respective successors and assigns the "Lender Parties") and the Obligor and Martin-Logan, Ltd., as borrowers (together with their respective successors, by amalgamation or otherwise, and permitted assigns the "Borrowers"), the Lenders have extended Commitments to make Advances to the Borrowers;

AND WHEREAS as a condition precedent to the making of Advances under the Credit Agreement, the Obligor is required to execute and deliver this Agreement as continuing collateral security to secure the performance of the Obligations (as defined below);

AND WHEREAS the Obligor has duly authorized the execution, delivery and performance of this Agreement;

NOW THEREFORE for good and valuable consideration, the receipt of which is hereby acknowledged, and in order to induce the Lenders to make Advances to the Borrowers pursuant to the Credit Agreement, the Obligor agrees, for the benefit of each Lender Party, as follows:

1. Subject to Section 2, as general and continuing security for the payment and performance of the Obligations the Obligor grants, assigns, transfers, sets over, grants a security interest in, mortgages and charges to the Agent, for the benefit of the Agent and the other Lender Parties, as and by way of a fixed and specific mortgage, charge and security interest in, all of the Collateral (as defined below).

2. Notwithstanding Section 1:

- (a) the security interest created hereby shall not charge, encumber, create a lien upon or otherwise mortgage any consumer goods which the Obligor may own;
- (b) the mortgage, charge and security interest created hereby shall not extend or apply to:
  - (i) the last day of the term of any lease or any agreement therefor now held or hereafter acquired by the Obligor, but should such mortgage, charge and security interest become enforceable, the Obligor shall thereafter

stand possessed of such last day and shall hold it in trust to assign the same to any Person acquiring such term or the part thereof mortgaged and charged in the course of any enforcement of the said mortgage, charge and security or any realization of the subject matter thereof; or

- (ii) any present or after-acquired agreement, right, franchise, licence or permit (for the purpose of this paragraph, the "contractual rights") to which the Obligor is a party or of which the Obligor has the benefit to the extent that the creation of the mortgage, charge or security therein would constitute a breach of the terms of or permit any Person to terminate any of the contractual rights or otherwise constitute a breach of or violation under any existing law, statute or regulation to which the Obligor is subject, provided that all such contractual rights will be held in trust by the Obligor for the benefit of the Agent; provided that notwithstanding the foregoing, the mortgage, charge and security interest created hereby shall apply to any proceeds of the disposition of any such contractual rights and the Obligor further agrees to hold such proceeds in trust for the Agent and to keep such proceeds in a segregated account for the benefit of the Agent; and
- (c) the absolute grant, assignment, setting-over and transfer provided for herein will not apply to, but the other security interests created hereby will apply to, all Collateral that is Intellectual Property.

3. In this Agreement, the words "accessions", "account", "chattel paper", "consumer goods", "document of title", "equipment", "goods", "instrument", "intangible", "inventory", "personal property" and "proceeds" shall have the same meanings as their defined meanings in the *Personal Property Security Act* of the Province of Ontario, as amended, re-enacted or replaced from time to time (the "PPSA"), and the terms "certificated security", "entitlement holder", "financial asset", "investment property", "security" (which term includes the plural thereof, "securities"), "securities account", "security entitlement", "securities intermediary" and "uncertificated security" whenever used herein have the meanings given to these terms in the *Securities Transfer Act, 2006* (Ontario) as amended, re-enacted or replaced from time to time (the "STA"). Unless otherwise defined herein or the context otherwise requires, capitalized terms used herein shall have the meanings provided in the Credit Agreement, and in this Agreement:

- (a) "**Agreement**" is defined in the preamble;
- (b) "**Collateral**" means, any and all real and personal property in which a security interest can be taken, reserved, created or granted whether under the PPSA or otherwise, and which is now or hereafter owned by the Obligor or in which the Obligor now has or hereafter acquires any interest or rights of any nature, including, without in any way limiting the generality of the foregoing, all accounts, money, inventory, equipment, goods, intangibles, investment property, Intellectual Property, instruments, chattel paper, documents of title, insurance policies, insurance proceeds, insurance claims and all ledger sheets, files, records and all proceeds, products and accessions from, of and to any thereof, and, where the context permits, any reference to "Collateral" shall be deemed to be a reference to "Collateral or any part thereof";

- (c) **"Control Agreement"** means:
- (i) with respect to any uncertificated securities included in the Collateral, an agreement between the issuer of such uncertificated securities and another Person whereby such issuer agrees to comply with instructions that are originated by such Person in respect of such uncertificated securities, without the further consent of the Obligor; and
  - (ii) with respect to any security entitlements in respect of financial assets deposited in or credited to a securities account included in the Collateral, an agreement between the securities intermediary and another Person in respect of such security entitlements pursuant to which such securities intermediary agrees to comply with any entitlement orders with respect to such security entitlements that are originated by the Agent, without the further consent of the Obligor;
- (d) **"Credit Agreement"** is defined in the first recital;
- (e) **"Intellectual Property"** means domestic and foreign: (i) patents, applications for patents and reissues, divisions, continuations, renewals, extensions and continuations-in-part of patents or patent applications; (ii) proprietary and non-public business information, including inventions (whether patentable or not), invention disclosures, improvements, discoveries, trade secrets, confidential information, know-how, methods, processes, designs, technology, technical data, schematics, formulae, customer lists, data bases, documentation, registrations and franchises relating to any of the foregoing; (iii) copyrights, copyright registrations and applications for copyright registration; (iv) mask works, mask work registrations and applications for mask work registrations; (v) designs, design registrations, design registration applications and integrated circuit topographies; (vi) trade names, business names, corporate names, domain names, website names and world wide web addresses, common law trademarks, trade-mark registrations, trade mark applications, trade dress and logos, and the goodwill associated with any of the foregoing; (vii) computer software and programs (both source code and object code form), all proprietary rights in the computer software and programs and all documentation and other materials related to the computer software and programs; (viii) any other intellectual property and industrial property; and (ix) all additions and improvements to the foregoing;
- (f) **"Obligations"** means all of the present and future indebtedness, liabilities and obligations of the Obligor of any and every kind, nature or description whatsoever (whether direct or indirect, joint or several or joint and several, absolute or contingent, matured or unmatured, in any currency, and whether as principal debtor, guarantor, surety or otherwise, including without limitation any interest that accrues thereon after or would accrue thereon but for the commencement of any case, proceeding or other action, whether voluntary or involuntary, relating to the bankruptcy, insolvency or reorganization of the Obligor, whether or not allowed or allowable as a claim in any such case, proceeding or other action) to the Lender Parties (and their Affiliates) under, in connection with, relating to or with respect to each of the Loan Documents and any and all Hedging

Agreements or Service Agreements to which it is a party, and any unpaid balance thereof;

- (g) **"Registered Intellectual Property"** means any Intellectual Property in respect of which ownership, title, security interests, charges or encumbrances are from time to time registered, recorded or notated with any Governmental Authority pursuant to applicable laws;

4. The fixed and specific mortgages and charges and the security interest granted under this Agreement secure payment and performance of all Obligations.

5. The Obligor hereby represents and warrants to the Lender Parties as at the date of this Agreement and as at the date of the acquisition by the Obligor of Collateral (including any acquisition of Collateral after the date hereof) that:

- (a) the Obligor is a corporation duly incorporated, organized and subsisting under the laws of its jurisdiction of incorporation with the corporate power to enter into this Agreement, this Agreement has been duly authorized by all necessary corporate action on the part of the Obligor and constitutes a legal and valid agreement binding of the Obligor, enforceable against the Obligor in accordance with its terms; the making and performance of this Agreement will not result in the breach of, constitute a default under, contravene any provision of, or result in the creation of, any lien, charge, security interest, encumbrance or any other rights of others upon any property of the Obligor pursuant to any agreement, indenture or other instrument to which the Obligor is a party or by which the Obligor or any of its property may be bound or affected;
- (b) all of the Collateral (i) is located at the places specified in Schedule I hereto, and (ii) is, or when the Obligor acquires any right, title or interest therein, will be the sole property of the Obligor, free and clear of all Liens, except as may be permitted by the Credit Agreement;
- (c) Schedule II lists all Registered Intellectual Property owned or used by the Obligor;
- (d) with respect to all Intellectual Property;
- (i) such Intellectual Property is subsisting and has not been adjudged invalid or unenforceable, in whole or in part;
- (ii) the Obligor has made all necessary and material filings and recordings in Canada or the United States, as applicable, to protect its interest in such Intellectual Property; and
- (iii) the Obligor is the exclusive owner of the entire right, title and interest in and to such Intellectual Property owned by the Obligor and is entitled to use the Intellectual Property leased or licensed to the Obligor and, to its knowledge, no claim has been made that the use of such Intellectual Property does or may violate the asserted rights of any third party;

- (e) the security interest created by this Agreement, once properly perfected in accordance with Applicable Law, will be a valid first priority security interest in the Collateral, subject to Permitted Liens;
- (f) the address of the Obligor's chief executive office, principal place of business and the office where it keeps its book and records and issues accounts and invoices, is that given at the end of this Agreement;
- (g) the Obligor has not granted "control" (within the meaning of such term under the STA) over any investment property forming part of the Collateral to any Person other than the Agent; and
- (h) except for the filings and registrations necessary to perfect the security interests created herein or otherwise provided for in the Credit Agreement, no authorization, approval or other action by, and no notice to or filing with, any governmental authority, regulatory body or any other Person is required for the grant by the Obligor of the security interest granted hereby in the Collateral or for the execution, delivery and performance of this Agreement by the Obligor.

6. So long as any portion of the Obligations shall remain unpaid or any Lender Party shall have any outstanding Commitment, the Obligor covenants with the Lender Parties that it will comply with or perform, or cause to be complied with or performed, the following obligations:

- (a) the Obligor shall maintain, use and operate the Collateral so as to preserve and protect the Collateral and the earnings, incomes, rents, issues and profits thereof, ordinary wear and tear excepted;
- (b) the Obligor shall keep proper books of account with respect to the Collateral in accordance with generally accepted accounting practice;
- (c) the Obligor shall not sell, lease or otherwise dispose of the Collateral without the prior written consent of the Agent, except as permitted by the Credit Agreement;
- (d) the Obligor shall, upon request by the Agent, execute and deliver all such financing statements, certificates, further assignments and documents and do all such further acts and things as may be necessary and reasonably requested by the Agent to give effect to the intent of this Agreement;
- (e) the Obligor acknowledges that no Collateral shall become affixed to any real property not subject to a security interest in favour of the Agent without the prior written consent of the Agent;
- (f) the Obligor will immediately notify the Agent if any Person has the right to go into, collect or seize possession of the Collateral by means of execution, garnishment or other legal process;
- (g) except with respect to goods in transit and except as permitted by the Credit Agreement, the Obligor shall keep all equipment and other tangible personal property of the Obligor in jurisdictions in which all required filings have been made for the perfection of the security interests created hereby;



- (h) with respect to any equipment or inventory in the possession or control of any third party, upon the request of the Agent, acting reasonably, the Obligor shall notify such third party of the Lender Parties' security interest in such equipment or inventory and, upon the Agent's request following the occurrence and during the continuance of an Event of Default, direct such third party to hold all such equipment or inventory for the Lender Parties' account and subject to the Agent's instructions;
- (i) the Obligor shall not change any of the locations referred to in paragraph 5.(f) without giving prior written notice to the Agent of the new location and the date upon which such change is to take effect;
- (j) upon the request of the Agent, the Obligor shall deliver to the Agent possession of all originals of all negotiable documents, instruments and chattel paper owned or held by the Obligor (duly endorsed in blank, if requested by the Agent);
- (k) if an Event of Default shall have occurred and be continuing, at the written direction of the Agent, all proceeds of Collateral received by the Obligor shall be delivered in kind to the Agent for deposit to a deposit account (the "**Collateral Account**") of the Obligor maintained with the Agent, and the Obligor shall hold all such proceeds in express trust for the benefit of the Lender Parties until delivery thereof is made to the Agent. All amounts so held by the Agent or by the Obligor in trust for the benefit of the Agent) and all income in respect thereof will continue to be collateral security for the Obligations and will not constitute payment thereof until approved as hereinafter provided. No funds, other than proceeds of Collateral, will be deposited in the Collateral Account;
- (l) following the Agent's exercise of the remedy provided for in paragraph 6(k) hereof, the Lender Parties shall have the right but not the obligation to apply any amount held in the Collateral Account to the payment of any Obligations which are due and payable or payable upon demand in such order as the Agent may determine in its discretion. The Agent may at any time transfer to the Obligor's general demand deposit accounts any or all of the collected funds in the Collateral Account; provided, however, that any such transfer shall not be deemed to be a waiver or modification of any of the Lender Parties' rights under this paragraph 6;
- (m) the Obligor shall not, unless the Obligor shall reasonably and in good faith determine (and notice of such determination, in form and substance satisfactory to the Lender Parties, shall have been delivered to the Agent) that any of the Intellectual Property is not material to the business of the Obligor and has negligible economic value, do any act, or omit to do any act, whereby any of the Intellectual Property may lapse or become abandoned, dedicated to the public, placed in the public domain, invalid or unenforceable, as the case may be;
- (n) the Obligor shall notify the Agent immediately if it knows, or has reason to believe, that any application or registration relating to any material item of the Intellectual Property may become abandoned, dedicated to the public, placed in the public domain, invalid or unenforceable, or of any materially adverse determination or development regarding the Obligor's ownership of any of the

Intellectual Property, its right to register the same or to keep and maintain and enforce the same;

- (o) the Obligor will promptly notify the Agent in writing of the acquisition by the Obligor of any Registered Intellectual Property and will provide the Agent with a revised Schedule I recording the acquisition and particulars of such additional Intellectual Property;
- (p) at the request of the Agent, the Obligor shall execute and deliver to the Agent any document required to acknowledge or register or perfect the Agent's interest in any part of the Intellectual Property;
- (q) the Obligor shall defend the title to the Collateral against all Persons and shall, upon reasonable demand by the Agent, furnish further assurance of title and execute any written instruments or do any other acts necessary to make effective the purposes and provisions of this Agreement; and
- (r) the Obligor shall ensure that the representations and warranties set forth in paragraph 5 hereof will be true and correct at all times.

7. The Obligor will maintain or cause to be maintained with reputable insurance companies insurance with respect to the Collateral against such casualties and contingencies and of such types and in such amounts as are required under the Credit Agreement.

8. The Obligor shall not create or suffer to exist any Liens upon any of the Collateral to secure any indebtedness or liabilities of any Person, except for the mortgages, charges and security interest created by this Agreement and except for Permitted Liens.

9. At such time as the Agent is lawfully entitled to exercise its rights and remedies under paragraph 17, the Obligor grants (to the extent permitted by the terms of any licence, if applicable) to the Agent an irrevocable, nonexclusive licence (exercisable without payment of royalty or other compensation to the Obligor) to use, assign or sublicense any Intellectual Property in which the Obligor has rights wherever the same may be located, including in such licence access to (i) all media in which any of the licensed items may be recorded or stored, and (ii) all software and computer programs used for compilation or print-out. The licence granted under this paragraph 9 is to enable the Agent to exercise its rights and remedies under paragraph 17 and for no other purpose.

10. Following the occurrence of an Event of Default which is continuing, (i) the Agent may notify any parties obligated on any of the Collateral to make any payment to the Agent of any amounts due or to become due thereunder and enforce collection of any of the Collateral by suit or otherwise and surrender, release, or exchange all or any part thereof, or compromise or extend or renew for any period (whether or not longer than the original period) any indebtedness thereunder or evidenced thereby, (ii) upon written request of the Agent, the Obligor will, at its own expense, notify any parties obligated on any of the Collateral to make any payment to the Agent of any amounts due or to become due thereunder, and (iii) any payment or other proceeds received by the Obligor from any party obligated on any of the Collateral shall be held by the Obligor in trust for the Lender Parties and paid over to the Agent on request.

11. The Obligor agrees that, forthwith upon request by the Agent, from time to time at its own expense, the Obligor will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary and reasonably requested by the Agent in order to perfect, preserve and protect any mortgages, charges and security interest created, granted or purported to be created or granted hereby or to enable the Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, the Obligor will:

- (a) if reasonably requested by the Agent, mark conspicuously each chattel paper included and each related contract with a legend, in form and substance satisfactory to the Agent, indicating that such document, chattel paper or related contract is subject to the security interest granted hereby;
- (b) if reasonably requested by the Agent, if any receivable shall be evidenced by a promissory note or other instrument, negotiable document or chattel paper, deliver and pledge to the Agent hereunder such promissory note, instrument, negotiable document or chattel paper duly endorsed and accompanied by duly executed instruments of transfer or assignment, all in form and substance satisfactory to the Agent;
- (c) execute and file such financing or financing change statements, or amendments thereto (including, without limitation, any assignment of claim from or other formality under or pursuant to the *Financial Administration Act* (Canada) or similar provincial or territorial legislation), and such other instruments or notices, as may be necessary and reasonably requested by the Agent in order to perfect and preserve the security interests and other rights granted or purported to be granted to the Lender Parties hereby;
- (d) furnish to the Agent, from time to time at the Agent's reasonable request, statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Agent may reasonably request, all in reasonable detail;
- (e) direct the issuer of any certificated securities included in or relating to the Collateral as the Agent may specify in its request to register the applicable security certificate in the name of the Agent or such nominee as it may direct,
- (f) direct the issuer of any uncertificated securities included in or relating to the Collateral as the Agent may specify in its request to register in the books and records of such issuer the Agent or such nominee as it may direct as the registered owner of the uncertificated security; and
- (g) direct the securities intermediary for any security entitlements in respect of financial assets deposited in or credited to a securities account included in or relating to the Collateral as the Agent may specify in its request to transfer any or all of the financial assets to which such security entitlements relate as the Agent may specify,

and the Agent will be entitled but not bound or required to exercise any of the rights that any holder of the above may at any time have. The Agent will not be responsible for any loss

occasioned by its exercise of such rights or by failure to exercise the same within the time limited for the exercise thereof other than any loss resulting from the gross negligence or wilful misconduct of the Agent.

With respect to the foregoing and the grant of the security interest hereunder, the Obligor hereby authorizes the Agent on behalf of the Lender Parties to file one or more financing or financing change statements, and amendments thereto, relative to all or any part of the Collateral without the signature of the Obligor where permitted by law. The Agent shall provide a copy of such statement to the Obligor together with details of registration thereof. A photographic or other reproduction of this Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law.

12. The Obligor agrees that forthwith, upon request from time to time by the Agent acting reasonably, the Obligor shall give its consent in writing to:

- (a) the entering into by any issuer of any uncertificated securities included in or relating to the Collateral as the Agent may specify in its request, of a Control Agreement with the Agent in respect of such uncertificated securities, which consent may be incorporated into an agreement to which such issuer, the Agent and the Obligor are parties; and
- (b) the entering into by any securities intermediary for any security entitlements in respect of the financial assets deposited in or credited to a securities account included in or relating to the Collateral as the Agent may specify in its request, of a Control Agreement with the Agent in respect of such security entitlements which consent may be incorporated into an agreement to which such securities intermediary, the Agent and the Obligor are parties.

13. The Obligor agrees that it shall not consent to:

- (a) the entering into by any issuer of any uncertificated securities included in or relating to the Collateral of a Control Agreement in respect of such uncertificated securities with any Person other than the Agent or such nominee or agent as it may direct; or
- (b) the entering into by any securities intermediary for any security entitlements in respect of the financial assets deposited in or credited to a securities account included in or relating to the Collateral of a Control Agreement with respect to such securities accounts or security entitlements with any Person other than the Agent or such nominee or agent as it may direct.

14. Unless an Event of Default has occurred and is continuing, the Obligor may use the Collateral in any lawful manner not inconsistent with this Agreement or the Credit Agreement, and the Agent and its representatives shall have the right to inspect the operations of the Obligor, its books and records and the Collateral in the manner and at the times set out in the Credit Agreement.

15. Following the occurrence of and during the continuance of an Event of Default, the Agent may have any Collateral comprising instruments, shares, stock, warrants, bonds,

debentures, debenture stock or other securities, registered in its name or in the name of its nominee and will be entitled but not bound or required to exercise any of the rights that any holder of such securities may at any time have, but the Agent shall not be responsible for any loss occasioned by the exercise of any of such rights or by failure to exercise the same within the time limit for the exercise thereof.

16. Upon the Obligor's failure to perform any of its duties hereunder after being requested in writing so to perform (it being understood that no such request need be given after the occurrence and during the continuance of an Event of Default), the Agent may, but shall not be obliged to, perform any or all of such duties, without waiving any rights to enforce this Agreement, and the Obligor shall pay to the Agent, forthwith upon written demand therefor, an amount equal to the reasonable costs, fees and expenses incurred by the Agent in so doing plus interest thereon from the date such costs, fees and expenses are incurred until paid at the rate or rates set out in the Credit Agreement.

17. Upon the occurrence of an Event of Default that is continuing, the security hereby granted shall immediately become enforceable and the Agent may, in its sole discretion, forthwith or at any time thereafter:

- (a) declare any or all of the Obligations not then due and payable to be immediately due and payable and, in such event, such Obligations shall be forthwith due and payable to the Agent without presentment protest or notice of dishonour;
- (b) commence legal action to enforce payment or performance of the Obligations;
- (c) require the Obligor to disclose to the Agent the location or locations of the Collateral and the Obligor agrees to make such disclosure when so required by the Agent;
- (d) require the Obligor, at the Obligor's sole expense, to assemble the Collateral and deliver or make the Collateral available at a place or places designated by the Agent to the Obligor that is reasonably convenient for the Obligor, and the Obligor agrees to so assemble, deliver or make available the Collateral;
- (e) enter any premises where the Collateral may be situate and take possession of the Collateral by any method permitted by law;
- (f) repair, process, modify, complete or otherwise deal with the Collateral and prepare for the disposition of the Collateral, whether on the premises of the Obligor or otherwise and take such steps as it considers necessary to maintain, preserve or protect the Collateral;
- (g) seize, collect, realize or dispose of the Collateral by private sale, public sale, lease, or otherwise upon such terms and conditions as the Agent may determine or otherwise deal with the Collateral or any part thereof in such manner, upon such terms and conditions and of such times as may seem to the Agent advisable;
- (h) carry on all or any part of the business or businesses of the Obligor and may, to the exclusion of all others, enter upon, occupy and use all or any of such

premises, buildings, plant, undertaking and other property of or used by the Obligor as part of or for such time and in such manner as the Agent sees fit, free of charge, and the Agent shall not be liable to the Obligor for any act, omission, or negligence (other than gross negligence or wilful misconduct) in so doing or for any rent, charges, depreciation, damages or other amount in connection therewith or resulting therefrom and any sums expended by the Agent shall bear interest at the rate or rates set out in the Credit Agreement;

- (i) file such proofs of claim or other documents as may be necessary or desirable to have its claim lodged in any bankruptcy, winding-up, liquidation, dissolution or other proceedings (voluntary or otherwise) relating to the Obligor;
- (j) borrow money for the purpose of carrying on the business of the Obligor or for the maintenance, preservation or protection of the Collateral and mortgage, charge, pledge or grant a security interest in the Collateral, whether or not in priority to the security created herein, to secure repayment of any money so borrowed;
- (k) where the Collateral has been disposed of by the Lender Parties as provided in paragraph 17.(g), commence legal action against the Obligor for any deficiency;
- (l) pay or discharge any Lien or claims by any Person in the Collateral and the amount so paid shall be added to the Obligations and secured hereby and shall bear interest at the highest rate of interest charged by the Lenders at that time in respect of any of the Obligations until payment thereof;
- (m) take any other action, suit, remedy or proceeding authorized or permitted by this Agreement, the PPSA or by law or equity;
- (n) to the extent permitted by Applicable Law, transfer any securities forming part of the Collateral into the name of the Agent or its nominee, with or without disclosing that the securities are subject to a security interest, and cause the Agent or its nominee to become the entitlement holder with respect to any security entitlements forming part of the Collateral; and
- (o) sell, transfer or use any investment property included in the Collateral of which the Agent or its agent has "control" within the meaning of subsection 1(2) of the PPSA.

18. Where required to do so by the PPSA or other Applicable Law, the Agent shall give to the Obligor the written notice required by the PPSA or other Applicable Law of any intended disposition of the Collateral.

19. Any notice or communication to be given under this Agreement to the Obligor or the Agent shall be effective if given in accordance with the provisions of the Credit Agreement as to the giving of notice to each, and the Obligor and the Agent may change their respective address for notices in accordance with the said provisions.

20. If the Agent is entitled to exercise its rights and remedies in accordance with paragraph 17 hereof, the Agent may take proceedings in any court of competent jurisdiction for the

appointment of a receiver (which term shall include a receiver and manager) (each herein referred to as a "Receiver") of the Collateral or may by appointment in writing appoint any Person to be a Receiver of the Collateral and may remove any Receiver so appointed by the Agent and appoint another in its stead; and any such Receiver appointed by instrument in writing shall have powers of the Agent set out in subparagraphs 17.(b) to (l), inclusive, including, without limitation, the power (i) to take possession of the Collateral, (ii) to carry on the business of the Obligor, (iii) to borrow money required for the maintenance, preservation or protection of the Collateral or for the carrying on of the business of the Obligor on the security of the Collateral in priority to the security interest created under this Agreement, and (iv) to sell, lease or otherwise dispose of the whole or any part of the Collateral at public auction, by public tender or by private sale, either for cash or upon credit, at such time and upon such terms and conditions as the Receiver may determine; provided that, to the extent permitted and in the manner prescribed by law any such Receiver shall be deemed the agent of the Obligor and no Lender Party shall be in any way responsible for any misconduct or negligence of any such Receiver.

21. Any proceeds of any disposition of any Collateral may be applied by the Agent to the payment of reasonable expenses incurred in connection with retaking, holding, repairing, processing, preparing for disposition and disposing of the Collateral (including the remuneration of any Receiver appointed pursuant to paragraph 20, solicitor's fees on a substantial indemnity basis and legal expenses and any other expenses), and any balance of such proceeds may be applied by the Agent towards the payment of the Obligations in such order of application as the Lender Parties may from time to time elect, subject to the provisions of the Credit Agreement. All such expenses and all amounts borrowed on the security of the Collateral under paragraphs 17 and 20 hereof shall bear interest at the rate or rates set out in the Credit Agreement. If the disposition of the Collateral fails to satisfy the Obligations and the expenses incurred by the Lender Parties, the Obligor shall be liable to pay any deficiency to the Lender Parties on demand.

22. Subject to Applicable Law, the Agent is authorized, in connection with any offer or sale of any securities forming part of the Collateral by it conducted after the occurrence and during the continuance of an Event of Default, to comply with any limitation or restriction as it may be advised by counsel is necessary to comply with Applicable Law, including compliance with procedures that may restrict the number of prospective bidders and purchasers, requiring that prospective bidders and purchasers have certain qualifications and restricting prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account or investment and not with a view to the distribution or resale of such securities. Subject to Applicable Law, the Agent will not be liable or accountable to the Obligor for any discount allowed by reason of the fact that such securities are sold in compliance with any such limitation or restriction.

23. The Obligor further agrees that:

- (a) the Obligor shall not be discharged by any extension of time, additional advances, renewals and extensions, the taking of further security, releasing security, extinguishment of the security interest as to all or any part of the Collateral, or any other act except a release or discharge of the security interest upon the full payment of the Obligations including reasonable charges, expenses, fees, costs and interest;

- (b) any failure by the Agent to exercise any right set out in this Agreement shall not constitute a waiver thereof; nothing in this Agreement or in the Obligations shall preclude any other remedy by action or otherwise for the enforcement of this Agreement or the payment in full of the Obligations;
- (c) the Agent may waive, in whole or in part, any breach by the Obligor of any of the provisions of this Agreement, any default by the Obligor in payment or performance of any of the Obligations or any of its rights and remedies, whether provided for herein or otherwise, provided that no such waiver shall be effective unless given by the Agent to the Obligor in writing;
- (d) no waiver given in accordance with paragraph 23.(c) shall be a waiver of any other or subsequent breach by the Obligor of any of the provisions of this Agreement, of any other or subsequent default by the Obligor in payment or performance of any of the Obligations or any of the rights and remedies of the Agent, whether provided for herein or otherwise;
- (e) all rights of the Agent and the Lender Parties hereunder shall be assignable to the extent permitted under the Credit Agreement;
- (f) the mortgage, charge and security interest created by this Agreement is intended to attach when this Agreement is signed by the Obligor with respect to all items of Collateral in which the Obligor has rights at that moment, and shall attach to all other Collateral immediately upon the Obligor acquiring any rights therein; and
- (g) value has been given.

24. The Obligor acknowledges having received an executed copy of this Agreement and of the financing statement registered under the PPSA evidencing the security interest created hereby.

25. The Obligor hereby irrevocably constitutes and appoints the Agent and each of its officers holding office from time to time as the true and lawful attorney of the Obligor with power of substitution in the name of the Obligor, to do any and all such acts and things or execute and deliver all such agreements, documents and instruments as the Agent, in its sole discretion, considers necessary or desirable to carry out the provisions and purposes of this Agreement or to exercise any of its rights and remedies hereunder, and to do all acts or things necessary to realize or collect the proceeds, including, without limitation:

- (a) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral;
- (b) to receive, endorse, and collect any drafts or other instruments, documents and chattel paper, in connection with clause (a) above;
- (c) to file any claims or take any action or institute any proceedings which the Agent may reasonably deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Lender Parties with respect to any of the Collateral; and



- (d) to perform the affirmative obligations of the Obligor hereunder.

The Obligor hereby acknowledges, consents and agrees that the power of attorney granted pursuant to this paragraph is irrevocable (until termination of the security interest hereunder) and coupled with an interest. The Obligor hereby ratifies and agrees to ratify all acts of any such attorney taken or done in accordance with this paragraph. The Agent agrees that it shall not exercise the power of attorney granted pursuant to this paragraph 25 unless an Event of Default has occurred and is continuing.

26. The powers conferred on the Lender Parties hereunder are solely to protect their interests in the Collateral and shall not impose any duty on the Agent to exercise any such powers. Except for reasonable care of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Agent shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral.

27. Notwithstanding any other term or condition of this Agreement, this Agreement shall not relieve the Obligor or any other party to any of the Collateral from the observance or performance of any term, covenant, condition or agreement on its part to be observed or performed thereunder or from any liability to any other party or parties thereto or impose any obligation on the Agent to observe or perform any such term, covenant, condition or agreement to be so observed or performed, and the Obligor hereby agrees to indemnify and hold harmless the Agent from and against any and all losses, liabilities (including liabilities for penalties), costs and expenses which may be incurred by the Agent under the Collateral and from all claims, alleged obligation or undertaking on its part to observe, perform or discharge any of the terms, covenants and agreements contained in the Collateral. The Agent may, at its option, perform any term, covenant, condition or agreement on the part of the Obligor to be performed under or in respect of the Collateral (and/or enforce any of the rights of the Obligor thereunder) without thereby waiving any rights to enforce this Agreement. Nothing contained in this paragraph 27 shall be deemed to constitute the Agent the mortgagee in possession of the Collateral or the lessee under any lease or agreement to lease unless the Agent has agreed to become such mortgagee in possession or to be a lessee.

28. All rights of the Lender Parties hereunder shall enure to the benefit of their respective successors and permitted assigns, provided that no Lender Party shall be entitled to transfer or assign any of its right, title or interest in, to, or arising under this Agreement except in accordance with the provisions governing assignment contained in the Credit Agreement and all obligations of the Obligor hereunder shall bind the Obligor and its successors and assigns.

29. The Obligor acknowledges and agrees that in the event it amalgamates with any other corporation or corporations, it is the intention of the parties hereto that the security interest created hereby (i) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating corporations and the amalgamated corporation at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated corporation, such that the term the "Obligor" when used herein would apply to each of the amalgamating corporations and the amalgamated corporation and (ii) shall secure the "Obligations" (as that term is herein defined) of each of the amalgamating corporations and the amalgamated corporation to the Lender Parties (and their Affiliates) at the time of amalgamation and any "Obligations" of the amalgamated corporation to the Lender Parties (and their Affiliates) hereafter arising. The security interest shall attach to the additional "Collateral" at the time of amalgamation and to any

"Collateral" thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired.

30. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

31. In the event of any conflict or inconsistency between the provisions hereunder and the provisions of the Credit Agreement then, notwithstanding anything contained in this Agreement, the provisions contained in the Credit Agreement shall prevail and the provisions of this Agreement will be deemed to be amended to the extent necessary to eliminate such conflict or inconsistency. If any act or omission of the Obligor is expressly permitted under the Credit Agreement but is expressly prohibited hereunder, such act or omission shall be permitted. If any act or omission is expressly prohibited hereunder, but the Credit Agreement does not expressly permit such act or omission, or if any act is expressly required to be performed hereunder but the Credit Agreement does not expressly relieve the Obligor from such performance, such circumstance shall not constitute a conflict or inconsistency between the applicable provisions hereunder and the provisions of the Credit Agreement.

32. This Agreement and the security interest, assignment and mortgage and charge granted hereby are in addition to and not in substitution for any other security now or hereafter held by the Agent and this Agreement is a continuing agreement and security that will remain in full force and effect until discharged by the Agent.

33. The Obligor will not be discharged from any of the Obligations or from this Agreement except by a release or discharge signed in writing by the Agent.

34. If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect.

35. The Obligor hereby waives the right to receive a copy of any financing statement or financing change statement, or any statement issued by any registry that confirms the registration of a financing statement or financing change statement, relating to this Agreement, the Credit Agreement or any other agreement between the Obligor and the Lender Parties.

36. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by telecopy or pdf), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

**[Signature page follows]**


**IN WITNESS WHEREOF** the undersigned has caused this Agreement to be duly executed and delivered by its officer thereunto duly authorized.

**Address:**

Paradigm Electronics Inc.  
205 Annagem Blvd.  
Mississauga, ON L5T 2V1

Attention: Scott Bagby

**PARADIGM ELECTRONICS INC.**

by   
Name: Scott Bagby  
Title: President and Secretary

**Address:**

Bank of Montreal  
First Canadian Place  
100 King St. West, 18th Floor  
Toronto, ON M5X 1A1

Attention: Andre Orbe  
Fax No. (416) 360-7168

**BANK OF MONTREAL, as agent**

by \_\_\_\_\_  
Name:  
Title:  
  
\_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF the undersigned has caused this Agreement to be duly executed and delivered by its officer thereunto duly authorized.

Address:

**PARADIGM ELECTRONICS INC.**

Paradigm Electronics Inc.  
205 Annagem Blvd.  
Mississauga, ON L5T 2V1

Attention: Scott Bagby

by \_\_\_\_\_

Name: Scott Bagby  
Title: President and Secretary

Address:

**BANK OF MONTREAL, as agent**

Bank of Montreal  
First Canadian Place  
100 King St. West, 18th Floor  
Toronto, ON M5X 1A1

Attention: Andre Orbe  
Fax No. (416) 360-7168

by \_\_\_\_\_

Name: *Andre Orbe*  
Title: *Director*  
\_\_\_\_\_  
Name: **Amit Walia**  
Title: **Managing Director**

SCHEDULE I

LOCATIONS OF COLLATERAL

205 Annagem Blvd.,  
Mississauga, Ontario  
L5T 2V1

5340 Canotek Road, Units 2-8,  
Gloucester, Ontario  
K1J 9C8

Sam-Son Logistics  
1661 S Vintage Ave  
Ontario CA  
91761

DSV Air & Sea c/o Shenzhen Kerry Yantian Port  
Logistics Center, South Area, Yantian Prot FTZ,  
Yangtian District

**SCHEDULE II**

**REGISTERED INTELLECTUAL PROPERTY**

Trademarks:

<b>Trademark</b>	<b>Registration Number</b>	<b>Jurisdiction</b>
ARC	5343749	United States
ARC ANTHEM ROOM CORRECTION	TMA1003288	Canada
ARC ANTHEM ROOM CORRECTION	5614381	United States
ANTHEM	TMA659,960	Canada
ANTHEM	22148619	China
ANTHEM	4,045,888	United States
P LOGO	2,240,451	United States
PARADIGM	A.739545	Australia
PARADIGM	TMA491,498	Canada
PARADIGM	TMA295924	Canada
PARADIGM	1228921	China
PARADIGM	601328	European Union
PARADIGM	2001B11861	Hong Kong
PARADIGM	97010213	Malaysia
PARADIGM	170783	Russia
PARADIGM	T97/08655 D	Singapore
PARADIGM	807506	Taiwan

PARADIGM	2,169,614	United States
PERSONA	5213951	United States
SONIC FRONTIERS	TMA552,399	Canada
STYLUS	TMA542,818	Canada

Patents:

<b>PATENTS</b>	<b>Patent Registration Number</b>	<b>Jurisdiction Registered</b>
Transmission of Power and/or Signalling	7,236,600 Issued: June 26, 2007	USA
LOUDSPEAKER	Application No.: 62/811295 Filing Date: Feb 27, 2019	USA
Loudspeaker Driver Suspension	8,340,340 Issued: December 25, 2012	USA
Loudspeaker Driver Suspension	D654,479 Issued: February 21, 2012	USA
Loud Speaker Structure	5748759 Issued: May 5, 1998	USA
Low Diffraction Tweeter Housing	9,800,968 Issued: Oct 24, 2017	USA
Perforated Phase Alignment Tweeter Screen	10,003,869 Issued: June 19, 2018	USA
PROTECTIVE SPEAKER SCREEN	D843,973 Issued: Mar 26, 2019	USA

PROTECTIVE SCREEN	SPEAKER	Application No.:29/669512 Filing Date: Nov 8, 2018	USA
PROTECTIVE SCREEN	SPEAKER	D834,558 Issued: November 27, 2018	USA

Registered Domain Names:

DOMAIN	Expiry	Account Number
anthem-av.com	20/03/2021	20453063
anthem-sfi.com	30/09/2019	20453063
anthemarc.com	31/10/2020	20453063
anthemav.com	20/03/2021	20453063
anthemavarc.com	31/10/2020	20453063
greatsoundpr.com	23/08/2021	20453063
handcraftedsound.com	05/12/2019	20453063
paradigm.com	12/03/2021	20453063
pmlsound.com	10/05/2020	20453063
pmlsound.eu	10/05/2020	20453063
pmlsound.uk	10/05/2020	20453063
sonicfrontiers.com	12/10/2019	20453063
cdn-speakertech.com	21/10/2020	29787663
anthemav.com.cn	06/11/2019	128763
anthemav.jp	14/10/2019	128763



martinlogan.jp	14/10/2019	128763
martinloganspeakers.cn	07/11/2019	128763
paradigmspeakers.cn	07/11/2019	128763
paradigmspeakers.jp	07/11/2019	128763
pmlsound.ca	15/05/2020	128763
pmlsound.cn	10/05/2020	128763
pmlsound.com.au	05/07/2020	128763
pmlsound.com.cn	10/05/2020	128763
pmlsound.com.hk	09/05/2020	128763
pmlsound.com.ru	09/05/2020	128763
pmlsound.hk	09/05/2020	128763
pmlsound.jp	08/05/2020	128763
pmlsound.net.au	05/07/2020	128763
pmlsound.ru	09/05/2020	128763