

This instrument prepared by:
Douglas C. Atnipp
Greenberg Traurig LLP
1000 Louisiana, Ste. 1700
Houston, Texas 77002

Source of Grantor's interest in the real property described herein: Various Deeds and Leases Described or Referenced in Exhibit A hereto, in Campbell and Scott Counties, TN

MAXIMUM PRINCIPAL INDEBTEDNESS FOR TENNESSEE RECORDING TAX PURPOSES IS THREE MILLION THREE HUNDRED AND EIGHT THOUSAND DOLLARS (\$3,308,000.00)

DEED OF TRUST, LEASEHOLD DEED OF TRUST, SECURITY AGREEMENT, AND FIXTURE FILING

THIS DEED OF TRUST, LEASEHOLD DEED OF TRUST, SECURITY AGREEMENT, AND FIXTURE FILING (this "Deed of Trust"), is made as of August 13, 2014, by **0955615 US INC.**, a Delaware Corporation and **TIACME, LLC**, a Kentucky limited liability company, each as a Grantor, assignor and debtor (in such capacities and together with any successors in such capacities, "Grantor"), in favor of Grant C. Glassford, Esq., of Williamson County, Tennessee, and his successors, successors-in-title and assigns as Trustee (the "Trustee", said term always referring to the Trustee and his or its successors in trust), for the benefit of Abaci Capital Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands, having offices at c/o ITA Global Trust Co., Ltd., Suite 410, 2nd Floor Canella Court, Camana Bay, P.O. Box 32203, Grand Cayman KY1-1208, Cayman Islands, and its successors and assigns (as hereinafter further defined, hereinafter referred to as the "Beneficiary" or, sometimes, as the "Lender"). **All references to Grantor are to each of them, in their individual company or corporate capacity.**

THIS INSTRUMENT CONTAINS AFTER-ACQUIRED PROPERTY PROVISIONS.

THIS INSTRUMENT SECURES PAYMENT OF FUTURE ADVANCES.

THIS INSTRUMENT COVERS PROCEEDS OF COLLATERAL.

THIS INSTRUMENT COVERS PRODUCTS OF COLLATERAL.

THIS INSTRUMENT COVERS MINERALS, AS-EXTRACTED COLLATERAL AND OTHER SUBSTANCES OF VALUE WHICH MAY BE EXTRACTED FROM THE EARTH (INCLUDING, WITHOUT LIMITATION, OIL AND GAS). THIS FINANCING STATEMENT IS TO BE FILED FOR RECORD, AMONG OTHER PLACES, IN THE REAL ESTATE RECORDS OF THE COUNTY RECORDERS OF THE COUNTIES LISTED ON EXHIBIT A HERETO. GRANTOR HAS AN INTEREST OF RECORD IN THE REAL ESTATE CONCERNED, WHICH INTEREST IS DESCRIBED IN EXHIBIT A ATTACHED HERETO.

PORTIONS OF THE PROPERTY (AS HEREINAFTER DEFINED) ARE GOODS WHICH ARE OR ARE TO BECOME AFFIXED TO OR FIXTURES ON THE LAND DESCRIBED IN OR REFERRED TO IN SCHEDULE A HERETO. THIS DEED OF TRUST SHALL CONSTITUTE A SECURITY AGREEMENT AND UNIFORM COMMERCIAL CODE FINANCING STATEMENT WITH RESPECT TO FIXTURES AND PERSONAL PROPERTY UNDER THE UNIFORM COMMERCIAL CODE OF TENNESSEE, AS AMENDED. PART OF THE COLLATERAL DESCRIBED HEREIN IS OR IS TO BECOME FIXTURES ON THE REAL ESTATE DESCRIBED HEREIN.

THE NAMES AND ADDRESSES OF THE DEBTOR AND SECURED PARTY ARE:

DEBTOR:

0955615 US INC.,
a Delaware Corporation
620 North Campbell Station Road, Suite 22
Station West, Knoxville, Tennessee

TIACME, LLC

a Kentucky limited liability company
620 North Campbell Station Road, Suite 22
Station West, Knoxville, Tennessee

SECURED PARTY:

ABACI CAPITAL LIMITED,
an exempted company incorporated with
limited liability under the laws of the Cayman
Islands
Suite 4210, 2nd Floor
Canella Court, 48 Market Street
Camana Bay, Grand Cayman
KY1-1208 Cayman Islands

FOR IN AND CONSIDERATION OF the sum of Ten and No/100ths Dollars (\$10.00) cash in hand paid and the other consideration hereinafter described, including the debt and trust hereinafter provided, each Grantor grants, mortgages, bargains, sells, assigns, conveys and warrants to Trustee, in trust, and hereby grants to Trustee for the benefit of Beneficiary, security interest in, to all of such Grantor's right, title and interest in, to and under to all the following property, whether now owned or held or hereafter acquired from time to time, described in the "GRANTING CLAUSES" section below (collectively, sometimes hereinafter referred to either as the "Property" or the "Demised Premises");

GRANTING CLAUSES

A. Any and all present estates or interest of Grantor in land or real property, more particularly described on Exhibit A attached hereto and made a part hereof, together with all Grantor's rights in and to any and all easements, rights-of-way, sidewalks, strips and gores of land, drives, roads, curbs, streets, ways, alleys, passages, passageways, sewer rights, waters, water courses, water rights, mineral, gas and oil rights, and all power, air, light and other rights, estates, titles, interests, privileges, liberties, servitudes, licenses, tenements, hereditaments and appurtenances whatsoever, in any way belonging, relating or appertaining thereto, or any part thereof, or which hereafter shall in any way belong, relate or be appurtenant thereto, TOGETHER with all rights, title and interest of Grantor in and to flora, crops, trees, timber and other emblements now or hereafter on, under or above the Land or any part or parcel thereof as well as any and all the reversion or reversions, remainder or remainders, rents, issues and profits thereof; and also all the estate, right, title, interest, claim and demand whatsoever of Grantor of, in and to the same and of, in and to every part and parcel thereof, (collectively, the "Land");

B. The lessee's interest and estate in all leases and subleases of land or real property interests, wherever such interests may be located in the county where this Deed of Trust is to be recorded,, including, without limitation, those certain leases and subleases set forth in Exhibit B hereto (the "Mortgaged Leases") and all recorded or unrecorded extensions, amendments, supplements and restatements thereof, together with all right, title and interest of the lessee under the Mortgaged Leases in and to any and all easements, rights-of-way, reversions, sidewalks,

strips and gores of land, drives, roads, curbs, streets, ways, alleys, passages, passageways, sewer rights, waters, water courses, water rights, mineral, gas and oil rights, and all power, air, light and other rights, estates, titles, interests, privileges, liberties, servitudes, licenses, tenements, hereditaments and appurtenances whatsoever, in any way demised under the Mortgaged Leases or belonging, relating or appertaining to the land demised under the Mortgaged Leases and/or described in Exhibit B or any part thereof, or which hereafter shall in any way be demised under the Mortgaged Leases or belong, relate or be appurtenant to such land (collectively, the "Leased Premises");

C. All rights, titles, interests and estates now owned or hereafter acquired by Grantor in and to all oil, gas, casinghead gas, condensate, distillate, liquid hydrocarbons, gaseous hydrocarbons and all products refined therefrom and all other minerals, including coal, in and under which may be produced and saved from or attributable to the Leased Premises, the Land covered thereby, and Grantor's interests therein, including all oil in tanks, extracted coal, and all rents, issues, profits, proceeds, products, revenues and other income from or attributable to the Leases, the Lands covered thereby, and Grantor's interests therein;

D. Any and all estates or interests of Grantor in all tipples, loading and coal washing facilities, conveyors, railroad tracks, buildings, foundations, structures and other fixtures and improvements and any and all Alterations (as hereinafter defined) and all materials now or hereafter intended for construction, reconstruction or repair thereof, in each case now or hereafter located or erected on, in or under the Land or the Leased Premises, including, without limitation, attachments, walks and ways (collectively, the "Improvements"; together with the Land and the Leased Premises, the "Premises");

E. Any and all permits, certificates, authorizations, consents, approvals, licenses, franchises, waivers or other instruments now or hereafter required by any Governmental Authority (as hereinafter defined) to operate or use and occupy the Premises and the Equipment (as hereinafter defined) for its intended uses, including, without limitation, building permits, certificates of occupancy, environmental certificates, industrial permits or licenses and certificates of operation (collectively, the "Permits");

F. Any and all interest of Grantor in all machinery, apparatus, equipment, fittings, fixtures, improvements and articles of personal property of every kind and nature whatsoever (together with all substitutions and replacements for, and all accessions, additions and attachments to any thereof) now located on, in or under the Premises, that are attached or affixed to the Premises, or are located in the Improvements and are an integral part of the Improvements and essential to the operation of the Improvements, and are used or useful in connection with the use and enjoyment of the Premises, including, without limitation, all trade fixtures, plants, storage tanks, product transportation equipment, utility systems, fire sprinkler and alarm systems, HVAC equipment, boilers, electronic data processing, telecommunications or computer equipment, refrigeration, electronic monitoring, water or lighting systems, power, sanitation, waste removal, elevators, maintenance or other systems or equipment, and all other articles used or useful in connection with the use or operation of any part of the Premises including the Improvements, provided, that, for the avoidance of doubt, the property covered by this Granting Clause E does not include (i) mobile machinery and equipment, (ii) after-acquired property that is not a substitution or replacement for the machinery and equipment described above in this Granting Clause E, (iii) inventory, (iv) accounts (including accounts receivable from the sale of

coal), or (v) as-extracted collateral (as such term is defined in the Uniform Commercial Code as in effect in the State in which the Demised Premises (as herein defined) are located)(collectively, subject to the preceding proviso and exclusion, the "Equipment");

G. Any and all Grantor's right, title and interest as lessor, landlord, sublessor, sublandlord, franchisor, licensor or grantor, in all leases and subleases, land or improvements, leases and subleases of space, oil, gas and mineral leases, franchise agreements, licenses, occupancy or concession agreements now existing or hereafter entered into relating in any manner to the Premises or the Equipment and any and all amendments, modifications, supplements and renewals of any thereof (each such lease, sublease, license or agreement, together with any such amendment, modification, supplement or renewal, a "Sublease"), whether now in effect or hereafter coming into effect, including, without limitation, all rents, additional rents, royalties, cash, guaranties, letters of credit, bonds, sureties or securities deposited thereunder to secure performance of the lessee's, sublessee's, franchisee's, licensee's or obligee's obligations thereunder, revenues, earnings, profits and income, advance rental or royalties, payments, payments incident to assignment, sublease or surrender of a Sublease, claims for forfeited deposits and claims for damages, now due or hereafter to become due, with respect to any Sublease, any indemnification against, or reimbursement for, sums paid and costs and expenses incurred by Grantor under any Sublease or otherwise, and any award in the event of the bankruptcy of any tenant or lessee under or guarantor of a Sublease (collectively, the "Rents");

H. All prepaid royalties, deferred payments, deposits, refunds and claims of every kind or character relating to (but only insofar as they relate to) the Premises and the Equipment(collectively, the "Contract Rights");

I. All books, records, drawings, plans, specifications, file materials, operating and maintenance records, catalogues, tenant lists, correspondence, advertising materials, operating manuals, warranties, guaranties, appraisals, studies and data relating to the Premises or the Equipment or the construction of any Alteration or the maintenance of any Permit; and

J. All proceeds of the conversion, voluntary or involuntary, of any of the foregoing into cash or liquidated claims, including, without limitation, proceeds of insurance and condemnation or other awards or payments and refunds of real estate taxes and assessments, including interest thereon, TOGETHER with any and all awards or payments, including interest thereon, and the right to receive the same, as a result of (a) the exercise of the right of eminent domain, (b) the alternation of the grade of any road or street, or (c) any other injury to taking of, or decrease in the value of, the Premises or any portion thereof, to the extent of all amounts which may be secured by this Deed of Trust at the date of receipt of any such award or payment by Trustee and to the extent of the reasonable attorney's fees, costs and disbursements incurred by the Trustee in connection with the collection of such award or payment (collectively, "Proceeds").

TO HAVE AND TO HOLD the Property, with the appurtenances, hereditaments, estate, title and interest thereto belonging, to the Trustee forever.

The Property is conveyed subject to the title exceptions, if any, set forth on Exhibit C attached hereto (collectively, if more than one, the "Permitted Exceptions").

Grantor covenants that Grantor is lawfully seized and possessed of the Property, and except as set forth on Exhibit C has good right to convey it, and that it is unencumbered except for the Permitted Exceptions. Grantor further binds itself and its heirs, representatives and successors to warrant and forever defend the title to the Property to Trustee against the lawful claims of all persons whomsoever, other than claims arising out of the Permitted Exceptions or the exceptions set forth on Exhibit C.

CONDITIONS PRECEDENT

The Beneficiary hereby expressly acknowledges covenants and agrees that any and all of the parties' respective rights, and obligations are subject to, and shall have no force or effect prior to the prior fulfillment of the following conditions Precedent:

(a) Novadx Ventures Corp. shall be the sole shareholder of 0955615 US Inc.;
and

(b) The TSX Venture Exchange shall have approved the granting by the Grantor of the security interest in favor of the Beneficiary hereunder.

1. Liabilities Secured and Effect of Payment.

Each Grantor is the wholly owned subsidiary of NovaDx Ventures Corp., a corporation incorporated under the law of British Columbia ("NovaDx"). NovaDx is indebted to Beneficiary in the principal amount of Three Million Three Hundred Eight Thousand Dollars (\$3,308,000.00), which indebtedness is evidenced by three promissory notes: that certain First Replacement Promissory Note in favor of Secured Party dated August 13, 2014, in the principal amount of \$658,000.00, that certain First Replacement Promissory Note in favor of Secured Party dated August 13, 2014, in the principal amount of \$1,950,000.00 and that certain First Replacement Promissory Note in favor of Secured Party dated August 13, 2014, in the principal amount of \$700,000.00 (each as amended, replaced, modified or supplemented from time to time, referred to herein collectively as the "Note") pursuant to which, Holder agreed to make loans to Company from time to time on the conditions set forth in the Note.

a. Each Grantor benefits directly or indirectly from the extension of credit by the Beneficiary under the Note.

b. Specifically, this conveyance is made pursuant to the Note in order to secure the payment and/or faithful performance of (1) the indebtedness evidenced by the Note, principal and all interest thereon, together with any and all extensions, modifications and/or renewals thereof, (2) all sums advanced by Beneficiary to Grantor or expended by Beneficiary for Grantor's account or benefit pursuant to the terms of this deed of trust, with interest thereon as provided herein, and the faithful performance of all terms and conditions contained herein, (3) all costs and expenses, including without limitation reasonable attorney's fees, incurred in collecting the indebtedness secured hereby or in enforcing this deed of trust, and (4) any and all other future advances by Beneficiary to Grantor, if any, and related notes (if any) evidencing such indebtedness(es) of Grantor to Beneficiary except that the indebtedness secured by this clause (4) shall not include any debt subject to the disclosure requirements of the federal Truth-in-Lending Act if, at the time such debt is created, any legally required disclosure of this security interest as it relates to such debt has not been made, (collectively, all such secured indebtedness

and obligations are sometimes referred to hereinafter as the “Obligations” or “Liabilities”). This Deed of Trust is for commercial purposes, and secures not only indebtedness or advances made contemporaneously with the execution hereof, but also future advances, both obligatory and optional, to the same extent as if such future advances were made contemporaneously with the execution hereof, even though no advances may be made at the time of execution hereof and even though no indebtedness is outstanding at the time any advance is made, as provided by Public Chapter No. 137 of the Act of the Tennessee General Assembly of 1987.

c. If Grantor and/or Obligor shall pay the Liabilities when due and perform according to the terms of all instruments relating thereto and/or any and all extensions thereof, and perform contractually as obligated, then this Deed of Trust is to be released of record by Beneficiary and thereupon shall be of no further force or effect.

2. Payment of Rent and Performance under the Mortgaged Leases and Other Agreements.

a. Grantor shall pay or cause to be paid, not later than the date upon which same becomes due and payable pursuant to the provisions of the Mortgaged Leases, all rent, royalties, additional rent and other payments required to be paid by Grantor under the Mortgaged Leases according to the terms, conditions and provisions of the Mortgaged Leases. Grantor shall exercise any option to renew the Mortgaged Leases until such time as the indebtedness secured hereby is paid in full.

b. At the sole cost and expense of Grantor, Grantor shall duly and punctually observe and perform all of the covenants, duties, obligations and agreements of the Lessee or tenant under the Mortgaged Leases in strict accordance with the terms, conditions and provisions thereof, shall not do or permit to be done anything to impair the Lender’s security, shall enforce the performance and observance of each and every covenant and condition of the Mortgaged Leases to be performed or observed by any other party to the Mortgaged Leases and shall otherwise maintain each of the Mortgaged Leases as a valid and subsisting estate for years and leasehold estate in full force and effect in accordance with the terms, conditions and provisions thereof without threat of termination of the each such Mortgaged Lease or diminishment of the leasehold estate demised thereby.

c. In the event Grantor defaults under the terms, conditions or provisions of any Mortgaged Lease, or Grantor receives any notice from any Lessor under the Lease or otherwise of the occurrence of a default or event of default on the part of the Grantor or any other party under any Mortgaged Lease, or Grantor receives any notice from any Lessor under any Mortgaged Lease or otherwise of the occurrence of, or failure of, any condition under any Mortgaged Lease or any other circumstance pursuant to which any of the Mortgaged Leases may be terminated or cancelled or the leasehold estate thereunder may otherwise be diminished, Grantor shall within three (3) days of the commission of such default or of the receipt of such notice of default or other occurrence, notify Lender of the occurrence of such default or event of default or occurrence and provide Lender in such notification with a copy of such notice of default. Without diminishing in any respect Lender’s rights hereunder or otherwise, Grantor shall in such notification and at all times thereafter provide Lender with such information as Lender may require with respect to the nature of such default, the steps Grantor is taking (or proposes to take) with respect thereto and any other information which Lender may require.

Grantor shall take any and all actions as are necessary to avoid termination of the Mortgaged Leases or any one or more of them, including the institution of legal proceedings to enforce the Mortgaged Leases, and Grantor shall appear in and defend any action or proceeding arising under or in any manner connected with the Mortgaged Leases, or the obligations or liabilities of Grantor as the Lessee thereunder.

3. Except as set forth on Exhibit C (Permitted Exceptions and certain related matters) each Grantor warrants, represents and certifies that:

a. The Grantor is the sole owner and holder of the entire Lessee's interest in the Mortgaged Leases and of the leasehold estates created thereby, free and clear of any and all liens, security interests and encumbrances. Grantor has made no assignment of any of the rights of Grantor under the Lease.

b. To the best of Grantor's knowledge (including discussions with Sellers and those lessors from whom consents to assignment were sought and obtained), each of the Mortgaged Leases is a valid and subsisting estate for years of, in and to the Land and of the other property described therein and purported to be demised thereunder for the term therein set forth. To the best of Grantor's knowledge, the Mortgaged Leases are valid and enforceable and in full force and effect in accordance with the terms, conditions and provisions thereof and has not been altered, modified or amended in any manner whatsoever except as expressly set forth herein.

c. To the best of Grantor's knowledge, neither the Grantor nor the Lessor under the Mortgaged Leases is in default under any of the terms, covenants or conditions thereof nor does there exist any event of default or any state of facts or condition which would, with the passage of time or the giving of notice, or both, constitute a default or event of default on the part of said Lessor or Grantor under any of said terms, covenants or conditions or otherwise impair, reduce or otherwise alter the leasehold estates conveyed thereunder.

d. Grantor is not prohibited under any judgment, court decree, administrative regulation, administrative ruling, ordinance, law or other ruling applicable to Grantor, from the execution and delivery of this Deed of Trust and of the assignment of Grantor's interest in the Mortgaged Leases, the performance of each and every obligation of Grantor hereunder and under the Mortgaged Leases and the meeting of each and every condition herein or in the Mortgaged Leases contained.

e. That no action has been brought or threatened which would in any manner interfere with the right of Grantor to execute this Deed of Trust and to perform all of Grantor's obligations contained in this Deed of Trust or under the Mortgaged Leases;

f. To the best of Grantor's knowledge, the copy of each of the Mortgaged Leases provided by Grantor to Lender is a true, correct and complete copy thereof and that the records related thereto which have been furnished by the Grantor to the Lender are true, correct, accurate and complete in all material respects.

g. Grantor has neither done any act nor failed to do any act which might prevent Lender from, or limit Lender in, acting under any of the provisions of this Deed of Trust or which might cause Grantor to be estopped from exercising any of its rights under the Mortgaged Leases.

h. Grantor has full power and authority to execute and deliver this Deed of Trust and said execution and delivery has been duly authorized and does not conflict with or constitute a default under the Mortgaged Leases or any other agreement, indenture or other instrument binding upon the Grantor or the Demised Premises.

i. Grantor shall not, without in each such event the prior written consent of Lender, enter into any agreements, whether written or oral, which purport to amend, modify, or vary the terms, conditions and provisions of the Mortgaged Leases or which directly or indirectly waives or releases any Lessor from the performance or observance by the Lessor of any obligation or condition of the Mortgaged Leases.

j. In addition to the foregoing and not in limitation thereof, in the event of a failure or default by Grantor in the observance or performance of any one or more of the covenants and obligations of the Lessee under the Mortgaged Leases or in the event that the Mortgaged Leases otherwise become subject to, or threatened with, termination or cancellation, such default or condition or occurrence shall constitute a default hereunder and under the Note and Secured Indebtedness secured hereby; and, in such event, Lender, at Lender's sole option, may, but shall not be obligated to, in addition to the other remedies provided herein in the event of a default hereunder, do any one or more of the following: (a) declare immediately due and payable the Note secured hereby and proceed to exercise any and all rights and remedies available to Lender hereunder and under said Note, at law or in equity; (b) cure each and every such default or condition or occurrence by any means including, without limitation, by the payment of monies necessary or desirable to cure such default and by the taking of any action deemed by Lender in its sole discretion to be necessary or advisable to cure such default or event of default, even though the existence of such default or event of default or the nature thereof be questioned or denied by Grantor or by any party on behalf of Grantor; and (c) take all actions and enforce all remedies set forth in this Deed of Trust or in any of the other Loan Documents, including, but not limited to, exercise of the foreclosure remedies set forth herein.

k. Grantor hereby expressly grants to Lender and agrees that Lender shall have absolute and immediate right to perform such actions and to enter in and upon the Demised Premises or any part thereof to such extent and as often as Lender, in its sole discretion, deems necessary or desirable in order to prevent or cure any default or event of default by Grantor. Lender may pay and expend such sums of money as Lender, in its sole discretion, deems necessary for any such purpose, including, but not limited to the payment of any rental amounts or other sums due under the Mortgaged Leases, and Lender may proceed to perform any and all obligations of the Grantor contained in the Mortgaged Leases and exercise any and all rights of Grantor therein contained as fully as the Grantor itself could, and upon so doing shall be subrogated to any and all rights of Grantor as Lessee under the Mortgaged Leases, and Grantor hereby agrees to pay to Lender immediately and without demand, all such sums so paid and expended by Lender, together with interest thereon from the date of such payment at the default rate set forth in the Note, which sums shall be secured by this Deed of Trust. Grantor hereby appoints and constitutes Lender as Grantor's duly authorized attorney in fact to make advances under this Deed of Trust for any purpose described in this paragraph and to take any other action referenced in this Deed of Trust, and such power is coupled with an interest and is irrevocable by death or otherwise.

4. Insurance. The Grantor agrees to provide Lender notice of insurance and keep all improvements and building of said Demised Premises insured against all hazards and risks through some reliable insurance company or companies in such amounts as may be from time to time specified by the Lender, but in no event less than the replacement costs of the buildings and improvements located thereon, until the total sum and obligations hereby secured are fully paid and performed, and to have any loss payable jointly to Lender as "Mortgagee" and Grantor, and to list Lender on any and all such policies as the Loss Payee and Additional Insured. The proceeds of such insurance policies shall be applied promptly to restoration or replacement of the buildings and Improvements, or, if not so applied, then to payment of the Liabilities. In case of the pending expiration of any policy, proof of renewal thereof with proof of premium payment of the same shall be delivered to the Lender within twenty (20) days before the time of such expiration. In the event of loss, Grantor shall give immediate written notice to the Lender who may make proof of loss if not promptly made by the Grantor, but the Lender shall have no obligation to make such proof of loss. If the Grantor shall fail to pay any such insurance premiums, the Lender expressly is authorized and shall have the right to, but not the obligation, pay such amount, and shall be immediately reimbursed by Grantor. Each of the insurance policies required hereunder shall contain an endorsement that such policies will not be cancelled except upon not less than thirty (30) days' prior written notice to the Lender.

5. Care of the Demised Premises.

a. Grantor will keep the improvements now or hereafter erected on the Demised Premises in good condition and repair, will not commit or suffer any waste and will not do or suffer to be done anything (i) which will increase the risk of fire or other hazard to the Demised Premises or any part thereof, or (ii) which will impair or adversely affect the value of the Demised Premises. Grantor will neither remove or demolish nor alter the design or structural character of any building, fixture, chattel or other part of the Demised Premises without the written consent of Beneficiary. Grantor does hereby permit and authorize Lender or its representatives to have reasonable access to the Demised Premises at all reasonable times. Grantor will promptly comply with all present and future laws, ordinances, rules and regulations of any governmental authority or restrictions affecting the Demised Premises or any part thereof. Grantor will, if all or any part of the Demised Premises shall be damaged by fire or other casualty, give immediate written notice of same to Lender and will promptly restore the Demised Premises to the equivalent of its original condition; and if a part of such Demised Premises shall be damaged through condemnation, Grantor will promptly restore, repair or alter the remaining property in a manner satisfactory to Lender; provided, however, that Buyer shall use insurance proceeds promptly after receipt thereof to restore and/or replace the Demised Premises, or if not so used, then such proceeds shall be paid forthwith to Beneficiary for payment of the Liabilities; and, provided, further, that condemnation proceeds shall be subject to the Beneficiary's rights under Section 12 below.

b. Each Grantor represents, warrants and agrees that (a) to the best of Grantor's knowledge, except as disclosed in the Agreement, no Hazardous Material (as hereinafter defined) has been used or placed on the Demised Premises in violation of any applicable Environmental Laws (as hereinafter defined); (b) to the best of Grantor's knowledge, except as disclosed in the Agreement, no notice has been received with regard to any Hazardous Material on the Demised Premises; (c) to the best of Grantor's knowledge, except as disclosed in the Agreement, the Demised Premises are presently in compliance with all Environmental Laws;

(d) to the best of Grantor's knowledge, except as disclosed in the Agreement, no action, investigation or proceeding is pending or to Grantor's knowledge threatened which seeks to enforce any right or remedy against Grantor or the Demised Premises under any Environmental Law; (e) Grantor shall permit no installation or placement of Hazardous Material on the Demised Premises in violation of Environmental Laws; (f) Grantor shall permit no release of Hazardous Material onto or from the Demised Premises; (g) Grantor shall cause the Demised Premises to comply with applicable Environmental Laws and shall keep the Demised Premises free and clear of any liens imposed pursuant to any applicable Environmental Laws; (h) all licenses, permits and other governmental or regulatory actions necessary for the Demised Premises to comply with Environmental Laws (the "Permits") shall be obtained and maintained and Grantor shall assure compliance therewith; and (i) Grantor shall give the Lender prompt written notice if Grantor receives any notice with regard to Hazardous Material on, from or affecting the Demised Premises and shall conduct and complete all investigations and all cleanup actions necessary to remove, in accordance with applicable Environmental Laws, such Hazardous Material from the Demised Premises. Grantor shall indemnify and hold harmless the Lender from and against all losses, expenses (including, without limitation, attorneys' fees) and claims of every kind suffered by or asserted against Lender as a direct or indirect result of (a) the presence on or release from the Demised Premises of any Hazardous Material, whether or not caused by Grantor, (b) the violation of any Environmental Laws applicable to the Demised Premises, whether or not caused by Grantor, (c) the failure by Grantor to comply fully with the terms and provisions of this paragraph, or (d) any warranty or representation made by Grantor in this paragraph being false or untrue in any material respect. For purposes of this Deed of Trust and Security Agreement, "Hazardous Material" means polychlorinated biphenyls, petroleum, flammable explosives, radioactive materials, asbestos and any hazardous, toxic or dangerous waste, substance or material defined as such in (or for purposes of) the Environmental Laws or listed as such by the Environmental Protection Agency. "Environmental Laws" means any current or future governmental law, regulation or ruling applicable to environmental conditions on, under or about the Demised Premises, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the Toxic Substances Control Act and the Clean Water Act. Grantor's obligations under this paragraph shall survive a foreclosure of or exercise of power of sale under this Deed of Trust and Security Agreement and a delivery of a deed in lieu of foreclosure.

6. Indebtedness Taxes. In the event of the passage of any state, federal, municipal or other governmental law, order, rule or regulation, subsequent to the date hereof, in any manner changing or modifying the laws now in force governing the taxation of debts secured by deeds of trust or the manner of collecting taxes so as to effect adversely Trustee or Lender, Grantor will promptly pay any such tax.

7. Taxes and Utilities. Grantor will pay, before the same becomes delinquent, all taxes, liens, assessments and charges of every character levied or assessed, or that may hereafter be levied or assessed, upon or against the Demised Premises and will pay all utility charges, whether public or private. Upon demand Grantor will furnish Lender receipts evidencing such payment.

8. New (Post-Recordation) Encumbrances. Grantor specifically agrees to pay or satisfy, before the same becomes delinquent and in accordance with the terms thereof, any new encumbrance or lien, that is, any encumbrance or lien that arises after recordation of this Deed of

Trust (each a "Post-Recordation Encumbrance"); however, should Grantor fail or refuse to pay the obligations secured by such Post-Recordation Encumbrance, the Lender hereof is hereby expressly authorized (in its sole discretion) to pay such amounts, inclusive of any interest, penalties, or fees associated therewith. The Lender shall be the sole judge of the legality, validity and priority of any such tax, lien, assessment, charge, claim and premium; of the necessity of any such actions; and of the amount necessary to be paid in satisfaction thereof. The Lender is hereby empowered to enter and to authorize others to enter upon the Demised Premises or any part thereof for the purpose of performing or observing any such defaulted covenant, condition or term, without thereby becoming liable to the Grantor or any person in possession holding under Grantor.

9. Reimbursement of Expenses and Advances. Grantor will immediately pay or reimburse Lender and/or Trustee, or either of them, for all reasonable attorney's fees, costs and expenses incurred by them in any legal proceeding or dispute of any kind in which either or both of them are made a party, or appear as party plaintiff, defendant, or otherwise, affecting the indebtedness secured hereby, this Deed of Trust or the interest created herein, or Demised Premises, including but not limited to the exercise of the power of sale under this Trust, any condemnation action involving Demised Premises, or any action to protect the security hereof, and any such amounts paid by Lender shall be added to the indebtedness secured by this Deed of Trust. Grantor shall immediately pay or reimburse Lender and/or Trustee for all amounts advanced as herein authorized, or otherwise contemplated to be advanced upon Grantor's failure to pay the same. All such fees, costs, expenses and advances shall become Liabilities secured hereby, bearing interest from the date of payment until paid at the maximum effective rate of interest provided by law.

10. Sale or Encumbrance. Grantor shall have no right, power, or authority to sell, convey, transfer, or otherwise alienate or dispose of the Demised Premises, any part or parcel thereof or interest therein, and further shall have no right, in any manner whatsoever, to further encumber the Demised Premises, any part or parcel thereof or any interest therein, without having first obtained, in advance, the written consent of the Lender, specifically setting forth the manner and extent of such consent.

11. Further Assurances. At any time and from time to time, upon request by Lender, Grantor will make, execute and deliver or cause to be made, executed and delivered to the Lender, any and all further instruments, certificates and documents as may, in the opinion of the Lender, be necessary or desirable in order to effectuate, complete, perfect, continue or preserve the obligation of the Grantor under the Liabilities and the lien of this Deed of Trust. Upon any failure by the Grantor to do so, the Lender may make, execute or record any and all such instruments, certificates or documents for and in the name of the Grantor and such Grantor hereby irrevocably appoints the Lender, as Grantor's agent and attorney-in-fact coupled with an interest, so to do.

12. Condemnation. If all or any part of the Demised Premises shall be damaged or taken through condemnation (which term when used herein shall include any damage or taking by any governmental authority or any transfer by private sale in lieu thereof), either temporarily or permanently, the Lender shall be entitled to all compensation, awards, and other payments or relief thereof and is hereby authorized, at its option, to commence, appear in and defend or prosecute, in its own name or in the Grantor's name, or compromise any claim in connection

therewith. All such compensation, awards, damages, claims, rights of action and proceeds and the right thereto are hereby assigned by the Grantor to the Lender, who after deducting therefrom all its reasonable expenses, including reasonable attorney's fees, may release any monies so received by it without affecting the lien of this Deed of Trust and/or may apply the same in such manner as such Lender shall determine, to the reduction of Liabilities secured hereby. Any balance of such monies then remaining may be paid to the Grantor or other persons legally entitled thereto. The Grantor agrees to execute such further assignment of any compensation, awards, damages, claims, rights of action and proceeds as the Lender may require.

13. Grantor's Ownership and Management of Assets. Until all the Liabilities are paid in full, Grantor will not either directly or indirectly, without written consent of the Lender (A) enter into any transaction of merger or consolidation, or transfer of company interests where applicable, that would result in Novadx and the present management team of Novadx not having management of and operational control over Grantor's properties or assets, or (B) transfer, sell, assign, lease, or otherwise dispose of (other than in the ordinary course of business) all or a substantial part of Grantor's properties or assets, or any assets or properties necessary or desirable for the proper conduct of Grantor's business, or (C) agree to do any of the foregoing.

14. Materialmen. The Lender has not and will not consent to any contract or to any work or to the furnishing of any materials which might be deemed to create a lien or liens superior to the lien of this Deed of Trust either under T.C.A. §66-11-101 et seq. or otherwise. Grantor will not suffer any mechanic's, materialman's, laborer's, statutory or other lien to be created or to remain outstanding upon the Demised Premises or any part thereof.

15. Assignment of Leases, Rents, Issues and Profits. This document is intended to operate as an assignment of leases, rents, issues and profits; and the Grantor/Obligor hereby assigns and transfers to Lender all the leases, rents, issues and profits which are now due or may hereafter become due by reason of the renting, leasing and/or bailment of the Demised Premises and/or improvements thereon, and all sums due to Grantor under existing or future agreements for the purpose of maintaining and operating the property or any portion thereof or facilitating business thereon, and hereby gives to and confers upon Lender the right, power and authority to collect such rents, issues and profits. Grantor irrevocably appoints Lender its true and lawful attorney-in-fact, coupled with an interest, at the option of Lender at any time and from time to time, to demand, receive, and enforce payment, to give receipts, releases and satisfactions, and to sue, in the name of Grantor or Lender, for all such rents, issues and profits and apply the same to the Liabilities secured hereby; provided, however, that the Grantor shall, notwithstanding any provision of this instrument to the contrary, have the right to receive such rents, issues, and profits (but not more than one month in advance) prior to or at any time there is not an event of default under any of the Liabilities or under any of the loan instruments relating thereto. The assignment of such rents, issues and profits is intended to be an absolute assignment from Grantor to Lender and not merely the passing of a security interest; provided, however, that this assignment from Grantor to Lender hereunder shall become null and void upon Grantor's repayment of the Liabilities. Grantor, for itself, its successors and assigns, covenants, and agrees that it will not, orally or in writing, modify, surrender or renew any of such leases, or diminish the obligations of the tenants thereunder, or release any one or more tenants from their respective obligations under such leases, without the previous written consent of the Lender; and the Grantor further covenants and agrees that it will not assign or pledge said rents or collect from

any of the tenants or Lessees any rent or rentals in advance of the due date thereof, without the written consent of Lender.

Any acknowledgment of existing agreements concerning the renting, leasing, and/or bailment of the aforesaid property and/or improvements thereon and of similar existing agreements whereby Grantor has the right to receive rents, issues and/or profits in regard to the aforesaid property and/or improvements thereon, by the Lender hereunder, is not a recognition by the Lender that such agreements are superior to its lien on the Demised Premises and/or improvements thereon; and, in fact, the parties to this document intend that such agreements shall be subordinate to the Beneficiary's lien on the Demised Premises and/or improvements thereon hereunder.

Upon any event of default hereunder or under any of the Liabilities or under any other documents or agreements relating thereto, Lender may, at any time without notice, either in person, by agent or by a receiver appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Demised Premises, or any part thereof, in its own name sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including attorney's fees, upon any indebtedness secured hereby, and in such order as Lender may determine. The collection of such rents, issues and profits or the entering upon and taking possession of the Demised Premises, or the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default.

In the event that an additional assignment of leases is executed between the Grantor and Beneficiary with respect to the aforesaid collateral and the provisions thereof conflict with the provisions of this Deed of Trust, the provisions thereof shall control.

16. Events of Default. In addition to the foregoing, the occurrence of any one or more of the following events shall constitute a default by Grantor under this Deed of Trust if such default is not cured within any applicable cure periods (which, unless a different cure period is specified in the controlling agreement or instrument, shall be 3 days after the due date for events covered by J.16.a) below and 10 days after the earlier of (x) the first date that the Grantor becomes actually aware of its noncompliance or (y) the first date that it receives written notice of a breach covered by, J.16.b) below:

a. Non-payment by Grantor or Obligor or any guarantor, when due, whether by acceleration or otherwise, of any principal, interest, premium, fee or other charge on any of the Liabilities;

b. A breach by Grantor, Obligor, or any guarantor of any provision of this Deed of Trust, any of the Liabilities, or any collateral document related thereto or any loan agreement;

c. Any warranty, representation or statement made or furnished to Lender by Grantor or Obligor or any guarantor in connection with any of the Liabilities or in connection with this Deed of Trust (including any warranty, representation or statement made in the application of Grantor or Obligor or any guarantor for any loan or in any accompanying financial

statement) or in any collateral document related thereto or to induce Lender to make any loan, proves to be untrue, misleading or false in any material respects when made;

d. Grantor and/or Obligor and/or any guarantor: (i) discontinue their present business (including revocation of corporate charter or death of any Grantor or Obligor); (ii) file any petition in bankruptcy or for the approval of a plan of reorganization or arrangement under the United States Bankruptcy Code, as it now exists or may be hereafter amended, or an admission seeking the relief therein provided; (iii) are unable to pay or admit their inability to pay their debts as they become due; (iv) make an assignment for the benefit of creditors; (v) consent to the appointment of a receiver for all or a substantial portion of their property; (vi) fails to have vacated or set aside within sixty (60) days of its entry any order of any court appointing, without the Grantor's consent, a receiver or trustee for all or a substantial portion of the Grantor's or Obligor's or any guarantor's property; (vii) is adjudicated a bankrupt; or (viii) becomes insolvent, however otherwise evidenced; or

e. Any claim to priority over this Deed of Trust by title, lien or otherwise is asserted in any legal or equitable proceeding, provided that the filing or assertion of any such claim shall not be an Event of Default if Grantor immediately and diligently contests such claim (in which case Grantor shall keep Lender informed and current on developments in the case) until such time as the claim is sustained in (i) a decision or order granting temporary, preliminary or permanent injunctive relief, (ii) a decision or order granting summary judgment, (iii) a decision or order following a bench trial, (iv) a jury verdict or arbitration decision, or (v) other appealable ruling or order, in such legal or equitable proceeding, ("Sustained Claim"), and provided further that, if Grantor has a right of appeal with respect to a Sustained Claim and within ten (10) days of such decision, order, verdict, or ruling, Grantor posts an adequate security commensurate with the Sustained Claim, to protect Lender in the event the appeal is not successful, then a Sustained Claim that is appealed shall not become an Event of Default unless and until entry of a final non-appealable decision that sustains the claim; or

f. Any default by Grantor that is not timely cured under any of the Mortgaged Leases.

Upon the occurrence and continuation of an Event of Default the outstanding principal balance hereunder together with any additional amounts owed hereunder at the option of the Lender may be accelerated and become immediately due and payable.

17. Trustee's Sale.

a. In the event of Grantor's or Obligor's failure to discharge fully and promptly each and every provision and obligation of all the Liabilities, collateral documents, and this Deed of Trust, all Liabilities secured hereby shall, at the option of The Lender, become immediately due and collectible, without notice, which is hereby waived. The Trustee, having Power of Sale, is hereby authorized to then advertise the Demised Premises, subject to Section 17(b) below, at least three (3) different times in some newspaper published in the county where the sale is to be made. The first publication shall be at least twenty (20) days previous to the sale, giving the names of the parties interested, describing the land in brief terms and mentioning the time, date and place of sale, or as otherwise provided by law. The Trustee shall sell the Demised Premises within the legal hours of sale at public outcry to the highest and best bidder

for cash, for credit on the indebtedness secured, or upon such other terms as Trustee elects, free from and in bar of all equities of redemption, the Statutory right of Redemption, homestead, dower and all other rights and exemption of every kind, all of which are hereby expressly waived by Grantor. Provided, however, that the Trustee may without liability of any kind to the Grantor, Obligor, or Beneficiary, at the Trustee's sole discretion, adjourn the sale without further notice or publication for not more than thirty (30) days. The Trustee or his successor in trust is authorized to make a deed to the purchaser(s). The Lender may bid at and become the purchaser at any sale under this Deed of Trust.

b. In the event of any sale under this deed of trust by virtue of the exercise of the power herein granted, or pursuant to any order in any judicial proceeding or otherwise, the Property may be sold as an entirety or in separate parcels and in such manner or order as Beneficiary in its sole discretion may elect, and one or more exercises of the power herein granted shall not extinguish or exhaust such power until the entire Property is sold or the indebtedness secured hereby is paid in full.

c. Any sale hereunder may be postponed by Trustee and reset at a later date without additional publication; provided that an announcement to that effect be made at the scheduled place of sale at the time and on the date the sale is set, either originally or by prior announcement of postponement.

d. In the event of any sale hereunder, Grantor and all persons holding thereunder shall be and become tenants at will of the purchaser, said tenancy to be terminable at the option of the purchaser immediately upon notice from the purchaser.

18. Additional Rights of Trustee and Lender Upon Default. If an event of default shall have occurred, the Trustee, in addition to the exercise of the Power of Sale, may do any one or more of the following:

a. Enter upon and take possession of the Demised Premises without the appointment of a receiver, or an application therefor, employ a managing agent of the Demised Premises and let the same, either in its own name, or in the name of the Grantor, and receive the rents, rent subsidies, incomes, issues and profits of the Demised Premises and apply the same, after payment of all necessary charges and expenses, to the Liabilities.

b. Pay any sums in any form or manner deemed expedient by The Lender to protect the security of this Deed of Trust; make any payment hereby authorized to be made according to any bill, statement or estimate furnished or procured from the appropriate public officer or the party claiming payment without inquiring into the accuracy or validity thereof, and the receipt of any such public officer or party in the hands of the Trustee or Lender shall be conclusive evidence of the validity and amount of items so paid, and the Trustee or Lender so paying shall be subrogated to any encumbrance, lien, claim or demand, and to all the rights and securities for the payment thereof, and any such subrogation rights shall be additional and cumulative security to this Deed of Trust.

c. May, at the Beneficiary's option, instead of foreclosing this Deed of Trust by advertisement and sale as hereinabove provided, institute appropriate proceedings for foreclosure in equity or at law.

Should all or any part of the Demised Premises conveyed by this Deed of Trust be involved in any insolvency, receivership, bankruptcy, either voluntary or involuntary, or other proceedings affecting the possession of such Demised Premises, or any foreclosure, it is further covenanted and agreed that the Lender shall be entitled to all of the rents, issues and profits realized from any such proceedings, whether there be a default under this Deed of Trust or not.

19. Application of Sale Proceeds. In case of sale under this Deed of Trust, the proceeds collected shall be applied by the Trustee as follows:

a. First - To pay all costs, fees and charges in connection with this trust, including reasonable attorney's or trustees fees, and the expenses of any litigation and/or protection of this Deed of Trust and the Liabilities secured hereby, including, without limitation, any taxes, liens or prior encumbrances of any nature whatsoever or advances made by The Lender or the Trustee to any prior lienholder or claimant. Provided, however, the Trustee may sell the Demised Premises subject to such prior encumbrances, liens and taxes as may appear of record or otherwise, and in which event such debts shall not be paid from said proceeds to such prior lienholder or claimant. The attorney's fees and/or trustee's fees and expenses shall become absolutely due and payable whenever foreclosure is commenced and may not be compromised without the express written consent of the Trustee.

b. Second - To pay any balance or balances of the Liabilities thereof then remaining unpaid, applying such proceeds to payment of the Liabilities in such order and manner as Lender may in its sole discretion elect.

c. Third - To pay any junior lienholders, however, if in the discretion of the Trustee any question arises concerning such payment, to pay such sums into the registry of a court of competent jurisdiction.

d. Fourth - The residue, if any, to be paid to Grantor, its order, or the persons legally entitled thereto.

20. Deficiency. If the net sales proceeds are insufficient to pay all the Liabilities, Grantor and/or Obligor and/or any guarantors shall be liable for any deficiency.

21. Successor Trustee. At any time and with or without cause, the Lender herein secured is hereby authorized to name and appoint a Successor Trustee to execute the duties of this trust, and the Demised Premises herein conveyed to the Trustee shall be vested in said successor. Any such appointment shall be recorded in the office of the Register of Deeds for the county in which the Demised Premises is located.

22. Designation of Agent. The Trustee or his successor hereunder is hereby authorized and empowered to designate an agent or attorney to perform any and all duties and obligations and to exercise all rights granted to the Trustee hereunder, including, without limitation, the right and power to conduct any sale with or without the Trustee's or successor's presence at same.

23. Right to Sue. The Lender shall have the right from time to time to sue for any sums, whether interest, principal or any installment of either or both, taxes, penalties, or any other sums required to be paid under the terms of the Liabilities secured by this Deed of Trust, as

the same become due, without regard to whether or not all of the Liabilities shall be due or demand, and without prejudice to the right of the Trustee and/or the Lender thereafter to enforce any appropriate remedy against the Grantor, including foreclosure, or any other action, for a default or defaults by the Grantor existing at the time such earlier action was commenced.

24. Rights Cumulative. The rights of the Trustee and the Lender, granted and arising under the clauses and covenants contained in this Deed of Trust and each of the Liabilities, shall be separate, distinct and cumulative of other powers and rights herein granted and all other rights which the Trustee and the Lender may have in law or equity, and none of them shall be in exclusion of the others and all of them are cumulative to the remedies for collection of indebtedness, enforcement of rights under security deeds, and preservation of security as provided at law. No act of the Trustee or the Lender shall be construed as an election to proceed under any one provision herein or under any of the Liabilities to the exclusion of any other provision, or an election of remedies to the bar of any other remedy allowed at law or in equity, anything herein or otherwise to the contrary notwithstanding.

25. Tenancy at Will. In the event of a sale of said Demised Premises under and by virtue of this trust, then the said Grantor and all persons holding under it shall be and become the tenant at will of the purchaser(s) of the same, from and after the execution and delivery of a deed to such purchaser(s), said tenancy to be terminated at the option of said purchaser(s).

26. Sale to Operate as a Bar. Any sale under or by virtue of this trust shall operate to divest all estate, right, title, interest, claim, or demand whatsoever, whether at law or in equity, of the Grantor in and to the Demised Premises so sold, and shall be a perpetual bar both at law and in equity against the Grantor, its successors, and assigns, as applicable, and against any and all persons claiming or who may claim the same or any part thereof, from, through or under the Grantor, its successors, or assigns, as applicable.

27. Receipt Sufficient Discharge for Purchaser. The receipt of the Trustee or of the court officer conducting any sale hereunder for the purchase money paid at any such sale shall be a sufficient discharge thereafter to any purchaser of the property, or any part thereof or interest therein, sold as aforesaid; and no such purchaser or its representatives, grantees, or assigns, after paying such purchase money and receiving such a receipt, shall be bound to see to the application of such purchase money upon and for the purposes of this Deed of Trust or shall be answerable in any manner whatsoever for any loss, misapplication, or non-application of any such purchase money or any part thereof, nor shall any such purchaser be bound to inquire as to the necessity or expediency of any such sale.

28. Designation of Parties. The designation of the parties to this instrument in either the plural or singular shall be applied to mean either number, and where appropriate in the context hereof, shall mean any one or more of said parties, and the use of any pronoun herein shall include the masculine, feminine and neuter genders. The words "Grantor", "Trustee", "Obligor", and "Lender" whenever used herein shall include the respective legal representatives, successors and assigns of the parties hereto, and all those holding either of them, and the pronouns used herein shall include, when appropriate, either gender and both singular and plural.

29. Waivers. No omission or delay by Trustee or Lender in exercising any right or power under this Deed of Trust or under any of the Liabilities shall impair such right or power to

be construed to be a waiver of any default or an acquiescence therein; and any single or partial exercise of any such right or power shall not preclude other or further exercise thereof or the exercise of any other right; and no waiver shall be valid unless in writing and signed by Lender, and then only to the extent specified.

30. Severability. The provisions herein contained and contained in the Liabilities shall be severable, and if any provision hereof or of any of the Liabilities shall be found to be void, illegal or unenforceable, then the remaining provisions hereof or of the Liabilities shall continue in full force and effect, and this Deed of Trust and the Liabilities shall be so construed as to give effect, as nearly as possible, to the original intent of the parties hereto.

31. Captions. The captions or headings of the paragraphs hereof are for convenience and reference only, are not to be considered a part hereof and shall not limit or otherwise affect any of the terms hereof.

32. Execution by Representative. If this Deed of Trust is executed by a representative, agent, or officer, such execution is made with the authorization of the Grantor, expressly given by its Board of Directors, Trustees, Partners, or governing body.

33. Trustee's Oath. The necessity of Trustee making oath, filing inventory or giving bond as hereby expressly waived.

34. Modification. Except as may affect sums owing to the Trustee or his attorney, the approval by the Trustee of any modification of this Deed of Trust shall not be necessary or his signature required, but rather only a writing signed by the Grantor and The Lender.

35. Right of Beneficiary to Cure A Grantor Default. If Grantor fails to comply with any agreement or covenant contained herein, Beneficiary shall have the right, but not the obligation, to comply or cause compliance therewith. Grantor shall reimburse Beneficiary on demand for the costs and expenses, including without limitation reasonable attorney's fees, that Beneficiary incurs in so doing, together with interest thereon at the default rate of interest, if any, provided in the Note; if none, then at the maximum contract rate of interest from time to time permitted by applicable law (in no event to exceed 12% per annum). Until repaid, all sums so advanced shall be part of the indebtedness secured hereby.

36. Obligations of Grantor in Event of Legal Proceedings to Protect Lien and Security Title of this Deed of Trust. In the event that Beneficiary or Trustee voluntarily or otherwise shall become a party to any suit or legal proceeding to protect the Property or the lien and security title of this deed of trust, or involving the title to or Beneficiary's or Trustee's interest in the Property, Grantor shall indemnify and save harmless Trustee and/or Beneficiary from any and all liability and shall reimburse them for any amounts paid or incurred, including but not limited to all reasonable costs, charges and attorneys' fees, in any such suit or proceeding, together with interest thereon as hereinabove provided, and the same shall be secured by this deed of trust and its payment enforced as if it were part of the original indebtedness secured hereby.

37. Fixture Filing. This Deed of Trust constitutes a financing statement filed as a fixture filing pursuant to the provisions of Article 9 of the Uniform Commercial Code, with respect to those portions of the Mortgaged Property consisting of goods which are or are to become fixtures relating to the Premises. Grantor grants to Beneficiary a security interest in (x)

all existing and future goods that are now or in the future become fixtures relating to the Premises and (y) the respective proceeds thereof. Grantor covenants and agrees that the filing of this Deed of Trust in the real estate records of the county where the Premises are located will also operate from the date of such filing as a fixture filing. Grantor agrees to execute and deliver to Beneficiary, upon Beneficiary's request any financing statements, as well as extensions, renewals and amendments thereof, and any reproductions of this Deed of Trust in such form as Beneficiary may require to perfect a security interest with respect to such items. The respective addresses of the debtor and secured party are set forth on the first page of this Deed of Trust.

38. UCC Security Interest and Security Agreement; Rights and Remedies of a Secured Party. In addition, without limitation of the foregoing, with respect to that portion of the Property that is or may be determined to be personal property under the Uniform Commercial Code as in effect in the state in which the Property is located (collectively the "UCC Property"), this instrument shall constitute a security agreement as that term is used in said Uniform Commercial Code. Grantor hereby grants to Beneficiary security interest in the UCC Property and any and all proceeds thereof, and agrees that all covenants and obligations of Grantor herein shall apply to the UCC Property. Upon Beneficiary's request, a financing statement or statements perfecting the security interest of this deed of trust in the UCC Property shall be executed by Grantor and appropriately filed, and this deed of trust shall serve as a "fixture filing" as provided in said Uniform Commercial Code. Upon the occurrence of a default hereunder, Beneficiary shall have all the rights and remedies of a secured party under said Uniform Commercial Code, which shall be cumulative with all other rights and remedies of Beneficiary hereunder. Notwithstanding the foregoing, Grantor agrees that the UCC Property shall be deemed a part of the real estate conveyed by this deed of trust for all purposes hereof to the extent permitted by applicable law.

39. Forbearance or Delay Shall Not Operate As Waiver; Rights Cumulative. No delay or forbearance by Beneficiary in exercising any or all of its rights and/or remedies hereunder or otherwise afforded by law shall operate as a waiver thereof or preclude the exercise thereof during the continuance of any default hereunder or in the event of any subsequent default hereunder, and all such rights shall be cumulative.

40. Lien And Security Title To Extend to Proceeds of Sale In Certain Events. In the event that this deed of trust shall now or at any time after the date hereof be subordinate to any other encumbrance on the Property, Grantor hereby agrees that the lien and security title of this conveyance shall extend to the entire interest of Grantor in the Property conveyed hereby, and shall extend to the interest of Grantor in the proceeds from any sale of said Property, whether by foreclosure of any such prior encumbrance or otherwise, to the extent any such proceeds exceed the amount necessary to satisfy such prior encumbrance(s). Any trustee or other person conducting any such sale or foreclosure is hereby directed to pay such excess proceeds to Beneficiary to the extent necessary to pay the indebtedness secured hereby in full, notwithstanding any provision of the contrary contained in any prior encumbrance.

41. Binding Effect. All rights and obligations hereunder shall inure to the benefit of, and be binding upon, the heirs, representatives, successors and assigns of Grantor, Trustee and Beneficiary.

42. Interpretation of Certain References. The use of the singular number herein shall include the plural, and vice versa, and the masculine or neuter gender shall include all other genders.

43. Joint and Several Liability. Each Grantor is joint and severally liable for the performance of all obligations hereunder.

ACKNOWLEDGMENT

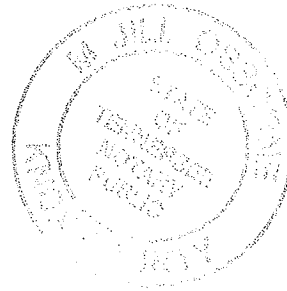
STATE OF TENNESSEE)
)
COUNTY OF KNOX)

Before me, the undersigned authority, a Notary Public in and for said County and State aforesaid, personally appeared Daniel A. Roling, with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence, and who, upon oath, acknowledged himself to be the President and CEO of **TIACME, LLC**, the within named Grantor, a Kentucky LLC, and that he as such Officer executed the foregoing instrument for the purposes therein contained, by signing the name of the President and CEO by himself as such Officer.

Witness my hand seal at office in KNOX County, this 13 day of August 2014.

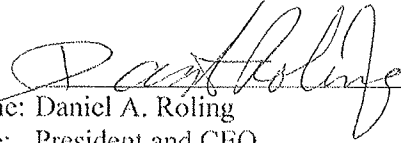
 M. Sue Osborne
Notary Public

My Commission Expires: 11-26-2017



IN WITNESS WHEREOF, Grantor has executed this deed of trust, or has caused this deed of trust to be executed, on the 13 day of August, 2014.

0955615 US INC.,
a Delaware corporation

By: 
Name: Daniel A. Roling
Title: President and CEO

TIACME, LLC,
a Kentucky limited liability company

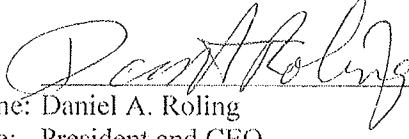
By: 
Name: Daniel A. Roling
Title: President and CEO

EXHIBIT "A"

Legal Description

EXHIBIT "B"

DESCRIPTION OF PROPERTY

FEE SIMPLE INTERESTS

CLT #044-044-002.00
CLT #044-044-018.00
CLT #045-045-054.00
CLT #044-044-017.00
CLT #044-044-007.00
CLT #044-044-016.00

SITUATED in District Four of Campbell County, Tennessee, and being more particularly bounded and described as follows:

PARCEL ONE:

NEW MAP AND PARCEL #: 044-044-002.00

OLD MAP AND PARCEL #: 045-045-006.00

Tract No. 1: BEGINNING on two lynns on a large branch, a conditional corner made by Elias and John Reynolds; running thence N. 9 E. 49 poles to a pine and rock; thence N. 49 E. 48 poles to a maple and poplar on the outside line; thence with Walden and Reynolds line S. 69 W. 149 poles to a spruce pine and rock; thence S. 40 E. 40 poles to holly on a conditional line; thence N.60 W. 24 poles to a spruce pine and holly on the East side of Stinking Creek; thence S. 7 ½ W. 42 poles to a white oak, S. 33 E. 38 poles to a white oak corner, S. 69 E. 18 poles to a white oak on top of a ridge, S. 35 E. 40 poles to a chestnut oak, S. 24 deg. E. 16 ½ poles to a chestnut oak on the outside line; thence S. 59 W. 69 poles to a black gum; thence N. 8 W. 20 poles to a chestnut oak and spotted oak and white oak; S. 62 W. 46 poles with the fence to a stake in the center of a pond; thence with said pond, N. 50 W. 16 poles to a stake; thence N. 87 W. 14 poles to a stake; thence N. 67 W. 16 poles to a stake in the center of a pond; thence N. 85 W., crossing the creek at 5 poles to a County Road at 32 poles, in all 40 poles to a large white oak on the North side of Stinking Creek and in a small hollow; thence N. 17 ½ W. 50 poles to a maple and two small sarvises; thence N. 25 W., passing a marked chestnut on top of a ridge 202 poles to the BEGINNING, containing 200 acres, more or less.

Tract No. 2: BEGINNING on a chestnut oak, E. S. Ayers and John Reynolds (heirs) corner; running thence N. 23 W. 19 poles to a chestnut oak; thence N. 35 W. 40 poles to a white oak on top of a ridge; thence N. 62 W. 18 poles to a white oak; thence North 20 poles to a stake in the hollow; thence N. 15 W. 10 poles to a stake in the hollow; thence North 11 East 44 poles to a holly and spruce pine on the bank of the creek; thence N. 62 East 20 poles; thence N. 79 East, crossing the creek at 42 poles, in all 100 poles to a pine, two chestnuts and a flat rock on top of the mountain; thence South 45 West 95 poles to the BEGINNING.

PARCEL TWO:

NEW MAP AND PARCEL #: 044-044-018.00

OLD MAP AND PARCEL #: 045-045-022.00

BEGINNING on a set stone on the East side of the creek, it being 8 poles and 23 links from a water birch on the east bank of Stinking Creek; thence due East to the mouth of a branch and old slue, and with the slue to Matt Reynolds line; thence N. 62 deg. East, 46 poles to a chestnut and spotted oak; thence S. 84 deg. E. 20 poles to a black gum; thence N. 59 deg. East, 69 poles to a chestnut oak; thence N. 24 deg W. 16 ½ poles to a chestnut oak on a high point; thence Southeastwardly with the top of the ridge and marked line to two black gums; thence N. 40 ½ West to

LESS AND EXCEPT a tract containing nine (9) acres conveyed to Clarence Walden, by deed of record in the Register of Deed's Office of Campbell County, Tennessee, in Warranty Deed Book 131, page 334.

Grantor is conveying all its right title and interest in the preceding described property on a quitclaim basis without any warranty of title.

PARCEL THREE:

NEW MAP AND PARCEL #: 045-045-054.00

OLD MAP AND PARCEL #: 045-045-020.00

BEGINNING on a sycamore at a small branch; running South 51 deg. West 180 feet to a stake in a meadow ditch; thence South 35 deg. East 142 feet to a stake at the edge of road; thence South 48 deg. West with said road 108 feet to Adam Broyles line; thence with Broyles line South 40 ½ deg. East 1380 feet to two black gums corner on top of a ridge; thence with top of ridge, North 81 deg. East 208 feet to a black oak tree; thence North 22 deg. West, 232 feet to a black walnut tree; thence North 89 deg. West, 76 feet to a hickory; thence North 64 deg. West 124 feet to a stake; thence North 5 deg. West, 242 feet to a stake with black walnut pointer; thence North 27 deg. West, 276 feet to a stake; thence North 43 deg. West, 144 feet to a stake; thence North 59 deg. West, 58 feet to a stake; thence North 49 deg. West, 100 feet to a stake; thence North 44 deg. West 316 feet to a wild goose plum tree; thence North 58 deg. West 88 feet to the point of BEGINNING, these last lines running with the meanders of a small hollow, and containing 11 acres, more or less.

PARCEL FOUR:

NEW MAP AND PARCEL #: 044-044-017.00

OLD MAP AND PARCEL #: 045-045-021.00

All that certain tract located on the waters of Stinking Creek, beginning on a stake in the Joe H. Delap line on top of a ridge; thence N. 57 W. 125 ½ poles with E. L. Ayers line to a white oak, George Broyles and E. L. Ayers corner; thence S. 22 E. 12 ½ poles to a small chestnut; thence S. 17 E. 35 poles to a black oak and three sassafrasses; thence S. 56 W. 14 ½ poles to two sourwoods; thence S. 13 W. 26 ½ poles to a hickory; thence S. 76 W. 22 poles to a double chestnut oak; thence S. 42 W. 20 poles to a stake; thence S. 27 W. 23 poles to a black oak; thence S. 57 W. 6 ½ poles to two black gums; thence S. 23 E. 98 poles to a black pine; thence S. 73 E. 40 poles to a stake among some rocks on top of the ridge in Joe H. Delap's line; thence with the said line N. 25 E. 182 ½ poles to the BEGINNING.

PARCEL FIVE:

NEW MAP AND PARCEL #044-044-007.00

OLD MAP AND PARCEL #:046-046-008.01

SITUATED in District Four (4) of Campbell County, Tennessee, on the waters of Hickory Creek, described as follows:

BEGINNING on a chestnut in H. F. Branam line; thence N. 58 E. 64 ¾ poles to two small black oaks; thence N. 15 W. 85 poles to two small oaks in the supposed Low line; thence West 90 poles to a chestnut; thence eastwardly 10 poles to a black gum; thence S. 15 E. 55 poles to a small black oak; thence N. 75 E. 20 poles to a large black oak; thence S. 15 E. 58 poles to the BEGINNING, containing 48.5 acres, more or less.

OLD MAP AND PARCEL #:043-043-020.00

SITUATED in District No. Four (4) of Campbell County, Tennessee, on Stinking Creek, and known as Sweet Gum Flats bounded as follows: BEGINNING on a black walnut at lower side of road; thence S. 21 ½ E. 3 poles to a hickory; thence S. 51 ½ E. 7 ¾ poles to a black oak; thence S. 4 deg. W. 52 poles to a maple; thence S 89 deg. W. 42 ½ poles to a stake; thence S. 69 deg. W. 76 ½ poles to a stake, corner in the Davis Hatfield line; thence N. 25 deg. E. 112.76 (one hundred twelve 76/100th) poles to a stake; thence S. 45 deg. E. 35 ½ poles to a black oak; thence N. 62 deg. E. 45 poles to the BEGINNING, containing 37 acres, more or less.

SUBJECT TO boundary line as established by Boundary Line Agreement between Dale W. Keever, Successor Trustee, et al, and Rex Coal, Inc., dated October 17, 2008, and recorded in Book W448, page 537, in the Registers Office for Knox County, Tennessee

BEING the same property conveyed to Rex Coal, Inc., a Tennessee corporation, by Warranty Deed from LaFollette Enterprises, L.P., dated August 8, 2008, and recorded in Book W446, page 390, in the Register's Office for Campbell County, Tennessee.

See Articles of Amendment to the Charter changing name to Jacksboro Coal Company, Inc., recorded in Book C13, page 935 and Articles of Amendment to the Charter changing name to Jacksboro Coal Company, LLC, recorded in Book C13, page 937, both in the Register's Office for Campbell County, Tennessee.

THIS CONVEYANCE is made subject to any and all applicable restrictions, agreements, easements and all other matters as are shown in the records of the Campbell County Register's Office,

SCOTT COUNTY
CLT #141-011.00 (Part of)
CLT #141-007.01
CLT #141-035.02

Tract No. 1 of 4:

(Part of Tax Map 141, Parcel 011.00)

A parcel of land in Scott County, State of Tennessee, District No. One (1), BEGINNING ON A SET STONE AT THE Dilmon Owens Line at the Tennessee Right of Way, 75 feet Eastwardly to a set stone, thence 100 feet Northwardly to a set stone running Westwardly 75 feet to the Tennessee Right of Way, thence 100 feet Southwardly with the Tennessee Right of Way back to the beginning corner, this being the same tract or parcel of land of record in Warranty Deed Book 152, at page 586 in the Register's Office for Scott County, Tennessee.

Tract No. 2 of 4:

(Part of Tax Map 141, Parcel 011.00)

Situated in District No. One (1) of Scott County, Tennessee, BEGINNING at railroad right of way, James York corner; running with line East 100 feet; running South to lane 213; feet; running west with lane to Junior Owens line 50 feet; running north with Junior Owens line 100 feet; running 75 feet west with Junior Owens' line; then running north with Tennessee Railroad right of way 112 feet to beginning, this being the same tract or

Tract No. 3 of 4:

(Tax Map 141, Parcel 007.01)

Situated in District No. One (1) of Scott County, Tennessee in the Smokey Junction Community of Scott County, Tennessee, and BEING the south half of that certain tract or parcel of land described in a deed from Wiley Anderson et ux to Ronald Lowe, of record in Deed Book 130, at page 165 of the Register's Office of Scott County, Tennessee, as measured along the New River Road (the west boundary) an the common boundary with Tennessee Land and Mining Company (the east boundary).

Tract No. 4 of 4:

(Tax Map 141, Parcel 03502)

Situated in the First Civil District of Scott County, Tennessee and more particularly described as follows:

BEGINNING on a set stone at the Tennessee Rail Road right-of-way at the Tennessee Mining Manufacturing Line known as the L. Byrd line, on the east side of New River thence due east crossing the wagon road at a large chestnut tree; thence the same course to Tennessee Mfg. Co. line being the L. Byrd line between W.M. Keathly and said L. Byrd line or Co. line to a spotted oak comer in the Co. line and two black pine pointers; thence north to the L. Byrd corner stone in said line; thence northeast with the said L. Byrd line up the ridge so as to include the mountain field with the L. Byrd Co. Line; thence north to a chestnut oak in the main Branch; thence running with the Branch West to the wagon road; thence the same course to the Tennessee Rail Road right-of-way; thence with the Tennessee Rail Road right-of-way to the BEGINNING corner.

Easement Agreement No.1 of 2:

Easement from Mertie Anderson and Hubert Anderson to U.S. Coal, Inc., dated January 7, 1992, which was recorded in the Scott County Register's Office on January 7, 1992, in Warranty Book 194 at Page 161, and in Note Book L at Page 88, for the construction, use and maintenance of a coal haul road and/or access road on, over and across the following described property:

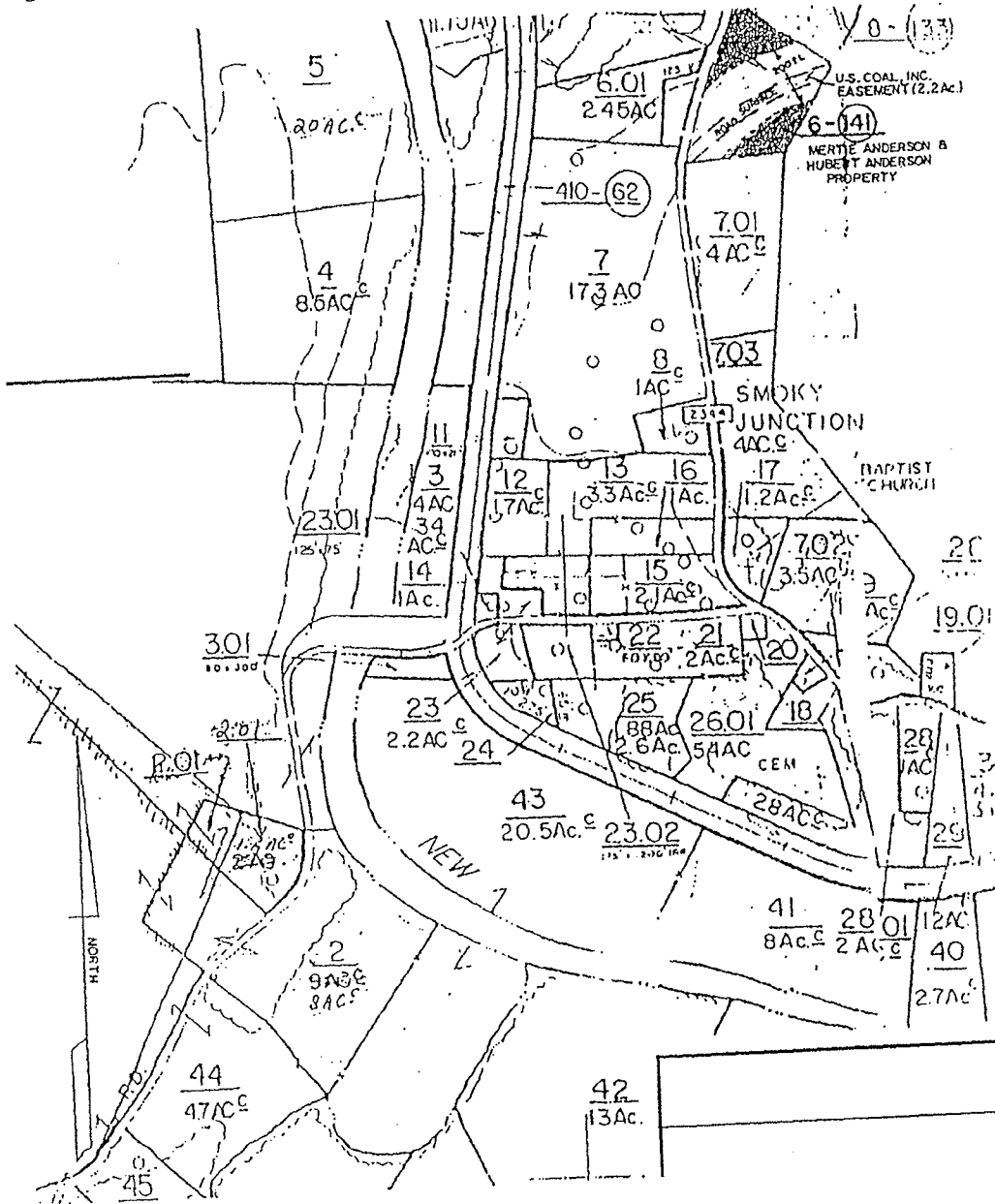
Situated in the First Civil District of Scott County, Tennessee, on the water of New River, beginning on a water birch on the east bank of New River. Running thence south 76 E 61 P2L with Hubert Morthea and John R. Newport line to the old L.L. Adkins line thence with same northward to a poplar and white oak on the bank of School Creek thence with said Adkins line southwestward crossing the river to Joseph Cross' hickory and black oak corner in Adkins line. same being a comer to said Cross' 10 acre tract; thence with Cross' line down the mountain eastward to a beech and sugar tree Cross' comer on the west bank of river. Thence a direct line crossing the river to the beginning, and being the same property conveyed to Wolford and Mertie Anderson from Clifford and Eveilyn Welch on the 16th day of April 194 1, and of record in Deed Book 70 at Page 169 in the Register's Office for Scott County, Tennessee.

BEING the same easement depicted in the drawing on the following page (page 2 of this Exhibit B):

BEING the same property conveyed to National Coal Corporation, a Tennessee corporation, by Warranty Deed from U.S. Coal, Inc.. dated April 16, 2004, and recorded in Deed Book 246, page 219, in the Register's Office for Scott County, Tennessee.

Tennessee.

THIS CONVEYANCE is made subject to any and all applicable restrictions, agreements, easements and all other matters as are shown in the records of the Scott County Register's Office,



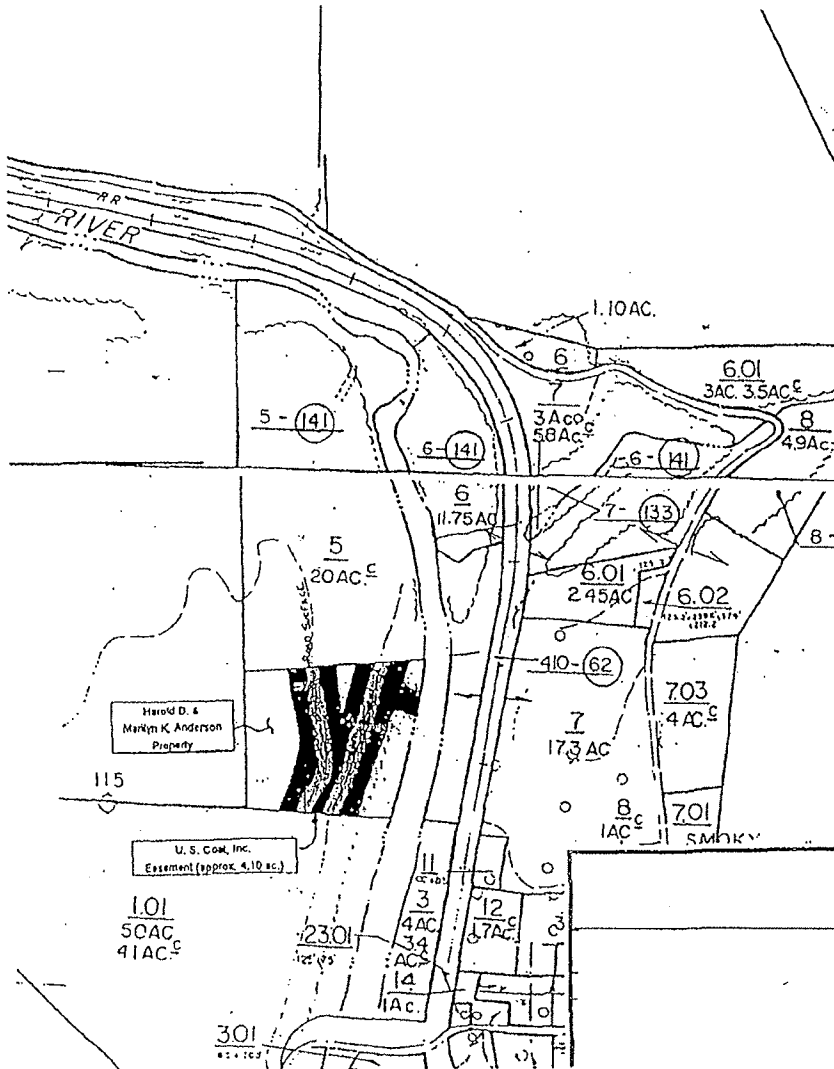
U.S. COAL, INC.
HAULROAD NO. 1
EASEMENT ACROSS MERTIE ANDERSON
& HUBERT ANDERSON PROPERTY

BK/PG: T602/1-41
13000083

41 PGS : AL - TRUST DEED	
JUNE BATCH: 65245	01/04/2013 - 11:00 AM
VALUE	3500000.00
MORTGAGE TAX	4022.70
TRANSFER TAX	0.00
RECORDING FEE	205.00
ARCHIVE FEE	0.00
DP FEE	2.00
REGISTER'S FEE	1.00
TOTAL AMOUNT	4230.70

STATE OF TENNESSEE, CAMPBELL COUNTY
DORMAS MILLER

Easement from Harold D. Anderson and Marilyn K. Anderson to U.S. Coal, Inc., dated March 1, 1995, which was recorded in the Scott County Register's Office on March 2, 1995, in Warranty Book 206 at Page 307, and in Note Book L at Page 308, for the construction, use and maintenance of an access and haulage road between U.S. Coal, Inc.'s preparation plant and proposed refuse area on, over and across the property depicted in the following drawing:



U.S. COAL, INC. HAULROAD EASEMENT
 EXHIBIT "A"
 EASEMENT ACROSS HAROLD D.
 & MARILYN ANDERSON PROPERTY
 SCALE: 1" = 400'
 DATE: 2/28/95

NOTE: THIS MAP IS A COUNTY
 TAX MAP AND IS APPROXIMATE
 NOT TO BE USED FOR
 SURVEY LOCATION.

BEAZER EAST PROPERTY TRACT 1 - TURLEY TRACT

A tract of land lying and being situate on the waters of Cove Creek in the Fourth Civil District of Campbell County, Tennessee, and being more particularly described as follows:

BEGINNING at an iron pin set on the westerly right-of-way of Southern Railway (200 feet right-of-way), said point lying North 34 degrees 59 minutes 11 seconds West, 256.23 feet from the railroad centerline at Station 2344460, as taken from Southern Railway Company's VAL Map V60/11, said point also lying North 40 degrees 09 minutes 17 seconds West, 3995.59 feet from an iron pin on the easterly right-of-way of Old State Route 63, said point being the most southerly point of the Beazer East, Inc. property located on Old State Route 63, of record in Book 134, page 246, Register's Office of Campbell County, Tennessee; thence leaving said right-of-way,

1. North 34 degrees 59 minutes 11 seconds West 943.88 feet to an iron pin set; thence,
2. South 43 degrees 30 minutes 21 seconds West, 298.50 feet to an iron pin set; thence,
3. South 43 degrees 42 minutes 35 seconds West, 325.19 feet to an iron pin set; thence,
4. North 29 degrees 06 minutes 55 seconds West, 439.04 feet to an iron pin set; thence,
5. North 65 degrees 25 minutes 14 seconds East, 389.68 feet to an iron pin set; thence,
6. North 71 degrees 59 minutes 37 seconds West, 145.50 feet to an iron pin set; thence up Turley Mountain,
7. North 41 degrees 59 minutes 38 seconds West, 849.97 feet to an iron pin set near the 1700 foot elevation; thence with the meanders of the 1700 foot elevation the following calls:
8. North 55 degrees 48 minutes 29 seconds East, 44.09 feet to an iron pin set; thence,
9. North 41 degrees 01 minutes 34 seconds East, 51.10 feet to an iron pin set; thence,
10. North 26 degrees 21 minutes 12 seconds East, 159.46 feet to an iron pin set; thence,
11. North 14 degrees 08 minutes 23 seconds West, 59.74 feet to an iron pin set; thence,
12. North 26 degrees 24 minutes 35 seconds West, 68.94 feet to an iron pin set; thence,
13. North 06 degrees 31 minutes 23 seconds West, 96.70 feet to an iron pin set; thence,
14. North 41 degrees 39 minutes 06 seconds West, 122.11 feet to an iron pin set; thence,
15. North 02 degrees 43 minutes 02 seconds East, 140.50 feet to an iron pin set; thence,
16. North 24 degrees 53 minutes 10 seconds West, 136.21 feet to an iron pin set; thence,
17. North 19 degrees 22 minutes 58 seconds East, 164.13 feet to an

18. North 32 degrees 53 minutes 20 seconds West, 116.09 feet to an iron pin set; thence,
19. North 03 degrees 54 minutes 39 seconds East, 152.75 feet to an iron pin set; thence,
20. North 29 degrees 40 minutes 40 seconds West, 82.47 feet to an iron pin set; thence,
21. North 14 degrees 05 minutes 47 seconds West, 162.75 feet to an iron pin set; thence,
22. North 47 degrees 50 minutes 45 seconds West, 218.08 feet to an iron pin set; thence,
23. North 05 degrees 59 minutes 53 seconds West, 213.49 feet to an iron pin set; thence,
24. North 17 degrees 14 minutes 13 seconds West, 162.78 feet to an iron pin set; thence,
25. North 40 degrees 34 minutes 07 seconds West, 151.74 feet to an iron pin set; thence,
26. North 54 degrees 00 minutes 29 seconds West, 97.37 feet to an iron pin set; thence,
27. North 03 degrees 00 minutes 44 seconds East, 128.52 feet to an iron pin set; thence,
28. North 35 degrees 12 minutes 56 seconds West, 141.10 feet to an iron pin set; thence,
29. North 05 degrees 54 minutes 44 seconds West, 128.86 feet to an iron pin set; thence,
30. North 42 degrees 13 minutes 41 seconds West, 72.31 feet to an iron pin set; thence,
31. North 16 degrees 52 minutes 29 seconds West, 100.12 feet to an iron pin set; thence,
32. North 60 degrees 44 minutes 14 seconds West, 80.70 feet to an iron pin set; thence,
33. North 16 degrees 56 minutes 22 seconds West, 141.86 feet to an iron pin set; thence,
34. North 36 degrees 33 minutes 13 seconds West, 116.20 feet to an iron pin set; thence,
35. North 06 degrees 58 minutes 48 seconds East, 167.60 feet to an iron pin set; thence,
36. North 44 degrees 59 minutes 15 seconds West, 140.21 feet to an iron pin set; thence,
37. North 07 degrees 12 minutes 09 seconds West, 104.88 feet to an iron pin set; thence,
38. North 27 degrees 10 minutes 58 seconds West, 111.99 feet to an iron pin set; thence,
39. North 21 degrees 24 minutes 14 seconds East, 123.14 feet to an iron pin set; thence,
40. North 21 degrees 01 minutes 23 seconds West, 74.61 feet to an iron pin set; thence,

41. North 04 degrees 35 minutes 31 seconds East, 110.75 feet to an iron pin set; thence,
42. North 39 degrees 35 minutes 11 seconds West, 82.65 feet to an iron pin set; thence,
43. South 89 degrees 23 minutes 30 seconds West, 116.12 feet to an iron pin set; thence,
44. North 59 degrees 14 minutes 09 seconds West, 126.49 feet to an iron pin set; thence,
45. North 60 degrees 13 minutes 36 seconds West, 93.30 feet to an iron pin set; thence,
46. North 20 degrees 57 minutes 53 seconds West, 137.55 feet to an iron pin set; thence,
47. North 44 degrees 29 minutes 00 seconds West, 94.89 feet to an iron pin set; thence,
48. North 05 degrees 44 minutes 15 seconds West, 156.81 feet to an iron pin set; thence,
49. North 52 degrees 52 minutes 43 seconds West, 157.07 feet to an iron pin set; thence,
50. North 51 degrees 15 minutes 25 seconds West, 142.52 feet to an iron pin set; thence,
51. North 61 degrees 08 minutes 29 seconds West, 170.29 feet to an iron pin set; thence,
52. North 28 degrees 04 minutes 29 seconds West, 151.56 feet to an iron pin set; thence,
53. North 47 degrees 22 minutes 46 seconds West, 200.17 feet to the centerline of Swamp Creek; thence with the centerline of Swamp Creek,
54. North 30 degrees 59 minutes 10 seconds East, 114.26 feet to Swamp Creek the following calls: an iron pin set; thence,
55. North 14 degrees 28 minutes 07 seconds East, 107.81 feet to an iron pin set; thence,
56. North 32 degrees 56 minutes 15 seconds East, 177.83 feet to an iron pin set; thence,
57. North 30 degrees 25 minutes 22 seconds West, 190.40 feet to an iron pin set; thence leaving the 1700 foot elevation,
58. North 26 degrees 38 minutes 33 seconds East, 547.46 feet to an iron pin set; thence,
59. North 80 degrees 17 minutes 47 seconds West, 140.85 feet to an iron pin set; thence,
60. North 73 degrees 08 minutes 26 seconds West, 105.59 feet to an iron pin set; thence,
61. North 24 degrees 30 minutes 20 seconds West, 95.42 feet to an iron pin set; thence,
62. North 83 degrees 13 minutes 07 seconds West, 231.42 feet to an iron pin set; thence,
63. North 23 degrees 33 minutes 12 seconds West, 252.80 feet to an iron pin set; thence,

iron pin set; thence,

65. North 31 degrees 37 minutes 14 seconds East, 98.56 feet to an iron pin set; thence,
66. South 73 degrees 07 minutes 10 seconds East, 140.95 feet to an iron pin set; thence,
67. North 06 degrees 35 minutes 39 seconds East, 171.38 feet to an iron pin set; thence,
68. North 00 degrees 09 minutes 50 seconds West, 170.70 feet to an iron pin set; thence,
69. North 23 degrees 28 minutes 51 seconds West, 67.23 feet to an iron pin set; thence,
70. North 49 degrees 59 minutes 26 seconds West, 83.52 feet to an iron pin set; thence,
71. North 58 degrees 38 minutes 22 seconds West, 182.03 feet to an iron pin set; thence,
72. North 13 degrees 56 minutes 21 seconds West 113.57 feet to the centerline of Swamp Creek; thence with the centerline of Swamp Creek the following calls:
73. South 82 degrees 10 minutes 12 seconds East, 82.14 feet; thence,
74. North 63 degrees 59 minutes 44 seconds East, 169.24 feet; thence,
75. South 60 degrees 57 minutes 59 seconds East, 69.28 feet; thence,
76. North 74 degrees 13 minutes 51 seconds East, 165.20 feet; thence leaving the centerline of Swamp Creek,
77. South 22 degrees 35 minutes 12 seconds East, 45.89 feet to an iron pin set; thence,
78. South 12 degrees 55 minutes 02 seconds West, 105.01 feet to an iron pin set; thence,
79. South 10 degrees 40 minutes 11 seconds East, 100.42 feet to an iron pin set; thence,
80. South 20 degrees 54 minutes 49 seconds East, 114.16 feet to an iron pin set; thence,
81. South 37 degrees 36 minutes 38 seconds East, 82.07 feet to an iron pin set; thence,
82. South 08 degrees 50 minutes 58 seconds East, 65.89 feet to an iron pin set; thence,
83. South 16 degrees 39 minutes 56 seconds East, 136.53 feet to an iron pin set; thence,
84. South 18 degrees 51 minutes 35 seconds East, 165.94 feet to an iron pin set; thence,
85. South 10 degrees 45 minutes 54 seconds East, 374.52 feet to an iron pin set; thence,
86. South 07 degrees 45 minutes 49 seconds West, 156.88 feet to an iron pin set; thence,
87. South 09 degrees 14 minutes 11 seconds East, 29.25 feet to an iron pin set; thence,

88. South 07 degrees 20 minutes 22 seconds East, 17.55 feet to an iron pin set; thence,
89. North 35 degrees 10 minutes 53 seconds East, 1460.89 feet to an iron pin set on the westerly right-of-way of Southern Railroad; said point lying South 35 degrees 10 minutes 53 seconds West, 110.58 feet from the railroad centerline at Station 2436+95, as taken from Southern Railway Company's VAL Map V60/11, thence with the westerly right-of-way of Southern Railroad,
90. South 29 degrees 32 minutes 53 seconds East, 169.49 feet; thence,
91. Southeasterly, with a curve to the right, having a radius of 1809.86 feet and a central angle of 10 degrees 09 minutes 00 seconds, an arc length of 320.62 feet, a chord bearing and distance of South 24 degrees 28 minutes 23 seconds East, 320.20 feet; thence,
92. South 19 degrees 23 minutes 53 seconds East, 1620.40 feet; thence,
93. Southerly, with a curve to the left, having a radius of 1532.39 feet and a central angle of 11 degrees 23 minutes 00 seconds, an arc length of 304.45 feet, a chord bearing and distance of South 25 degrees 05 minutes 23 seconds East, 303.95 feet; thence,
94. South 30 degrees 46 minutes 53 seconds East, 642.20 feet; thence,
95. Southeasterly, with a curve to the right, having a radius of 1809.86 feet and a central angle of 22 degrees 08 minutes 00 seconds, an arc length of 699.15 feet, a chord bearing and distance of South 19 degrees 42 minutes 53 seconds East, 694.81 feet; thence;
96. South 08 degrees 38 minutes 53 seconds East, 380.00 feet; thence,
97. Southerly, with a curve to the left, having a radius of 2009.86 feet and a central angle of 17 degrees 15 minutes 00 seconds, an arc length of 605.11 feet, a chord bearing and distance of South 17 degrees 16 minutes 23 seconds East, 602.82 feet; thence,
98. South 25 degrees 53 minutes 53 seconds East, 280.80 feet; thence,
99. Southeasterly, with a curve to the right, having a radius of 1332.39 feet and a central angle of 28 degrees 46 minutes 00 seconds, an arc length of 668.96 feet, a chord bearing and distance of South 11 degrees 30 minutes 53 seconds East, 661.96 feet; thence,
100. South 02 degrees 52 minutes 07 seconds West, 896.90 feet; thence,
101. Southerly, with a curve to the left, having a radius of 1054.93 feet and a central angle of 14 degrees 53 minutes 00 seconds, an arc length of 274.03 feet, a chord bearing and distance of South 04 degrees 34 minutes 23 seconds East, 273.26 feet to an iron pin set; thence crossing the Southern Railroad right-of-way,
102. North 86 degrees 09 minutes 14 seconds East, 202.54 feet to an iron pin set on the westerly right-of-way of Old State Route 63; thence with said right-of-way,

103. South 03 degrees 06 minutes 06 seconds East, 143.07 feet to an iron pin set; thence,
104. Southerly, with a curve to the left, having a radius of 1103.00 feet and a central angle of 15 degrees 13 minutes 39 seconds, an arc length of 293.14 feet, a chord bearing and distance of South 10 degrees 49 minutes 18 seconds East, 292.28 feet; thence,
105. South 18 degrees 26 minutes 07 seconds East, 248.33 feet to an iron pin set; thence leaving the westerly right-of-way of Old State Route 63 and crossing the right-of-way of the Southern Railroad,
106. South 77 degrees 59 minutes 07 seconds West, 200.00 feet to an iron pin set on the westerly right-of-way of Southern Railroad; thence with said right-of-way,
107. South 12 degrees 00 minutes 53 seconds East, 1350.13 feet to the POINT OF BEGINNING and containing 265.972 acres, more or less.

corporation, by warranty deed from New River Processing, Inc., dated April 10, 2004, and recorded in Book W406, page 186, in the Register's Office for Campbell County, Tennessee.

See Articles of Amendment to the Charter changing name to National Coal, LLC, recorded in Book C-13, page 937, in the Register's Office for Campbell County, Tennessee.

THIS CONVEYANCE is made subject to any and all applicable restrictions, agreements, easements and all other matters as are shown in the records of the Campbell County Register's Office,

MINERAL INTERESTS:

CAMPBELL COUNTY

CLT #043-043-012.00

CLT #044-044-026, 027, 028, 029, 29.01, 030, 031, 032, 033 and 034

CLT #044-044-035.00

CLT #053-053-002.00

SITUATED in District Four of Campbell County, Tennessee, and being more particularly bounded and described as follows:

PARCEL ONE:

NEW MAP AND PARCEL #: 043-043-012.00

OLD MAP AND PARCEL #: 047-010

BEGINNING on a double chestnut on the side of Rock Creek Mountain; thence running northwest course with a conditional line made between Alex Branam and A. D. Rutherford to Thomas York's line on the side of the Fork Ridge; thence North 45 deg. East with said line to a large poplar; then Eastwardly to a poplar on the line of the said York's survey; thence Eastwardly to the creek; thence Southwardly crossing the creek to a marked white oak in the line of the said survey; thence North with said line to the top of the spur; thence Southeast with the top of the spur to a white oak where the spur breaks out from the top of the mountain; thence south to the path on top of the mountain and corner on a chestnut oak and pointers; thence West to the spring near the cliff; then with the cliff to a chestnut oak on top of the cliffs; then North 60 deg. West to the second cliff; then westwardly down the mountain from the cliffs to the BEGINNING, originally containing 160 acres, more or less, containing at present one hundred acres, more or less.

EXCLUDING, HOWEVER, and not conveyed herewith:

TRACT NO. 1: BEGINNING on a stake in the property line between Owen and Walden; thence S. 0 deg. 55 min. E. 271.00 feet to a stake on the west side of Rock Creek Road; thence crossing Rock Creek Road, S. 69 deg. 10 min. E. 182.00 feet to a stake; thence S. 5 deg. 35 min. W. 581.00 feet to a stake in the north R.O.W. line of the 50 foot R.O.W. being sold with the property; thence with the north line of the R.O.W., N. 48 deg. 11 min. W. 195.00 feet to a stake; thence N. 16 deg. 00 min. W. 90.00 feet to a stake in the corner of the 50 foot R.O.W. on the S.E. side of the Rock Creek Road; thence N. 6 deg. 33 min. E. 145.00 feet to a stake in the edge of the field on side of the road; thence N. 47 deg. 25 min. W. 279.94 feet to a point on the bank of the creek; thence with the bank of the creek, N. 35 deg. 05 min. E. 443.55 feet to the BEGINNING, containing 3.84 acres.

beginning bears S. 44 deg. 50 min. W. 50 feet from the western most corner of Tract #1; thence with the south line of Rock Creek Rd., S. 58 deg. 39 min. W. 174.75 feet to an iron pin; thence S. 30 deg. 24 min. E. 200.00 feet to an iron pin; thence N. 84 deg. 00 min. E. 260.00 feet to a stake in the south line of the 50.00 R.O.W.; thence with the south line of the 50 ft. R.O.W., N. 48 deg. 11 min. W. 259.00 feet to a stake; thence N. 16 deg. 00 min. W. 65.50 feet to the BEGINNING; and containing 0.752 acres.

TRACT NO. 3: BEGINNING on an iron pin at the intersection of Rock Creek Road and hickory creek Road; thence with the north R.O.W. line of the road leading to Hickory Creek, S. 42 deg. 35 min. W. 144.75 feet; thence S. 28 deg. 13 min. W. 197.33 feet; thence S. 67 deg. 10 min. W. 108.00 feet; thence S. 48 deg. 55 min. W. 313.25 feet to an iron rail; thence N. 34 deg. 15 min. W. 294.20 feet to a post in the south R.O.W. line of the road leading to Rock Creek; thence N. 65 deg. 45 min. E. 230.09 feet; thence N. 51 deg. 20 min. E. 138.55 feet; thence N. 70 deg. 30 min. E. 85.45 feet; thence N. 65 deg. 52 min. E. 121.92 feet; thence N. 81 deg. 45 min. E. 186.00 feet to the point of BEGINNING, and containing 3.15 acres.

TRACT NO. 4: BEING that 2 acre tract sold by LaFollette Enterprises, L.P., to Rock Creek Church of God by deed of record in Deed Book 395, page 640, in the Register's Office for Campbell County, Tennessee.

PARCEL TWO:

NEW MAP AND PARCEL #:044-044-026, 027, 028, 029, 29.01, 030, 031, 032, 033 and 034:

OLD MAP AND PARCEL #:045-023, 023.01, 023.02, 023.03, 023.04, 023.10, 023.11, 023.12, 024 and 024.01

SITUATED in District Four of Campbell County, Tennessee, same being the minerals in and under the following described tract of land, to-wit:

BEGINNING on a black gum at the black oak saulting ground; thence N. 65 W. 172 poles to a white oak and dogwood; thence N. 25 E. 171 poles to a black pine and white oak, corner of the Joe H. Delap line near the top of the ridge; thence S. 65 E. 186 poles to two black gums and chestnut oak in the Noah Walden line; thence S. 75 E. with the top of said ridge 35 poles to a chestnut oak; thence S. 13 W. 20 poles to a maple; thence S. 44 W. 60 poles to a black locust at the road; thence S. 67 W. 22 poles to two black oaks on top of the ridge; thence S. 36 W. 44 poles to the BEGINNING.

PARCEL THREE:

NEW MAP AND PARCEL #: 044-044-035.00

OLD MAP AND PARCEL #:

SITUATE in District No. Four of Campbell County, Tennessee, on the waters of Hickory Creek and bounded and described as follows:

FIRST TRACT: BEGINNING on a large chestnut oak on top of the ridge in the Douglas line; running then S. 81 E. 46 ½ poles to a double chestnut oak; then S. 59 E. 9 poles to a chestnut oak; then S. 56 ½ E. 26 poles to a post oak; then S. 66 ½ E. 4 ½ poles to a bunch of small maples; then S. 66 ½ E. 60 poles to a stake three black oak pointers it being the Noah Walden's corner; then S. 27 W. 19 poles to a black oak with hickory and sourwood pointers; then S. 3 W. 25 poles to a stake in the old H. K. Bruce line; then N. 64 W. 35 poles to a stake in a branch; then S. 57 W. passing a sarvice at 7 poles in all 48 poles to a stake; then N. 50 W. 28 poles to a rock at the corner garden, John W. Bruce's corner; then N. 87 W. 74 poles to a stake in the road on top of the ridge in the Old Douglas line; then N. 44 E. 12 poles to a maple; then N. 13 E. 20 poles to the BEGINNING, containing 55

Blankenship under date of May 25, 1925, and deed of H. K. Bruce and wife, Nancy Bruce, under date of November 26, 1909, respectively.

SECOND TRACT: SITUATE in formerly 9th and now in District No. Four of Campbell County, Tennessee, and on Walnut Mountain and being the same property conveyed to W. N. Walden by William Baird and wife, Sarah Baird, February 2, 1897, and recorded in Deed Book 49, page 465, of the Register's Office of Campbell County, Tennessee, and bounded as follows, to-wit: BEGINNING on a chestnut oak on top of a ridge or point; then S. 81 E. 46 ½ poles to a double chestnut oak; then S. 59 E. 9 poles to a chestnut oak; then S. 55 ½ E. 26 poles to a post oak and dogwood; then S. 66 ½ E. 54 ½ poles to a stake and three black oak pointers out side line; then N. 27 E. 77 poles to a chestnut; then N. 13 W. 50 poles to a chestnut; then N. 28 W. 20 poles to a large chestnut; then N. 12 W. 78 poles to three white oaks and a blackgum pointer; then S. 51 W. 58 poles to a chestnut; then S. 87 W. 30 poles to a chestnut oak and poplar; then S. 40 W. 44 poles to a chestnut oak; then S. 57 W. 27 poles to a blackgum; then S. 1 W. 39 poles to two black gums and chestnut oak; W. P. Douglas's corner; S. 7 E. 35 poles to the BEGINNING, containing 131 ½ acres, more or less.

EXCEPTING from the two tracts is that 5.57 acres sold to Durand Hatmaker by deed of May 18, 1998.

PARCEL THREE ABOVE ALSO BEING DESCRIBED AS FOLLOWS:

Tract 1: BEGINNING on a nail set in the root of a 10 inch hemlock on top of a cliff, and in the property line of Tennessee Wildlife Resource Agency (T.W.R.A.), and being located S. 33 deg. 17 min. 08 sec. W, 246.00 feet from T.W.R.A. monument 1B124, said monument having Tennessee State Plane coordinates of N. 781,255.688, E 2,508,660.192 from (NAD83), and being the property corner of Grantor, Champion International, and property of now or formerly Nancy E. Blankenship; thence with the Blankenship property line, N. 50 deg. 40 min. 17 sec. W. 577.50 feet to a set iron rod and property corner of Blankenship and Grantor; thence with Grantor's property line, S. 50 deg. 10 min. 22 sec. W. 182.17 feet to a set iron rod in the center line of a private drive; thence with the centerline of said drive with a curve to the right, having an arc length of 130.28 feet, radius of 265.00 feet, chord bearing and distance of N. 48 deg. 44 min. 43 sec. W. 128.98 feet to a point of tangent; thence N. 39 deg. 06 min. 21 sec. W. 360.37 feet to a point of curve to the left, having an arc length of 158.02 feet, radius of 358.48 feet, chord bearing and distance of N. 45 deg. 02 min. 49 sec. W. 156.74 feet to a point of a reverse curve to the right, having an arc length of 249.58 feet, radius of 291.95 feet, chord bearing and distance of N. 41 deg. 18 min. 51 sec. W. 242.05 feet to a point of tangent; thence N. 25 deg. 47 min. 12 sec. W. 105.01 feet; thence N. 29 deg. 53 min. 47 sec. W. 181.18 feet; thence N. 38 deg. 04 min. 53 sec. W. 180.85 feet to a point of a curve to the right, having an arc length of 106.95 feet, radius of 60.00 feet, chord bearing and distance of N. 12 deg. 58 min. 52 sec. E. 93.34 feet to a point; thence N. 64 deg. 02 min. 38 sec. E. 141.28 feet to a point; thence N. 80 deg. 24 min. 02 sec. E. 153.65 feet to a point of a curve to the left, having an arc length of 142.60 feet, radius of 58.29 feet, chord bearing and distance of N. 01 deg. 01 min. 49 sec. E. 109.60 feet to a point tangent; thence N. 74 deg. 08 min. 37 sec. W. 53.90 feet to a point; thence N. 89 deg. 11 min. 33 sec. W. 241.07 feet to a point of a curve to the right, having an arc length of 142.96 feet, radius of 163.81 feet, chord bearing and distance of N. 68 deg. 27 min. 32 sec. W. 138.46 feet to a point of tangent; thence N. 44 deg. 25 min. 23 sec. W. 126.29 feet to a point of a curve to the right, having an arc length of 282.57 feet, radius of 418.66 feet, chord bearing and distance of N. 38 deg. 15 min. 11 sec. W. 277.24 feet to a point of a reverse curve to the left, arc length of 163.43 feet, radius of 1346.95 feet, chord bearing and distance of N. 33 deg. 33 min. 25 sec. W. 163.33 feet, to a point of tangent; thence N. 55 deg. 30 min. 03 sec. W. 58.78 feet to an existing iron rod on top of the ridge; thence with a

of the Hickory Divide Line Road, and property line of Hatmaker; thence continuing with the centerline of said road, N. 16 deg. 25 min. 53 sec. E. 49.63 feet to a point; thence N. 01 deg. 10 min. 19 sec. E. 143.35 feet to a point; thence N. 09 deg. 02 min. 00 sec. E. 59.66 feet to a point and beginning of a curve to the right, with an arc length of 302.31 feet, a radius of 640.00 feet and chord bearing and distance of N. 24 deg. 52 min. 32 sec. E. 299.51 feet to a point and beginning of a curve to the right, with an arc length of 127.20 feet, a radius of 175.00 feet and a chord bearing and distance of North 59 deg. 16 min. 14 sec. E. 124.41 feet to a point; thence N. 80 deg. 05 min. 34 sec. E. 109.27 feet to a point and beginning of a curve to the left, with an arc length of 315.17 feet, a radius of 542.00 feet and a chord bearing and distance of N. 54 deg. 22 min. 36 sec. E. 310.74 feet to a point and beginning of a curve to the right, with an arc length of 239.15 feet, a radius of 780.00 feet, with a chord bearing and distance of N. 46 deg. 30 min. 06 sec. E. 238.22 feet to a point and beginning of a curve to the left, with an arc length of 287.12 feet, a radius of 478.61 feet, with a chord bearing and distance of N. 38 deg. 05 min. 58 sec. E. 282.83 feet to an existing iron pipe and property corner to Grantor, and now or formerly Baird; thence with the Baird property line, N. 87 deg. 40 min. 56 sec. E. 371.87 feet to a set iron rod in a 30 inch chestnut stump; thence N. 50 deg. 59 min. 10 sec. E. 1028.40 feet to a set iron rod and property corner of now or formerly Durand B. Hatmaker; thence with the Hatmaker and now or formerly Marshall Meredith property line, S. 10 deg. 24 min. 05 sec. E. 1298.18 feet to a set iron rod in a 24 inch chestnut stump; thence S. 26 deg. 54 min. 07 sec. E. 334.80 feet with the Meredith property line to a set iron rod; thence S. 09 deg. 44 min. 18 sec. E. 798.68 feet with the Meredith and Hatmaker property line to a set iron rod in a 36 inch chestnut stump and property corner of Champion International; thence with the Champion property line, S. 25 deg. 48 min. 54 sec. W. 1268.83 feet to a set iron rod; thence S. 24 deg. 33 min. 22 sec. W. 259.77 feet to a set iron rod in a 30 inch chestnut stump; thence S. 04 deg. 23 min. 18 sec. W. 475.26 feet to the place of BEGINNING, containing 147.673 acres, more or less.

Tract 2: BEGINNING on a set iron rod in the centerline of a private drive and being the new property corner of Tract No. 1 and Tract No. 2 and being a portion of property referenced in Deed Book 359, page 10, also being in the property line of now or formerly Blankenship heirs; thence with the Blankenship property line, S. 50 deg. 10 min. 22 sec. W. 479.29 feet to an existing fence post and property corner; thence N. 56 deg. 43 min. 45 sec. W. 459.45 feet to an existing old rock with P.K. nail at the old garden spot, and property corner of Champion International; thence with the property line of Champion, N. 44 deg. 16 min. 56 sec. W. 1256.12 feet to an existing iron pipe and property corner of now or formerly Walden; thence with the Walden property line, N. 32 deg. 45 min. 35 sec. E. 450.76 feet to a set iron rod; thence N. 30 deg. 51 min. 17 sec. E. 197.51 feet to an existing iron rod next to a maple tree; thence N. 08 deg. 56 min. 25 sec. W. 498.57 feet to an existing iron rod in the Hickory Divide Line Road; thence S. 55 deg. 30 min. 03 sec. E. 58.78 feet to a point in the centerline of a private drive, and being a point of a curve to the right, having an arc length of 163.43 feet, radius of 1346.95 feet, chord bearing and distance of S. 33 deg. 33 min. 25 sec. E. 163.33 feet to a point of a reverse curve to the left, having an arc length of 282.57 feet, radius of 418.66 feet, chord bearing and distance of S. 38 deg. 15 min. 11 sec. E. 277.24 feet to a point of tangent; thence S. 44 deg. 25 min. 23 sec. E. 126.29 feet to a point of a curve to the left, having an arc length of 142.96 feet radius of 163.81 feet, chord bearing and distance of S. 68 deg. 27 min. 32 sec. E. 138.46 feet to a point of tangent; thence S. 89 deg. 11 min. 33 sec. E. 241.07 feet to a point; thence S. 74 deg. 08 min. 37 sec. E. 53.90 feet to a point of a curve to the right, having an arc length of 142.60 feet, radius of 58.29 feet, chord bearing and distance of S. 01 deg. 01 min. 49 sec. W. 109.60 feet to a point of tangent; thence S. 80 deg. 24 min. 02 sec. W. 153.65 feet to a point; thence S. 64 deg. 02 min. 38 sec. W. 141.28 feet to a point of a curve to the left, having an arc length

E. 160.85 feet to a point; thence S. 29 deg. 55 min. 47 sec. E. 181.18 feet to a point; thence S. 25 deg. 47 min. 12 sec. E. 105.01 feet to a point of a curve to the left, having an arc length of 249.58 feet, radius of 291.95 feet, chord bearing and distance of S. 41 deg. 18 min. 51 sec. E. 242.05 feet to a point of a reverse curve to the right, having an arc length of 158.02 feet, radius of 358.48 feet, chord bearing and distance of S. 45 deg. 02 min.; 49 sec. E. 156.74 feet to a point of tangent; thence S. 39 deg. 06 min. 21 sec. E. 360.37 feet to a point of a curve to the left, having arc length of 130.28 feet, radius of 265.00 feet, chord bearing and distance of S. 48 deg. 44 min. 43 sec. E. 128.98 feet to a place of BEGINNING, containing 30.075 acres, more or less.

BEING the minerals rights conveyed to Rex Coal, Inc., a Tennessee corporation, by Mineral Deed from LaFollette Enterprises, L.P., dated August 8, 2008, and recorded in Book W446, page 395, in the Register's Office for Union County, Tennessee.

PARCEL FOUR:
MAP AND PARCEL #053-002.00

SITUATED in the Fourth Civil District of Campbell County, Tennessee, on the waters of Hickory Creek, bounded as follows:

BEGINNING on a dogwood, J. F. Bruce's corner in the outside line; thence S. 37 E. 10 P. to a chestnut oak; thence S. 42 ½ E. 26 poles to a maple; thence S. 32 ½ E. 11 ½ P. to a chestnut and locust; thence S. 8 W. 27 P. to a red oak; thence S. 25 W. 20 P. to an ash at the branch; then S. 13 ½ W. 28 P. stake chest in outside line; thence S. 70 W. 34 poles to a chestnut; thence N. 75 E. 46 p. to a black gum; thence S. 56 E. 10 poles to a stake in the Richardson line; thence with the Richardson line about 90 p. to a spruce pine in said line on top of a cliff; thence N. 3 E. 30 ½ p. to a black oak with hickory and black oak pointers; thence N. 27 E. 19 p. to a stake and three black oak pointers, it being Noah Walden's corner; thence N. 66 ½ W. 60 ½ p. to a bunch of maples, John Bruce's corner with his line S. 2. E. 21 p. to a stake in the road; thence S. 50 W. 13 p. to a stake; then North 5 ½ p. to a stake; thence S. 58 W. 22 ½ p. to a locust on top of ridge; thence S. 39 W. 26 p. to a rock in the field; thence N. 37 W. 74 p. to a stake in the road on top of the hill in the Douglas line; thence S. 77 W. with top of the ridge 8 p. to a poplar; thence S. 40 W. 10 p. to a stake; thence S. 21 W. 14 p. to the BEGINNING, containing 80 acres, more or less.

BEING the mineral estate known as the Rex and Poplar seams of coal conveyed to Rex Coal, Inc., a Tennessee corporation, by Mineral Deed from Bruce Wayne Ferguson, Sr., dated August 8, 2008, and recorded in Book W446, page 388, in the Register's Office for Campbell County, Tennessee.

See Articles of Amendment to the Charter changing name to Jacksboro Coal Company, Inc., recorded in Book C-13, page 935, and Articles of Amendment to the Charter changing name to Jacksboro Coal Company, LLC, recorded in Book C-13 page 937, both in the Register's Office for Campbell County, Tennessee.

THIS CONVEYANCE is made subject to any and all applicable restrictions, agreements, easements and all other matters as are shown in the records of the Campbell County Register's Office,

CAMPBELL COUNTY
SCOTT COUNTY

Campbell County CLT numbers: A part of Map 139, Parcel 006.00

**Jordan Ridge Refuse Area
Mineral Interests**

BEING all of the coal mineral rights located in Campbell and Scott County, Tennessee as more particularly described as follows:

BEGINNING at the intersection point of the center line of the trestle over Cross Creek and the center line of Cross Creek located at Latitude 36°13'32" North, Longitude 84°14'39" West; thence N 02°02'09 E a distance of 351.17 feet; thence N 18°36'31 W a distance of 570.21 feet; thence N 63°54'14 E a distance of 2313.85 feet; thence S 87°11'50 E a distance of 3826.08 feet; thence S 01°46'10 E a distance of 1987.38 feet to the intersection of the TVA (Koppers) property line and the ridge line located at Latitude 36°13'28" North, Longitude 84°13'28" West; thence S 01°46'10 E a distance of 960.89 feet to the shared corner of TVA (Koppers) and National Coal, LLC located at Latitude 36°13'18" North, Longitude 84°13'28" West; thence S 77°53'13 E a distance of 476.97 feet; thence S 39°03'03 W a distance of 2916.33 feet; thence N 78°49'58 W a distance of 4227.25 feet to the point where the center line of Oldhouse Branch intersects the east bank of New River; thence meandering along the east bank of New River 2720 feet to the point where the centerline of Cross Creek intersects the east bank of New River; thence N 65°36'08 E a distance of 680.58 feet to the **POINT OF BEGINNING**, Containing 655 acres more or less.

BEING a portion of the coal mineral rights conveyed to National Coal Corporation, a Tennessee corporation, by Mineral Special Warranty Deed from Cumberland Timber Company, LLC, dated April 9, 2003, and recorded in **Book W396, page 496**, in the Register's Office for Campbell County, Tennessee and recorded in **Book 242, page 4**, in the Register's Office for Scott County, Tennessee.

ALSO CONVEYED HEREWITH are the Easement Rights conveyed to Grantor in Assignment of Easement Agreement of even date herewith wherein Lender conveyed its Easements Rights in and to the property described hereinabove that were conveyed by the State of Tennessee to National Coal Corporation on November 1, 2010 and recorded in Book W462, Page 507 in the Register's Office for Campbell County, Tennessee.

A. Campbell County, TN Leases Assigned to Grantor by Jacksboro Coal Company, LLC

Grantor acquired its interest in the leases described below, under an Assignment of Leases of approximately even date herewith from JACKSBORO COAL COMPANY, LLC, a Tennessee limited liability company, as assignor (formerly Rex Coal, Inc. and Jacksboro Coal Company, Inc.),.

Rex Coal, Inc. had acquired its interest in the following leases pursuant to Assignment of Oil, Gas, Mineral and Coal Leases dated August 8, 2008, and recorded in Book M90, page 235, in the Register's Office for Campbell County, Tennessee:

1. Coal Lease between Johnie Meredith (Lessor) and Lonnie Hatmaker (Lessee), dated September 11, 1975, and recorded in Lease Book 12, page 132; as amended by Amendment dated September 11, 1975, and recorded in Lease Book 12, page 403; as amended by Amendment No. Two dated September 11, 1975, and recorded in Lease Book 13, page 222; as assigned by Assignment of Lease dated October 14, 1977, and recorded in Lease Book 13, page 243, all in the Register's Office for Campbell County, Tennessee; and

2. Unrecorded Lease Agreement between William Eugene Monday (Lessor) and Dexter Rains and Lonnie E. Hatmaker (Lessees), dated February 17, 1998.

WHEREAS, the above leases are herein collectively referred to as the "Leases";

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

Grantor acquired its interest in the leases referenced below by an Assignment of Lease Agreements of approximately even date herewith from NATIONAL COAL, LLC, a Tennessee Limited liability company (and formerly National Coal Corporation, until conversion of that corporation to a Tennessee limited liability company).

The following excerpts from said Assignment of Lease Agreements provide additional information concerning these particular leases:

WHEREAS, U.S. Coal, Inc. entered into a certain Coal Mining Lease Agreement dated December 21, 2001, between Jerome McCullah (Lessor) and U.S. Coal, Inc. (Lessee), recorded in Book M59, page 334, as amended and ratified by Amendment to and Ratification of Lease dated April 14, 2004, and recorded in Book M70, page 624, both in the Register's Office for Campbell County, Tennessee; and

WHEREAS, National Coal Corporation acquired the assets of U.S. Coal, Inc. in 2004 and the name was subsequently changed to National Coal, LLC; and

WHEREAS, Assignor also entered into certain Coal Lease Agreements, as evidenced by Memorandum of Coal Lease Agreements dated April 17, 2008, by and between Carl S. Baird, individually, and as Administrator of the Estate of Bessie Baird, Carl W. Baird, Roy Bolton, Jimmy Bolton, LaFollette Enterprises, L.P. (Lessors) and National Coal corporation (Lessee), recorded in Book M89, page 81, in the Register's Office for Campbell County, Tennessee, covering current tax parcel (Map 044, Parcel 006); and

WHEREAS, Assignor entered into a Coal Mining Lease dated April 17, 2008, by and between Carl W. Baird and Carl Steven Baird, as heirs of Bessie Baird, LaFollette Enterprises, L.P. and National Coal Corporation, covering properties described in Deed Bok 474, page 502, in the Register's Office for Campbell County, Tennessee, and also designated as Tax Map 033, Parcel 054; and

WHEREAS, the above leases are herein collectively referred to as the ("Lease Agreements"); and

WHEREAS, Assignor desires to sell, assign, and transfer its interest in the Lease Agreements to Assignee, and Assignee desires to accept such sale, assignment, and transfer upon the terms and conditions provided herein.

Grantor acquired an interest in the following described Agreement by an Assignment of Agreement of even date herewith. The following excerpts from said Assignment of Agreement further describe and reference the assigned Agreement below:

U.S. Coal, Inc. entered into a certain Agreement as evidenced by Memorandum of Agreement dated November 14, 1991, but effective as of November 1, 1991, between Beazer East, Inc. and U. S. Coal, Inc., recorded in Misc. Book 23, page 483, in the Register's Office for Campbell County, Tennessee (hereinafter "Agreement").

National Coal Corporation acquired the assets of U.S. Coal, Inc. in 2004 and the name was subsequently changed to National Coal, LLC.

National Coal assigned its interest in the Agreement to Grantor under the aforesaid Assignment of Agreement of even date with this Deed of Trust.

Grantor's interest in the following leases was acquired by an Assignment from National Coal, LLC of approximately even date herewith, and the following excerpts from said Assignment further describe the assigned leases:

U.S. Coal Company, Inc. entered into a certain Lease Agreement dated July 11, 1987, between Harold D. Anderson and wife, Marilyn K. Anderson (Lessors) and U.S. Coal Company, Inc. (Lessee), recorded in Book M98, page 300, as subsequently assigned to National Coal Corporation by Assignment and Assumption of Lease Agreement dated April 16, 2004, and recorded in Book 149, page 611, both in the Register's Office for Scott County, Tennessee; and

U.S. Coal, Inc. entered into a Mining Lease dated September 20, 1988, between Marvin Lowe (Lessor) and U.S. Coal Company, Inc. (Lessee), recorded in Book M101, page 542, as subsequently assigned to National Coal Corporation by Assignment and Assumption of Lease Agreement dated April 16, 2004, and recorded in Book M149, page 616, both in the Register's Office for Scott County, Tennessee; and

U.S. Coal, Inc. also entered into a certain Mining Lease dated September 20, 1988, between Christeen Anderson (Lessor) and U.S. Coal Company, Inc. (Lessee), recorded in Book M101, page 549, as subsequently assigned to National Coal Corporation by Assignment and Assumption of Lease Agreement dated April 16, 2004, and recorded in Book M149, page 606, both in the Register's Office for Scott County, Tennessee; and

U. S. Coal, Inc. entered into a certain Refuse Lease dated February 9, 1995, and recorded in Book M120, page 1, in the Register's Office for Scott County, Tennessee.

U.S. Coal, Inc. entered into a certain Coal Mining Lease Agreement dated September 12, 2002, between Cumberland Timber Company, L.L.C. (Lessor) and U.S. Coal, Inc. (Lessee), recorded in Book M145, page 135, as subsequently assigned to National Coal Corporation by Assignment and Assumption of Coal Mining Lease Agreement dated April 16, 2004, and recorded in Book M149, page 601, both in the Register's Office for Scott County, Tennessee

Grantor's interest in the following leases was acquired by an Assignment from National Coal, LLC of approximately even date herewith, and the following excerpts from said Assignment further describe the assigned leases and agreement:

National Coal Corporation (now National Coal, LLC), acquired its right, title and interest in and to the Smoky Junction Land Lease, the Smoky Junction Track Lease and the ROW License Agreement, pursuant to Assignment and Assumption Agreement dated April 16, 2004, and recorded in Book M149, page 621, in the Register's

~~COAL MINERAL INTERESTS~~
Mineral Interests

BEING all of the coal mineral rights located in Campbell and Scott County, Tennessee as more particularly described as follows:

BEGINNING at the intersection point of the center line of the trestle over Cross Creek and the center line of Cross Creek located at Latitude 36°13'32" North, Longitude 84°14'39" West; thence N 02°02'09 E a distance of 351.17 feet; thence N 18°36'31 W a distance of 570.21 feet; thence N 63°54'14 E a distance of 2313.85 feet; thence S 87°11'50 E a distance of 3826.08 feet; thence S 01°46'10 E a distance of 1987.38 feet to the intersection of the TVA (Koppers) property line and the ridge line located at Latitude 36°13'28" North, Longitude 84°13'28" West; thence S 01°46'10 E a distance of 960.89 feet to the shared corner of TVA (Koppers) and National Coal, LLC located at Latitude 36°13'18" North, Longitude 84°13'28" West; thence S 77°53'13 E a distance of 476.97 feet; thence S 39°03'03 W a distance of 2916.33 feet; thence N 78°49'58 W a distance of 4227.25 feet to the point where the center line of Oldhouse Branch intersects the east bank of New River; thence meandering along the east bank of New River 2720 feet to the point where the centerline of Cross Creek intersects the east bank of New River; thence N 65°36'08 E a distance of 680.58 feet to the **POINT OF BEGINNING**, Containing 655 acres more or less.

BEING a portion of the coal mineral rights conveyed to National Coal Corporation, a Tennessee corporation, by Mineral Special Warranty Deed from Cumberland Timber Company, LLC, dated April 9, 2003, and recorded in **Book W396, page 496**, in the Register's Office for Campbell County, Tennessee and recorded in **Book 242, page 4**, in the Register's Office for Scott County, Tennessee.

ALSO CONVEYED HEREWITH are the Easement Rights conveyed to Grantor in Assignment of Easement Agreement of even date herewith wherein Lender conveyed its Easements Rights in and to the property described hereinabove that were conveyed by the State of Tennessee to National Coal Corporation on November 1, 2010 and recorded in Book W462, Page 507 in the Register's Office for Campbell County, Tennessee.

EXHIBIT "B"

COAL LEASE

EXHIBIT "B-1" - Coal Lease Agreement dated September 19, 2007, by and between H. Group Construction, LLC, Carolyn Hatmaker and husband, Bert Hatmaker, Darrin Hatmaker and Durand Hatmaker, as Lessor and TIACME, LLC, as Lessee recorded on December 29, 2010 in the Office of the Register of Deeds for Campbell County, Tennessee in Miscellaneous Book 100, page 48.

EXHIBIT "B-2" - Memorandum of Coal Lease Agreement dated September 19, 2007, by and between H. Group Construction, LLC, Carolyn Hatmaker and husband, Bert Hatmaker, Darrin Hatmaker and Durand Hatmaker, as Lessor and TIACME, LLC, as Lessee, recorded on May 10, 2010 in the Office of the Register of Deeds for Campbell County, Tennessee in Miscellaneous Book 97, page 947.

[Redacted – coal lease]

EXHIBIT “C”

Permitted Exceptions

As used in this Deed of Trust, the term “Permitted Exceptions” shall mean any lien (a) which is assumed or consented to in writing by Lender; (b) created by Lender; (c) constituting zoning restrictions, easements, rights-of-way, restrictions or minor defects or irregularities in title incurred in the ordinary course of the coal mining business which do not, individually or in the aggregate materially detract from the value or materially impair the use, of the Assets; (d) imposed by any governmental authority for taxes, assessments, or charges not yet due or which are being contested in good faith and by appropriate proceedings; (e) that is an unperfected inchoate lien imposed by law which was incurred in the ordinary course of business; (f) consisting of obligations or duties affecting the Assets to any municipality or public authority with respect to any franchise, grant, license, or permit, which does not materially impair the value or use of such property for the purposes for which it is held; (g) constituting any extension, renewal, or replacement of the foregoing. Property taxes which are not yet due shall be pro-rated as of the Closing Date.

In addition to the foregoing, it is acknowledged and understood that certain consents of lessors may be required under certain leases identified or referenced in Exhibit B under certain circumstances.

**SECURITY AGREEMENT
(All Assets)**

THIS SECURITY AGREEMENT (this "Security Agreement"), is made and entered into as of August 13, 2014, by 0955615 US INC., a Delaware corporation ("Debtor"), whose address is 620 North Campbell Station Road, Suite 22, Knoxville, TN 37934, in favor of ABACI CAPITAL LIMITED, an exempted company incorporated with limited liability under the laws of the Cayman Islands, as Holder ("Secured Party"), whose address is c/o ITA Global Trust Co., Ltd., Suite 410, 2nd Floor Canella Court, Camana Bay, P.O. Box 32203, Grand Cayman KY1-1208, Cayman Islands.

Background:

1. Debtor executed the following promissory notes in favor of Secured Party: Promissory Note and Security Agreement dated August 13, 2014, in the principal amount of \$884,700.00 and Promissory Note and Security Agreement dated August 13, 2014 in the principal amount of \$115,300.00 (each as amended, replaced, modified or supplemented from time to time, collectively referred to herein as the "Note")
2. Secured Party, as Holder under the Note, has conditioned its obligations under the Note upon, among other things, the execution and delivery by Debtor of this Security Agreement, and Debtor has agreed to enter into this Security Agreement.
3. Debtor will benefit directly from the advance of funds by Secured Party to Debtor under the terms and conditions of the Note.

Agreements:

In order to comply with the terms and conditions of the Note and for and in consideration of the premises and the agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, provided that Novadx Ventures Corp. is the sole beneficial shareholder of the Debtor and subject to approval of the TSX Venture Exchange, Debtor hereby agrees with Secured Party as follows:

**ARTICLE I
DEFINITIONS**

1.1 Terms Defined Above. As used in this Security Agreement, the terms "Note," "Debtor," and "Secured Party" shall have the meanings indicated above.

1.2 Definitions Contained in the Note. Unless otherwise defined herein or context otherwise requires, all capitalized terms used but not defined in this Security Agreement have the meanings given to those terms in the Note.

1.3 Certain Definitions. As used in this Security Agreement, the following terms shall have the following meanings, unless the context otherwise requires:

"Accounts" has the meaning indicated in subsection 3.1(a) hereof.

“Code” means the Uniform Commercial Code as presently in effect in the State of Tennessee codified at Tenn. Code Ann. § 47-1-101 *et seq.*, and as amended from time to time.

“Collateral” means all property, including without limitation cash or other proceeds, in which Secured Party shall have a security interest pursuant to Section 3.1 of this Security Agreement.

“Default” means the occurrence of any event which, with the passage of time or the giving of notice or both, will become an Event of Default.

“Equipment” has the meaning indicated in subsection 3.1(b) hereof.

“Event of Default” means the occurrence of any of the events specified in Section 6.3 hereof; provided that any requirement for notice or lapse of time or other condition precedent has been satisfied.

“General Intangibles” has the meaning indicated in subsection 3.1(c) hereof.

“Inventory” has the meaning indicated in subsection 3.1(d) hereof.

“Lien” means any hypothecation, mortgage, charge, pledge, lien (statutory or otherwise), security interest or other encumbrance of any nature however arising, or any other security agreement or arrangement created in favor of any person.

“Material Adverse Effect” means any change that has a material adverse effect on the material assets and operations of the Debtor (considered as a whole), excluding a general change in political, economic or social conditions or a change in market or industry conditions applicable to the Debtor and similar businesses.

“Other Liable Party” means any person, other than Debtor, who is or becomes primarily or secondarily liable for any of the Secured Obligations or who grants Secured Party a lien on any property as security for the Secured Obligations.

“Permitted Encumbrance” includes:

- (i) Liens for taxes, assessments or governmental levies not yet due or which are being contested in good faith and for which adequate reserves with respect thereto are maintained in accordance with generally accepted accounting principles, so long as the same do not involve any imminent danger of the sale, forfeiture or loss of any of the material property of the Debtor or any interest therein;
- (ii) undetermined or inchoate Liens arising in the ordinary course of business, a claim for which has not been filed or registered pursuant to law or of which notice shall not have been given or become known to the Debtor;
- (iii) carriers’, warehousemen’s, mechanics’, materialmen’s, repairmen’s or other similar Liens arising in the ordinary course of business which are not

overdue for a period of more than 30 days or which are being contested, so long as the same do not involve any imminent danger of the sale, forfeiture or loss of any of the material property of the Debtor or any interest therein;

- (iv) servitudes, rights-of-way, encumbrances, easements, restrictions and other similar encumbrances which, in the aggregate, do not materially detract from the value of the property subject thereto or interfere with the ordinary conduct of the business of the Debtor;
- (v) statutory Liens incurred or deposits made in the ordinary course of business of the Debtor in connection with worker's compensation, employment insurance and other social security legislation, so long as the same do not involve any imminent danger of the sale, forfeiture or loss of any of the material property of the Debtor or any interest therein;
- (vi) Purchase Money Obligations in respect of mining equipment and related assets to be used in mining operations or mine construction or development purchased from arm's length parties, not exceeding, in the aggregate US \$150,000, without the prior approval of the Secured Party, such approval not to be unreasonably withheld;
- (vii) a First Lien over the Debtor's Assets in favor of National Coal LLC;
- (viii) a lien in favor of First Bank of Jasper created by that certain Commercial Security Agreement granted by Debtor and dated July 8, 2014, related to Certificates of Deposit in the First Bank of Jasper, dated July 8, 2014, bearing account numbers and amounts as follows: (i) #3370595153 for \$187,500.00; (ii) #3370682282 for \$91,300.00; (iii) #3370671417 for \$413,000.00; and (iv) #3370576482 for \$192,900; and
- (ix) a Royalty in the amount of \$2.00 per ton in favour of Sandstorm Metals & Energy (US) Inc. to be registered after the date hereof against the Rex Coal Mine property.

"Related Rights" means all chattel papers, electronic chattel papers, payment intangibles, promissory notes, letter of credit rights, supporting obligations, documents and instruments relating to the Accounts or the General Intangibles and all rights now or hereafter existing in and to all security agreements, leases, and other contracts securing or otherwise relating to any Accounts or General Intangibles or any such chattel papers, electronic chattel papers, payment intangibles, promissory notes, letter of credit rights, documents and instruments.

"Secured Obligations" has the meaning indicated in Section 3.2 hereof.

"Security Agreement" means this Security Agreement, as the same may from time to time be amended, modified or supplemented.

“Security Documents” means this Security Agreement together with all deeds of trust and financing statements filed in connection with this Security Agreement.

1.4 Terms Defined in Code. Unless otherwise defined herein or in the Note, all terms used herein which are defined in the Code shall have the meaning given to those terms in the Code.

ARTICLE II CONDITIONS PRECEDENT

2.1 The Secured Party hereby expressly acknowledges, covenants and agrees that any and all of the parties respective rights, and obligations are subject to, and shall have no force or effect prior to the prior fulfillment of the following conditions Precedent:

- (a) Novadx Ventures Corp. shall be the sole shareholder of the Debtor; and
- (b) The TSX Venture Exchange shall have approved the granting by the Debtor of the security interest in favour of the Secured Party hereunder.

ARTICLE III SECURITY INTEREST

3.1 Grant of Security Interest. As collateral security for all of the Secured Obligations, Debtor hereby grants to Secured Party a security interest in, a general lien upon, and a right of set-off against all of Debtor’s assets, tangible or intangible, including but not limited to the following, to the extent of Debtor’s rights therein (but not otherwise) and whether now owned or later acquired by Debtor:

- (a) all of Debtor’s accounts (as defined in the Code) of any kind (the “Accounts”) and Related Rights;
- (b) all of Debtor’s equipment (as defined in the Code) in all of its forms, and wherever located, together with all parts thereof and all accessions or additions thereto, (collectively, the “Equipment”);
- (c) all of Debtor’s general intangibles (as defined in the Code) of any kind (the “General Intangibles”) and Related Rights;
- (d) all of Debtor’s inventory (as defined in the Code) in all of its forms, and wherever located, together with all accessions or additions thereto and products thereof (collectively the “Inventory”);
- (e) all of Debtor’s investment property (as defined in the Code) wherever located;
- (f) all of Debtor’s deposit accounts (as defined in the Code) wherever located;

(g) any additional tangible or intangible property from time to time delivered to or deposited with Secured Party by or through Debtor as security for the Secured Obligations or otherwise pursuant to the terms of this Security Agreement; and

(h) the proceeds, products, supporting obligations, Related Rights, additions to, substitutions for and accessions of any and all Collateral now owned or later acquired by Debtor, as described in subparagraphs (a)-(g) in this Section 3.1.

3.2 Secured Obligations. The security interest in, general lien upon, and right of set-off against the Collateral is granted to secure the following (collectively, the "Secured Obligations"):

(a) the payment of all amounts owing, when due, under the Note, now or hereafter existing including, without limitation any and all renewals, extensions for any period or rearrangement of the Note; and

(b) the performance of all obligations of Debtor under this Security Agreement and the other agreements giving rise to the Obligations (as defined in the Note).

ARTICLE IV REPRESENTATIONS AND WARRANTIES

In order to induce Secured Party to accept this Security Agreement, Debtor represents and warrants to Secured Party (which representations and warranties will survive the creation of any Secured Obligations and the extension of any credit under the Note) that:

4.1 Ownership and Liens. Except for the security interest of Secured Party granted in this Security Agreement and except for Permitted Encumbrances, Debtor owns good and valid title to the Collateral free and clear of any other Liens, adverse claims or options. Debtor has rights in or the right, power and authority to grant a security interest in the Collateral to Secured Party in the manner provided herein, free and clear of any other Liens, adverse claims and options other than Permitted Encumbrances. No other Lien, adverse claim or option has been created by Debtor or, to Debtor's knowledge exist with respect to any Collateral other than Permitted Encumbrances. No financing statement or other security instrument, to Debtor's knowledge, is on file in any jurisdiction covering any part of the Collateral other than those in favor of Secured Party and other than Permitted Encumbrances. At the time the security interest in favor of Secured Party attaches, good and valid title to all after-acquired property included within the Collateral, to Debtor's knowledge, free and clear of any other Liens, adverse claims or options (other than those permitted by the first sentence of this Section 4.1) will be vested in Debtor.

4.2 Status of Accounts. Each Account hereafter arising will represent and each Account now existing represents, the valid and legally enforceable obligations of a bona fide account debtor and is not and will not be subject to contra accounts, set-offs, defenses or counterclaims by or available to account debtors obligated on the Accounts except as disclosed to Secured Party in writing and/or as provided below; and the amount shown as to each Account on Debtor's books will be the true and undisputed amount owing and unpaid thereon, subject to

any Permitted Encumbrance, discounts, allowances, rebates, credits and adjustments to which the account debtor has a right and which have arisen in Debtor's ordinary course of business or which have otherwise been disclosed to Secured Party in writing.

4.3 Status of Related Rights. All Related Rights are, and those hereafter arising will be, valid and genuine.

4.4 Inventory Not Covered by Other Documents. None of the Inventory is, and at the time the security interest in favor of Secured Party attaches none of the Inventory hereafter acquired will be, covered by any document (as defined in the Code) created by or through Debtor other than the Permitted Encumbrances.

4.5 Name; Organization; Authority. The exact legal name of Debtor is set forth in the opening paragraph of this Security Agreement. Debtor is a corporation, duly formed, validly existing, and with active right to transact business under the Laws of the State of Delaware. Debtor is qualified to do business and in good standing in each other state in which the nature of its business requires it to be so qualified, except where the failure to so qualify could not reasonably be expected to cause a Material Adverse Effect. The execution, delivery and performance of this Security Agreement has been duly authorized by all company action, and this Security Agreement constitutes the valid and binding obligation of Debtor, enforceable against Debtor in accordance with its terms, except as the enforceability thereof may be limited or affected by bankruptcy, insolvency, reorganization, moratorium, applicable laws regarding limitations of actions or similar Laws affecting the enforcement of creditors rights generally and by general equitable principles.

4.6 Location. Debtor's chief executive office and chief place of business is located at the address set forth in the opening paragraph of this Security Agreement. The office where Debtor keeps its records concerning the Accounts and the General Intangibles and the original of all the Related Rights has the same address as Debtor's chief executive office and chief place of business. Debtor's Inventory and Equipment (other than mobile goods) are located in Campbell County and Scott County, Tennessee and such other states as Debtor shall have from time to time given notice of to Secured Party.

4.7 Secured Party's Security Interest. This Security Agreement creates a valid and binding security interest in the Collateral securing the Secured Obligations. Upon proper completion and filing of the financing statements described in Section 0 of this Security Agreement covering the Collateral State of Tennessee, Secured Party will have a fully perfected security interest in that Collateral in which a security interest may be perfected by such filing, subject only to Permitted Encumbrances. No further or subsequent filing, recording, registration or other public notice of such security interest is necessary in any office or jurisdiction in order to perfect such security interest or to continue, preserve or protect such security interest except for continuation statements or for filings upon the occurrence of any of the events stated in Section 0 of this Security Agreement. Such perfected security interest in the Collateral constitutes a first-priority security interest under the Code, subject only to Permitted Encumbrances.

ARTICLE V
COVENANTS AND AGREEMENTS

A deviation from the provisions of this Article V shall not constitute a Default under this Security Agreement if such deviation is consented to in writing (in the manner provided in the Note) by Secured Party. Without the written consent of Secured Party, Debtor will at all times comply with the covenants contained in this Article V, from the date hereof and for so long as any part of the Secured Obligations (other than indemnity obligations and similar obligations that survive the termination of the Loan Documents for which no notice of a claim has been received by Debtor) or the commitment of Secured Party to make loans under the Note is outstanding.

5.1 Title; Prohibited Liens and Filings. Debtor agrees to protect the title to the Collateral. Debtor will not pledge, mortgage, otherwise encumber, or create by or through it a Lien on any of the Collateral other than Permitted Encumbrances or sell, assign or otherwise transfer any of the Collateral (other than as permitted by the Note) to or in favor of any person other than Secured Party. Debtor will not file or permit to be filed or recorded any financing statement or other security instrument with respect to the Collateral ranking in priority to, or *pari passu* with, the interest granted to the Secured Party hereunder other than (i) in favor of Secured Party, (ii) with respect to Permitted Encumbrances, (iii) as permitted by the Note, or (iv) with the prior written approval of the Secured Party.

5.2 Taxes, Etc. Debtor agrees to use best efforts to pay prior to delinquency all Taxes, charges, Liens and assessments against the Collateral which, if unpaid, would result in the imposition of a Lien on the Collateral; but Debtor shall not be required to pay any Tax, charge, Lien or assessment that is not yet past due or is being contested in good faith by appropriate proceedings diligently conducted by or on behalf of Debtor and if Debtor shall have set up reserves therefor adequate under GAAP. Notwithstanding the foregoing, the Debtor represents that as of the date hereof, the amounts listed on Exhibit A hereto are all of the unpaid, outstanding and owing debts of the Debtor, excluding any amounts that may have accrued or become owing by the Debtor under Section 5.9 of this Agreement, or otherwise arising in connection with the transactions contemplated hereunder. Secured Party acknowledges and agrees that the amounts set forth in Exhibit A are delinquent as at the date hereof.

5.3 Possession of Collateral. Secured Party shall be deemed to have possession of any of the Collateral in transit to it or set apart for it. Otherwise, the Collateral shall remain in Debtor's possession or control at all times (except where Secured Party chooses to perfect its security interest by possession in addition to the filing of a financing statement) at Debtor's risk of loss and shall (except for temporary removal consistent with its normal use) be kept at locations owned or leased by (or with surface or easement rights in favor of) Debtor.

5.4 Inspection of Collateral. Following reasonable, written notice, absent existing Default, Secured Party may from time to time during normal business hours, inspect Debtor's records concerning the Accounts and the General Intangibles, the originals of the Related Rights, the Equipment, the Inventory and other Collateral but not as to unreasonably interfere with the business of Debtor. Any onsite inspection shall be at the sole risk of Secured Party and its

agents, representatives and employees vis a vis Debtor or its Affiliates but not third parties, absent any gross negligence or willful misconduct on the part of Borrower or its Affiliates.

5.5 Further Assurances.

(a) Debtor will, at its expense, take all actions and execute all Implementation Documents reasonably requested by Secured Party to create, perfect, maintain or continue in favor of Secured Party a first-priority security interest over all of the Collateral, subject to Permitted Encumbrances.

(b) Debtor appoints Secured Party and each of its designees as Debtor's attorney in fact to execute, on behalf of Debtor whenever an Event of Default exists, any Implementation Documents requested by Secured Party. This appointment is coupled with an interest and is irrevocable.

(c) In exercising the appointment described in Section 5.5(b), neither Secured Party nor its designees will be liable to any Person for any act, omission, error in judgment or mistake of law that is not intentional, willful or grossly negligent, fraudulent or in breach of this Security Agreement or the Note.

5.6 Filing Reproductions. At the option of Secured Party, a carbon, photographic or other reproduction of this Security Agreement or of a financing statement covering the Collateral shall be sufficient as a financing statement and may be filed as a financing statement.

5.7 Delivery of Information. Debtor will transmit promptly to Secured Party all information that Debtor may have or receive with respect to (a) the Collateral or (b) account debtors or obligors in respect of the Accounts, the General Intangibles and the Related Rights, in each case of (a) or (b) which could reasonably be expected to materially and adversely affect the aggregate value of the Collateral or Secured Party's rights or remedies with respect thereto.

5.8 Compromise of Collateral. Debtor will not adjust, settle or compromise any of the Accounts (including by allowing such Accounts to become subject to contra accounts, set-offs, defenses or counterclaims by or available to account debtors obligated on the Accounts), the General Intangibles or the Related Rights without the written consent of Secured Party, other than in a manner that does not materially affect the aggregate value of the Collateral and is in the ordinary course of business or in respect of Permitted Encumbrances.

5.9 Expenses. Debtor agrees to pay to Secured Party at Secured Party's offices, all advances, charges, costs and expenses (including attorneys' fees and legal expenses) incurred by Secured Party in connection with the transaction which gives rise to this Security Agreement, in connection with confirming, perfecting and preserving the security interest created under this Security Agreement, in connection with protecting Secured Party against the claims or interests of any Person against the Collateral, and in exercising any right, power or remedy conferred by this Security Agreement or by Law or in equity (including, but not limited to, attorneys' fees and legal expenses incurred by Secured Party in the collection of instruments deposited with or purchased by Secured Party and amounts incurred in connection with the operation, maintenance or foreclosure of any or all of the Collateral). The amount of all such advances, charges, costs and expenses shall be due and payable by Debtor to Secured Party upon ten Business Days after

invoice or demand by Secured Party together with interest thereon from the due date at the Default Rate as provided in the Note.

5.10 Financing Statement Filings; Notifications. Debtor recognizes that financing statements pertaining to the Collateral will be filed with the Office of the Secretary of State of the State of Tennessee. Debtor will promptly notify Secured Party of any condition or event that may change the proper location for the filing of any financing statements or other public notice or recordings for the purpose of perfecting a security interest in the Collateral. Without limiting the generality of the foregoing, Debtor will (a) promptly notify Secured Party of any change to a jurisdiction other than as represented in Section 4.5 or Section 4.6 (i) in the location of Debtor's chief executive office or chief place of business; (ii) in the location of the Inventory (other than Inventory sold or leased in the ordinary course of business); (iii) in the location of the Equipment (other than Equipment removed in the ordinary course of business or disposed of as permitted by the Note); (iv) in the location of the office where Debtor keeps its records concerning the Accounts; or (v) in the "location" of Debtor within the meaning of the Code; (b) prior to any of the Collateral becoming so related to any particular real estate so as to become a fixture on such real estate, notify Secured Party of the description of such real estate and the name of the record owner thereof; and (c) promptly notify Secured Party of any change in Debtor's name, identity or corporation structure. In any notice furnished pursuant to this section, Debtor will expressly state that the notice is required by this Security Agreement and contains facts that will or may require additional filings of financing statements or other notices for the purpose of continuing perfection of Secured Party's security interest in the Collateral.

5.11 Maintenance of Collateral Generally. Except as otherwise provided in the Note, (a) Debtor will use best efforts to maintain all the Collateral in good condition, repair, and working order (ordinary wear and tear excepted), and substantially in accordance with any manufacturer's manual if applicable to maintain any manufacturer's warranty; (b) Debtor will not misuse, abuse, waste, destroy, endanger or allow the Collateral to deteriorate, except, with respect to the Equipment only, for ordinary wear and tear from its intended use; (c) Debtor will promptly, or in the case of material any loss or damage to any goods included in the Collateral as soon as practicable, make or cause to be made all repairs, replacements or other improvements to the Collateral as are reasonably necessary or desirable to accomplish the foregoing; and (d) Debtor will not use any Collateral in violation of any Law or allow it to be so used.

5.12 Account Obligations. The Debtor will duly perform or cause to be performed all obligations of Debtor with respect to the goods or services, the sale or lease or rendition of which gave rise or will give rise to each Account relating thereto.

5.13 Use of Inventory. If an Event of Default exists, Debtor may use its Inventory in any lawful manner not inconsistent with this Security Agreement and with the terms of insurance thereon and may sell, lease or otherwise dispose of its Inventory in the ordinary course of business. Debtor will not and shall not be permitted to use any item of Inventory in a manner inconsistent with the holding thereof for sale, lease or disposition in the ordinary course of business or in contravention of the terms of any agreement. A sale, lease or disposition in the ordinary course of business does not include the exchange of items of Inventory for goods in kind or otherwise or transfers of items of Inventory made in satisfaction of present or future Secured Obligations.

5.14 Proceeds. Upon the terms and conditions set forth in the Note, subject to the amounts owing by the Debtor thereunder being due and payable, and at the request of Secured Party, Debtor will deliver to Secured Party promptly upon receipt, all proceeds received by Debtor from the sale or disposition of the Collateral in the exact form in which they are received. To evidence Secured Party's rights in this regard, Debtor will assign or endorse proceeds to Secured Party as Secured Party reasonably requests. Secured Party may, from time to time, in its reasonable discretion, hold non-cash proceeds as part of the Collateral or apply cash proceeds received by Secured Party in the manner set forth in Section 6.2 of this Security Agreement. Upon the terms and conditions set forth in the Note and at the written request of Secured Party, Debtor will notify obligors on all of the Collateral to make payments directly to Secured Party, and thereafter Secured Party may endorse as Debtor's agent any checks, instruments, chattel paper or other documents connected with the Collateral, take control of proceeds of the Collateral and may hold the non-cash proceeds as part of the Collateral and may apply cash proceeds received by Secured Party in the manner set forth in Section 6.2 of this Security Agreement and may take any action necessary to obtain, preserve and enforce the Liens granted hereunder and maintain and preserve the Collateral, subject to the provisions in the Note respecting use of casualty proceeds.

5.15 Insurance. Debtor shall have and maintain insurance in accordance with prudent business practice and industry standards.

5.16 Collateral not to be Fixture or Accession. Debtor will use best efforts to prevent any Collateral from becoming so related to any particular real estate in a manner contrary to ordinary business practices so as to become a fixture on such real estate or to be installed in or affixed to other goods so as to become an accession to such other goods unless such other goods are included in the Collateral; in the event that any Collateral, to Debtor's knowledge, is to become so related to any particular real estate or so installed or affixed to other goods, prior thereto Debtor will (a) notify Secured Party of such fact and (b) upon demand of Secured Party furnish (and with respect to third parties, diligently pursue) written consents to Secured Party's security interest and disclaimers of any interest in such Collateral signed by any Person having an interest in such real estate or such other goods, if applicable.

5.17 Delivery of Certificate of Title to Equipment. In the case of Equipment now owned constituting goods in which a security interest is perfected by a notation on the certificate of title or similar evidence of the ownership of such goods, Debtor shall, as soon as practicable after a written request by Secured Party, deliver to Secured Party any and all certificates of title, applications for title or similar evidence of ownership of such Equipment and shall cause Secured Party to be named as lienholder on any such certificate of title or other evidence of ownership. In the case of such Equipment hereafter acquired, Debtor shall provide evidence of ownership within ten days of its acquisition of such Equipment. Debtor shall provide notice to Secured Party of any material loss or damage to any Equipment and shall not permit any such Equipment in a manner contrary to ordinary business practices to become a fixture to real estate or an accession to other personal property other than as permitted in the Note.

5.18 Third-Party Acknowledgments; Control Agreements. If any of the Collateral is in the possession of a third-party, Debtor will join with Secured Party in notifying the third-party of Secured Party's security interest and diligently pursue obtaining an acknowledgment in form and

substance reasonably satisfactory to Secured Party from such third-party that it is holding the Collateral for the benefit of the Secured Party. Debtor will fully cooperate with Secured Party in obtaining a control agreement in form and substance reasonably satisfactory to Secured Party with respect to any Collateral consisting of deposit accounts, investment property, electronic chattel paper or letter of credit rights.

ARTICLE VI
RIGHTS, REMEDIES AND DEFAULT

6.1 With Respect to Collateral. Secured Party is hereby fully authorized and empowered (without the necessity of any further consent or authorization from Debtor) and the right is expressly granted to Secured Party, and Debtor hereby constitutes, appoints and makes Secured Party as Debtor's true and lawful attorney-in-fact and agent for Debtor and in Debtor's name, place and stead with full power of substitution, in Secured Party's name or Debtor's name or otherwise, for Secured Party's sole use and benefit, but at Debtor's cost and expense, to exercise, without notice other than as required by the Note, all or any of the following powers at any time following an Event of Default hereunder, provided that such Event of Default continues to occur, with respect to all or any of the Collateral:

(a) notify account debtors or the obligors on the Accounts, the General Intangibles and the Related Rights to make and deliver payment to Secured Party;

(b) to demand, sue for, collect, receive and give acquittance for any and all monies due or to become due by virtue thereof and otherwise deal with proceeds;

(c) to receive, take, endorse, assign and deliver any and all checks, notes, drafts, documents and other negotiable and non-negotiable instruments and chattel paper taken or received by Secured Party in connection therewith;

(d) to settle, compromise, compound, prosecute or defend any action or proceeding with respect thereto;

(e) to sell, transfer, assign or otherwise deal in or with the same or the proceeds or avails thereof or the relative goods, as fully and effectively as if Secured Party were the absolute owner thereof; and

(f) to extend the time of payment of any or all thereof and to grant waivers and make any allowance or other adjustment with reference thereto; but Secured Party shall be under no obligation or duty to exercise any of the powers hereby conferred upon it and shall be without liability for any act or failure to act in connection with the collection of, or the preservation of any rights under, any Collateral.

6.2 Application of Cash Sums. All cash sums paid to and received by Secured Party on account of the Collateral pursuant to Section 5.1 will be (a) released to Debtor for use in Debtor's business or, at the option of Secured Party pursuant to the terms and conditions of the Note, (b) applied by Secured Party on the Secured Obligations as such amounts become due under the terms of the Note; but Secured Party need not apply or give credit for any item included in such sums until Secured Party has received final payment thereof at its banking

quarters or solvent credits accepted as such by Secured Party; but Secured Party's failure to so apply any such sums shall not be a waiver of Secured Party's right to so apply such sums or any other sums at any time.

6.3 Events of Default. An "Event of Default" under this Security Agreement shall occur upon the failure of the Debtor to pay amounts owing as such amounts become due and payable under the terms of the Note.

6.4 Default Remedies. If an Event of Default has occurred and is continuing to occur, Secured Party may then, or at any time thereafter and from time to time while an Event of Default continues to occur, apply, set-off, collect, sell in one or more sales, lease, or otherwise dispose of, any or all of the Collateral, in its then condition or, at Secured Party's option, following any commercially reasonable preparation or processing, in such order as Secured Party may elect, and any such sale may be made either at public or private sale at its place of business or elsewhere, or at any brokers' board or securities exchange, either for cash or upon credit or for future delivery, and Secured Party may be the purchaser of any or all Collateral so sold and may hold the same thereafter in its own right free from any claim of Debtor or right of redemption. Such purchase or holding by Secured Party shall be deemed a retention by Secured Party in satisfaction of the Secured Obligations only to the extent of the fair market value of the Collateral so purchased or retained. All demands, notices and advertisements, and the presentment of property at sale are hereby waived except to the extent reasonably necessary to conduct a commercially reasonable sale. If, notwithstanding the foregoing provisions, any applicable provision of the Code or other Law requires Secured Party to give reasonable notice of any such sale or disposition or other action, Debtor hereby agrees ten days prior written notice shall constitute reasonable notice. Secured Party may require Debtor to assemble the Collateral and make it available to Secured Party at a place designated by Secured Party which is reasonably convenient to Secured Party and Debtor. Any sale hereunder may be conducted by an auctioneer or any officer or agent of Secured Party.

6.5 Proceeds. The proceeds of any sale or other disposition of the Collateral and all sums received or collected by Secured Party from or on account of the Collateral shall be applied by Secured Party in the manner set forth in the Code.

6.6 Deficiency. Debtor shall remain liable to Secured Party for any unpaid Secured Obligations, as well as reasonable advances, costs, charges and expenses, together with interest thereon and shall pay the same to Secured Party as set forth in the Note.

6.7 Secured Party's Duties. The powers conferred upon Secured Party by this Security Agreement are solely to protect the interest of Secured Party in the Collateral and shall not impose any duty upon Secured Party to exercise any such powers. Secured Party shall be under no duty whatsoever to make or give any presentment, demand for performance, notice of nonperformance, protest, notice of protest, notice of dishonor, or other notice or demand in connection with any Collateral or the Secured Obligations, or to take any steps necessary to preserve any rights against prior parties. Secured Party shall not be liable for failure to collect or realize upon any or all of the Secured Obligations or Collateral, or for any delay in so doing, nor shall Secured Party be under any duty to take any action whatsoever with regard thereto. Secured Party shall use reasonable care in the custody and preservation of any Collateral in its

possession but need not take any steps to keep the Collateral identifiable. Secured Party shall have no duty to comply with any recording, filing, or other legal requirements necessary to establish or maintain the validity, priority or enforceability of, or Secured Party's rights in or to, any of the Collateral.

6.8 Secured Party's Actions. Debtor waives any right to require Secured Party to proceed against any Person, exhaust any Collateral, or have any Other Liable Party joined with Debtor in any suit arising out of the Secured Obligations or this Security Agreement or pursue any other remedy in Secured Party's power; waives any and all notice of acceptance of this Security Agreement or of creation, modification, rearrangement, renewal or extension for any period of any of the Secured Obligations from time to time; and waives any defense arising by reason of any disability or other defense of any Other Liable Party, or by reason of the cessation from any cause whatsoever of the liability of any Other Liable Party. All dealings between Debtor and Secured Party, whether or not resulting in the creation of the Secured Obligations, shall conclusively be presumed to have been had or consummated in reliance upon this Security Agreement. Until all the Secured Obligations shall have been paid in full (other than indemnity obligations and similar obligations that survive the termination of the Note or this Security Agreement (collectively, the "Loan Documents")) for which no notice of a claim has been received by Debtor, Debtor shall have no right to subrogation, and Debtor waives until all the Secured Obligations shall have been paid in full (other than indemnity obligations and similar obligations that survive the termination of the Loan Documents for which no notice of a claim has been received by Debtor) any right to enforce any remedy which Secured Party now has or may hereafter have against any Other Liable Party and waives any benefit of and any right to participate in any Collateral or security whatsoever now or hereafter held by Secured Party. Debtor authorizes Secured Party, without notice or demand and without any reservation of rights against Debtor and without affecting Debtor's liability hereunder or on the Secured Obligations, from time to time to (a) take and hold any other property as collateral, other than the Collateral, for the payment of any or all of the Secured Obligations, and exchange, enforce, waive and release any or all of the Collateral or such other property; (b) apply the Collateral or such other property and direct the order or manner of sale thereof as Secured Party in its discretion may determine; (c) renew, extend for any period, accelerate, modify, compromise, settle or release the obligation of any Other Liable Party with respect to any or all of the Secured Obligations or the Collateral; (d) waive, enforce, modify, amend or supplement any of the provisions of any of the Security Documents, the Note or the Note or any other promissory note or document evidencing any of the Secured Obligations (except for an amendment or supplement to any of the foregoing to which Debtor is a party to the extent such amendment or supplement requires the consent of Debtor); and (e) release or substitute any Other Liable Party.

6.9 Transfer of Secured Obligations and Collateral. Secured Party may transfer any or all of Secured Party's interest in the Secured Obligations to the extent permitted under the Note, and upon any such transfer Secured Party may transfer any or all of the Collateral and shall be fully discharged thereafter from all liability with respect to the Collateral so transferred, and the transferee shall be vested with all rights, powers and remedies of Secured Party hereunder with respect to Collateral so transferred; but with respect to any Collateral not so transferred, Secured Party shall retain all rights, powers and remedies provided under this Security Agreement. Secured Party may at any time deliver any or all of the Collateral to Debtor whose

receipt shall be a complete and full acquittance for the Collateral so delivered, and Secured Party shall thereafter be discharged from any liability therefor.

6.10 Cumulative Security. The execution and delivery of this Security Agreement in no manner shall impair or affect any other security (by endorsement or otherwise) for the Secured Obligations. No security taken hereafter as security for the Secured Obligations shall impair in any manner or affect this Security Agreement. All such present and future additional security is to be considered as cumulative security.

6.11 Continuing Agreement. This is a continuing Security Agreement and the grant of a security interest hereunder shall remain in full force and effect and all the rights, powers and remedies of Secured Party hereunder shall continue to exist until (a) the Secured Obligations are paid in full (other than indemnity obligations and similar obligations that survive the termination of the Loan Documents for which no notice of a claim has been received by Debtor), and (b) Secured Party has no further obligation to advance monies to Debtor under the Note. Otherwise this Security Agreement shall continue irrespective of the fact that the liability of any Other Liable Party may have ceased, or irrespective of the validity or enforceability of the Note or any of the Security Documents, including the Note, to which any Other Liable Party may be a party, and notwithstanding the reorganization, death, incapacity or bankruptcy of any Other Liable Party, and notwithstanding the reorganization or bankruptcy of Debtor, or any other event or proceeding affecting Debtor or any Other Liable Party.

6.12 Cumulative Rights. The rights, powers and remedies of Secured Party hereunder shall be in addition to all rights, powers and remedies given by statute or rule of law and are cumulative. The exercise of any one or more of the rights, powers and remedies provided herein shall not be construed as a waiver of any other rights, powers and remedies of Secured Party. Furthermore, regardless of whether or not the Uniform Commercial Code is in effect in the jurisdiction where such rights, powers and remedies are asserted, Secured Party shall have the rights, powers and remedies of a secured party under the Code. Secured Party may exercise its bankers' Lien or right of set-off with respect to the Secured Obligations in the same manner as if the Secured Obligations were unsecured.

6.13 Exercise of Rights, Etc. Time shall be of the essence for the performance of any act under this Security Agreement or the Secured Obligations by Debtor or Other Liable Party, but neither Secured Party's acceptance of partial or delinquent payments nor any forbearance, failure or delay by Secured Party in exercising any right, power or remedy shall be deemed a waiver of any obligation of Debtor or of Other Liable Party or of any right, power or remedy of Secured Party or preclude any other or further exercise thereof; and no single or partial exercise of any right, power or remedy shall preclude any other or further exercise thereof, or the exercise of any other right, power or remedy.

6.14 Remedy and Waiver. Secured Party may remedy any Default or Event of Default without waiving the Default or Event of Default or waiving any prior or subsequent Default or Event of Default.

6.15 Non-Judicial Remedies. Secured Party may enforce its rights hereunder without prior judicial process or judicial hearing, and Debtor expressly waives, renounces and knowingly

relinquishes any and all legal rights which might otherwise require Secured Party to enforce its rights by judicial process. In so providing for non-judicial remedies, Debtor recognizes and concedes that such remedies are consistent with the usage of the trade, are responsive to commercial necessity, and are the result of bargain at arm's length. Nothing herein is intended to prevent Secured Party or Debtor from resorting to judicial process at any party's option.

6.16 Compliance with Other Laws. Secured Party may comply with the requirements of any applicable Laws in connection with the disposition of all or any part of the Collateral, and compliance with such Laws will not be considered to adversely affect the commercial reasonableness of any sale of all or any part of the Collateral.

6.17 Disclaimer of Warranties. Secured Party may sell the Collateral without giving any warranties as to the Collateral. Secured Party may specifically disclaim any warranties of title or similar warranties. The disclaimer of any such warranties will not be considered to adversely affect the commercial reasonableness of any sale of all or any part of the Collateral.

6.18 Sales on Credit. If Secured Party sells all or any part of the Collateral upon credit, Debtor will be credited only with payments actually made by the purchaser, received by the Secured Party and applied against the Secured Obligations. In the event the purchaser fails to pay for the Collateral, Secured Party may resell the Collateral and Debtor shall be credited with the proceeds of such sale.

ARTICLE VII MISCELLANEOUS

7.1 Preservation of Liability. Neither this Security Agreement nor the exercise by Secured Party of (or the failure to so exercise) any right, power or remedy conferred herein or by Law shall be construed as relieving any Person liable on the Secured Obligations from liability on the Secured Obligations and for any deficiency thereon.

7.2 Notices. Any record, notice, demand or document which either party is required or may desire to give hereunder shall be in writing and to the addresses of the parties set forth on the first page of this Security Agreement.

7.3 Choice of Law/Exclusive Venue. THIS SECURITY AGREEMENT HAS BEEN MADE IN AND THE SECURITY INTEREST GRANTED HEREBY IS GRANTED IN AND EACH SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK (EXCEPT TO THE EXTENT THAT THE LAWS OF ANY OTHER JURISDICTION GOVERN THE PERFECTION AND PRIORITY OF THE SECURITY INTEREST GRANTED HEREBY) WITHOUT REGARD TO ITS CONFLICTS OF LAWS PRINCIPLES.

7.4 Amendment and Waiver. This Security Agreement may not be amended (nor may any of its terms be waived) except in writing by the parties.

7.5 Severability. If any provision of this Security Agreement is rendered or declared invalid, illegal or unenforceable by reason of any existing or subsequently enacted legislation or by a judicial decision which shall have become final, Debtor and Secured Party shall promptly

meet and discuss substitute provisions for those rendered invalid, illegal or unenforceable, but all of the remaining provisions shall remain in full force and effect

7.6 Survival of Agreements. All representations and warranties of Debtor herein, and all covenants and agreements herein not fully performed before the effective date of this Security Agreement, shall survive such date.

7.7 Counterparts. This Security Agreement may be executed in two or more counterparts, and it shall not be necessary that the signatures of all parties hereto be contained on any one counterpart hereof. Each counterpart shall be deemed an original, but all such counterparts taken together shall constitute one and the same instrument.

7.8 Successors and Assigns. The covenants and agreements herein contained by or on behalf of Debtor shall bind Debtor, Debtor's legal representatives, successors and assigns and all persons who become bound as a debtor to this Security Agreement and shall inure to the benefit of Secured Party, and its successors and permitted assigns.

7.9 Knowledge. Where any statement is made "to Debtor's knowledge," it is made to the best of Debtor's knowledge, after making due inquiry in good faith and with ordinary care. Inquiry to those Persons within Debtor's organization and among Debtor's consultants and contractors who are best situated to have information bearing on the statement made shall be deemed to have met this standard.

7.10 Titles of Articles, Sections and Subsections. All titles or headings to articles, sections, subsections or other divisions of this Security Agreement are only for the convenience of the parties and shall not be construed to have any effect or meaning with respect to the other content of such articles, sections, subsections or other divisions, such other content being controlling as to the agreement between the parties hereto.

7.11 WAIVER OF JURY TRIAL. TO THE MAXIMUM EXTENT NOT PROHIBITED BY LAW, EACH OF THE UNDERSIGNED, IN EXCHANGE FOR (AND ON THE CONDITION OF) THE SAME WAIVER BY BENEFICIARY, HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT WHICH IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY AT ANY TIME ARISING OUT OF, UNDER OR IN CONNECTION WITH THE NOTE, THIS SECURITY AGREEMENT OR THE OTHER SECURITY DOCUMENTS, OR ANY TRANSACTION CONTEMPLATED THEREBY, BEFORE OR AFTER MATURITY.

7.12 Interest. Secured Party, Debtor and the other Obligors intend to comply with all applicable usury Laws, whether existing on the date of this Security Agreement or to be enacted in the future. As such, and notwithstanding any provision of any Loan Document, no Loan Document will be construed to require the payment or permit the collection of interest in excess of the Highest Lawful Rate. If ever the performance of any provision of any Loan Document will result in the charging or collection of interest in excess of the Highest Lawful Rate, then the obligation to be fulfilled will, ipso facto, be reduced to the allowable limit. In addition, if Secured Party ever receives under any Loan Document anything of value as interest or that is deemed to be interest under Law such that the amount of interest received by Secured Party

would exceed the Highest Lawful Rate, then (i) the amount that would otherwise constitute excessive interest will instead be applied by Secured Party as a prepayment of the principal outstanding under the Note or on account of any other Obligations, and (ii) if no such principal amount or Obligations exists, then Secured Party will refund the excess amount to Debtor. In determining whether or not the interest paid or payable under the Loan Documents exceeds the Highest Lawful Rate, Debtor and Secured Party will, to the maximum extent permitted by Law, (i) characterize any non-principal payment as an expense, fee or premium rather than as interest, (ii) exclude voluntary prepayments and the effects of them, (iii) amortize, prorate, allocate and spread the total amount of interest actually paid throughout the full term of the indebtedness so that the actual rate of interest does not exceed the Highest Lawful Rate, and (iv) allocate interest between portions of the Obligations so that no portion will bear interest at a rate greater than that permitted by Law.

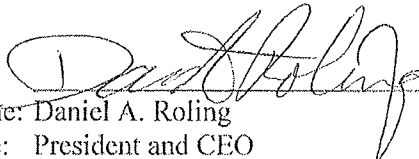
THIS SECURITY AGREEMENT, THE NOTE, THE NOTE AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES WITH RESPECT TO THE MATTERS ADDRESSED HEREIN AND THEREIN AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES. IN THE EVENT OF A CONFLICT BETWEEN THE TERMS OF THIS SECURITY AGREEMENT AND THE NOTE, THE TERMS OF THE NOTE SHALL CONTROL.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed by its duly authorized undersigned representative effective as of the date first written above.

DEBTOR:

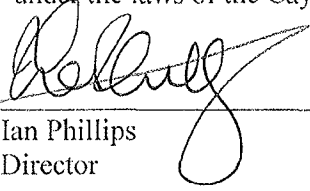
0955615 US INC.,
a Delaware corporation

By: 
Name: Daniel A. Roling
Title: President and CEO

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed by its duly authorized undersigned representatives effective as of the date first written above.

SECURED PARTY:

ABACI CAPITAL LIMITED,
an exempted company incorporated with limited
liability under the laws of the Cayman Islands

By: 
Name: Ian Phillips
Title: Director

[EXHIBIT A attached on following page]

Exhibit A

[Redacted – payables]

**SECURITY AGREEMENT
(All Assets)**

THIS SECURITY AGREEMENT (this "Security Agreement"), is made and entered into as of August 13, 2014, by PIONEER ENERGY, LLC, a Tennessee limited liability company ("Debtor"), whose address is 620 North Campbell Station Road, Suite 22, Knoxville, TN 37934, in favor of ABACI CAPITAL LIMITED, an exempted company incorporated with limited liability under the laws of the Cayman Islands, as Holder ("Secured Party"), whose address is c/o ITA Global Trust Co., Ltd., Suite 410, 2nd Floor Canella Court, Camana Bay, P.O. Box 32203, Grand Cayman KY1-1208, Cayman Islands.

Background:

1. Debtor is a subsidiary of NovaDx Ventures Corp., a corporation organized under the British Columbia Business Corporations Act ("Company") which executed that certain First Replacement Promissory Note in favor of Secured Party dated August 13, 2014, in the principal amount of \$658,000.00, that certain First Replacement Promissory Note in favor of Secured Party dated August 13, 2014, in the principal amount of \$1,950,000.00 and that certain First Replacement Promissory Note in favor of Secured Party dated August 13, 2014, in the principal amount of \$700,000.00 (each as amended, replaced, modified or supplemented from time to time, referred to herein collectively as the "Note") pursuant to which, Holder agreed to make loans to Company from time to time on the conditions set forth in the Note.

2. Secured Party, as Holder under the Note, has conditioned its obligations under the Note upon, among other things, the execution and delivery by Debtor of this Security Agreement, and Debtor has agreed to enter into this Security Agreement.

3. Debtor will benefit directly from the advance of funds by Secured Party to the Company under the terms and conditions of the Note and the other Loan Documents.

Agreements:

In order to comply with the terms and conditions of the Note and for and in consideration of the premises and the agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, subject to receipt of the approval of the TSX Venture Exchange, Debtor hereby agrees with Secured Party as follows:

**ARTICLE I
DEFINITIONS**

1.1 Terms Defined Above. As used in this Security Agreement, the terms "Note," "Debtor," and "Secured Party" shall have the meanings indicated above.

1.2 Definitions Contained in the Note. Unless otherwise defined herein or context otherwise requires, all capitalized terms used but not defined in this Security Agreement have the meanings given to those terms in the Note.

1.3 Certain Definitions. As used in this Security Agreement, the following terms shall have the following meanings, unless the context otherwise requires:

“Accounts” has the meaning indicated in subsection 3.1(a) hereof.

“Code” means the Uniform Commercial Code as presently in effect in the State of Tennessee codified at Tenn. Code Ann. § 47-1-101 *et seq.*, and as amended from time to time.

“Collateral” means all property, including without limitation cash or other proceeds, in which Secured Party shall have a security interest pursuant to Section 3.1 of this Security Agreement.

“Default” means the occurrence of any event which, with the passage of time or the giving of notice or both, will become an Event of Default.

“Equipment” has the meaning indicated in subsection 3.1(b) hereof.

“Event of Default” means the occurrence of any of the events specified in Section 6.3 hereof; provided that any requirement for notice or lapse of time or other condition precedent has been satisfied.

“General Intangibles” has the meaning indicated in subsection 3.1(c) hereof.

“Inventory” has the meaning indicated in subsection 3.1(d) hereof.

“Material Adverse Effect” means any change that has a material adverse effect on the material assets and operations of the Debtor (considered as a whole), excluding a general change in political, economic or social conditions or a change in market or industry conditions applicable to the Debtor and similar businesses.

“Other Liable Party” means any person, other than Debtor, who is or becomes primarily or secondarily liable for any of the Secured Obligations or who grants Secured Party a lien on any property as security for the Secured Obligations.

“Permitted Encumbrance” includes:

- (i) Liens for taxes, assessments or governmental levies not yet due or which are being contested in good faith and for which adequate reserves with respect thereto are maintained in accordance with generally accepted accounting principles, so long as the same do not involve any imminent danger of the sale, forfeiture or loss of any of the material property of the Debtor or any interest therein;
- (ii) undetermined or inchoate Liens arising in the ordinary course of business, a claim for which has not been filed or registered pursuant to law or of which notice shall not have been given or become known to the Debtor;

- (iii) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other similar Liens arising in the ordinary course of business which are not overdue for a period of more than 30 days or which are being contested, so long as the same do not involve any imminent danger of the sale, forfeiture or loss of any of the material property of the Debtor or any interest therein;
- (iv) servitudes, rights-of-way, encumbrances, easements, restrictions and other similar encumbrances which, in the aggregate, do not materially detract from the value of the property subject thereto or interfere with the ordinary conduct of the business of the Debtor;
- (v) statutory Liens incurred or deposits made in the ordinary course of business of the Debtor in connection with worker's compensation, employment insurance and other social security legislation, so long as the same do not involve any imminent danger of the sale, forfeiture or loss of any of the material property of the Debtor or any interest therein; and
- (vi) Purchase Money Obligations in respect of mining equipment and related assets to be used in mining operations or mine construction or development purchased from arm's length parties, not exceeding, in the aggregate US \$150,000, without the prior approval of the Secured Party, such approval not to be unreasonably withheld.

"Related Rights" means all chattel papers, electronic chattel papers, payment intangibles, promissory notes, letter of credit rights, supporting obligations, documents and instruments relating to the Accounts or the General Intangibles and all rights now or hereafter existing in and to all security agreements, leases, and other contracts securing or otherwise relating to any Accounts or General Intangibles or any such chattel papers, electronic chattel papers, payment intangibles, promissory notes, letter of credit rights, documents and instruments.

"Secured Obligations" has the meaning indicated in Section 3.2 hereof.

"Security Agreement" means this Security Agreement, as the same may from time to time be amended, modified or supplemented.

"Security Documents" means this Security Agreement together with all deeds of trust and financing statements filed in connection with this Security Agreement.

1.4 Terms Defined in Code. Unless otherwise defined herein or in the Note, all terms used herein which are defined in the Code shall have the meaning given to those terms in the Code.

ARTICLE II
CONDITIONS PRECEDENT

2.1 The Secured Party hereby expressly acknowledges, covenants and agrees that any and all of the parties' respective rights, and obligations are subject to, and shall have no force or effect prior to the prior fulfillment of the following conditions precedent:

(a) Novadx Ventures Corp. shall be the sole beneficial shareholder of 0955615 US Inc.; and

(b) The TSX Venture Exchange shall have approved the granting by the Debtor of the security interest in favor of the Secured Party hereunder.

ARTICLE III
SECURITY INTEREST

3.1 Grant of Security Interest. As collateral security for all of the Secured Obligations, Debtor hereby grants to Secured Party a security interest in, a general lien upon, and a right of set-off against all of Debtor's assets, tangible or intangible, including but not limited to the following, to the extent of Debtor's rights therein (but not otherwise) and whether now owned or later acquired by Debtor:

(a) all of Debtor's accounts (as defined in the Code) of any kind (the "Accounts") and Related Rights;

(b) all of Debtor's equipment (as defined in the Code) in all of its forms, and wherever located, together with all parts thereof and all accessions or additions thereto, (collectively, the "Equipment");

(c) all of Debtor's general intangibles (as defined in the Code) of any kind (the "General Intangibles") and Related Rights;

(d) all of Debtor's inventory (as defined in the Code) in all of its forms, and wherever located, together with all accessions or additions thereto and products thereof (collectively the "Inventory");

(e) all of Debtor's investment property (as defined in the Code) wherever located;

(f) all of Debtor's deposit accounts (as defined in the Code) wherever located;

(g) any additional tangible or intangible property from time to time delivered to or deposited with Secured Party by or through Debtor as security for the Secured Obligations or otherwise pursuant to the terms of this Security Agreement; and

(h) the proceeds, products, supporting obligations, Related Rights, additions to, substitutions for and accessions of any and all Collateral now owned or later acquired by Debtor, as described in subparagraphs (a)-(g) in this Section 3.1.

3.2 Secured Obligations. The security interest in, general lien upon, and right of set-off against the Collateral is granted to secure the following (collectively, the “Secured Obligations”):

(a) the payment of all the obligations (as defined in the Note) of Company to Secured Party, now or hereafter existing including, without limitation, the Debt of Company under the Note, and any and all renewals, extensions for any period or rearrangement of the Obligations; and

(b) the performance of all obligations of Debtor under this Security Agreement and the other agreements giving rise to the Obligations (as defined in the Note).

ARTICLE IV REPRESENTATIONS AND WARRANTIES

In order to induce Secured Party to accept this Security Agreement, Debtor represents and warrants to Secured Party (which representations and warranties will survive the creation of any Secured Obligations and the extension of any credit under the Note) that:

4.1 Ownership and Liens. Except for the security interest of Secured Party granted in this Security Agreement and except for Permitted Encumbrances, Debtor owns good and valid title to the Collateral free and clear of any other Liens, adverse claims or options. Debtor has rights in or the right, power and authority to grant a security interest in the Collateral to Secured Party in the manner provided herein, free and clear of any other Liens, adverse claims and options other than Permitted Encumbrances. No other Lien, adverse claim or option has been created by Debtor or, to Debtor’s knowledge exist with respect to any Collateral other than Permitted Encumbrances. No financing statement or other security instrument, to Debtor’s knowledge, is on file in any jurisdiction covering any part of the Collateral other than those in favor of Secured Party and other than Permitted Encumbrances. At the time the security interest in favor of Secured Party attaches, good and valid title to all after-acquired property included within the Collateral, to Debtor’s knowledge, free and clear of any other Liens, adverse claims or options (other than those permitted by the first sentence of this Section 4.1) will be vested in Debtor.

4.2 Status of Accounts. Each Account hereafter arising will represent and each Account now existing represents, the valid and legally enforceable obligations of a bona fide account debtor and is not and will not be subject to contra accounts, set-offs, defenses or counterclaims by or available to account debtors obligated on the Accounts except as disclosed to Secured Party in writing and/or as provided below; and the amount shown as to each Account on Debtor’s books will be the true and undisputed amount owing and unpaid thereon, subject to any Permitted Encumbrance, discounts, allowances, rebates, credits and adjustments to which the account debtor has a right and which have arisen in Debtor’s ordinary course of business or which have otherwise been disclosed to Secured Party in writing.

4.3 Status of Related Rights. All Related Rights are, and those hereafter arising will be, valid and genuine.

4.4 Inventory Not Covered by Other Documents. None of the Inventory is, and at the time the security interest in favor of Secured Party attaches none of the Inventory hereafter acquired will be, covered by any document (as defined in the Code) created by or through Debtor other than the Mortgage.

4.5 Name; Organization; Authority. The exact legal name of Debtor is set forth in the opening paragraph of this Security Agreement. Debtor is a limited liability company, duly formed, validly existing, and with active right to transact business under the Laws of the State of Tennessee. Debtor is qualified to do business and in good standing in each other state in which the nature of its business requires it to be so qualified, except where the failure to so qualify could not reasonably be expected to cause a Material Adverse Effect. The execution, delivery and performance of this Security Agreement has been duly authorized by all company action, and this Security Agreement constitutes the valid and binding obligation of Debtor, enforceable against Debtor in accordance with its terms, except as the enforceability thereof may be limited or affected by bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting the enforcement of creditors rights generally and by general equitable principles.

4.6 Location. Debtor's chief executive office and chief place of business is located at the address set forth in the opening paragraph of this Security Agreement. The office where Debtor keeps its records concerning the Accounts and the General Intangibles and the original of all the Related Rights has the same address as Debtor's chief executive office and chief place of business. Debtor's Inventory and Equipment (other than mobile goods) are located in Campbell County and Scott County, Tennessee and such other states as Debtor shall have from time to time given notice of to Secured Party.

4.7 Secured Party's Security Interest. This Security Agreement creates a valid and binding security interest in the Collateral securing the Secured Obligations. Upon proper completion and filing of the financing statements described in Section 0 of this Security Agreement covering the Collateral in the State of Tennessee, Secured Party will have a fully perfected security interest in that Collateral in which a security interest may be perfected by such filing, subject only to Permitted Encumbrances. No further or subsequent filing, recording, registration or other public notice of such security interest is necessary in any office or jurisdiction in order to perfect such security interest or to continue, preserve or protect such security interest except for continuation statements or for filings upon the occurrence of any of the events stated in Section 0 of this Security Agreement. Such perfected security interest in the Collateral constitutes a first-priority security interest under the Code, subject only to Permitted Encumbrances.

ARTICLE V COVENANTS AND AGREEMENTS

A deviation from the provisions of this Article IV shall not constitute a Default under this Security Agreement if such deviation is consented to in writing (in the manner provided in the Note) by Secured Party. Without the written consent of Secured Party, Debtor will at all times comply with the covenants contained in this Article V, from the date hereof and for so long as any part of the Secured Obligations (other than indemnity obligations and similar obligations that survive the termination of the Loan Documents for which no notice of a claim

has been received by Debtor) or the commitment of Secured Party to make loans under the Note is outstanding.

5.1 Title; Prohibited Liens and Filings. Debtor agrees to protect the title to the Collateral. Debtor will not pledge, mortgage, otherwise encumber, or create by or through it a Lien on any of the Collateral other than Permitted Encumbrances or sell, assign or otherwise transfer any of the Collateral (other than as permitted by the Loan Documents) to or in favor of any person other than Secured Party. Debtor will not file or permit to be filed or recorded any financing statement or other security instrument with respect to the Collateral other than (i) in favor of Secured Party, (ii) with respect to Permitted Encumbrances, (iii) as permitted by the Note, or (iv) with the prior written approval of the Secured Party.

5.2 Taxes, Etc. Debtor agrees to use best efforts to pay prior to delinquency all Taxes, charges, Liens and assessments against the Collateral which, if unpaid, would result in the imposition of a Lien on the Collateral; but Debtor shall not be required to pay any Tax, charge, Lien or assessment that is not yet past due or is being contested in good faith by appropriate proceedings diligently conducted by or on behalf of Debtor and if Debtor shall have set up reserves therefor adequate under GAAP. Notwithstanding the foregoing, the Debtor represents that as of the date hereof, the amounts listed on Exhibit A hereto are all of the unpaid, outstanding and owing debts of the Debtor, excluding any amounts that may have accrued or become owing by the Debtor under Section 5.9 of this Agreement, or otherwise arising in connection with the transactions contemplated hereunder. Secured Party acknowledges and agrees that the amounts set forth in Exhibit A are delinquent as at the date hereof.

5.3 Possession of Collateral. Secured Party shall be deemed to have possession of any of the Collateral in transit to it or set apart for it. Otherwise, the Collateral shall remain in Debtor's possession or control at all times (except where Secured Party chooses to perfect its security interest by possession in addition to the filing of a financing statement) at Debtor's risk of loss and shall (except for temporary removal consistent with its normal use) be kept at locations owned or leased by (or with surface or easement rights in favor of) Debtor.

5.4 Inspection of Collateral. Following reasonable, written notice, absent existing Default, Secured Party may from time to time during normal business hours, inspect Debtor's records concerning the Accounts and the General Intangibles, the originals of the Related Rights, the Equipment, the Inventory and other Collateral but not as to unreasonably interfere with the business of Debtor. Any onsite inspection shall be at the sole risk of Secured Party and its agents, representatives and employees vis a vis Debtor or its Affiliates but not third parties, absent any gross negligence or willful misconduct on the part of Company or its Affiliates.

5.5 Further Assurances.

(a) Debtor will, at its expense, take all actions and execute all Implementation Documents reasonably requested by Secured Party to create, perfect, maintain or continue in favor of Secured Party a first-priority security interest over all of the Collateral, subject to Permitted Encumbrances.

(b) Debtor appoints Secured Party and each of its designees as Debtor's attorney in fact to execute, on behalf of Debtor whenever an Event of Default exists, any Implementation Documents requested by Secured Party. This appointment is coupled with an interest and is irrevocable.

(c) In exercising the appointment described in Section 5.5(b), neither Secured Party nor its designees will be liable to any Person for any act, omission, error in judgment or mistake of law that is not intentional, willful or grossly negligent or in breach of this Security Agreement or the other Loan Documents.

5.6 Filing Reproductions. At the option of Secured Party, a carbon, photographic or other reproduction of this Security Agreement or of a financing statement covering the Collateral shall be sufficient as a financing statement and may be filed as a financing statement.

5.7 Delivery of Information. Debtor will transmit promptly to Secured Party all information that Debtor may have or receive with respect to (a) the Collateral or (b) account debtors or obligors in respect of the Accounts, the General Intangibles and the Related Rights, in each case of (a) or (b) which could reasonably be expected to materially and adversely affect the aggregate value of the Collateral or Secured Party's rights or remedies with respect thereto.

5.8 Compromise of Collateral. Debtor will not adjust, settle or compromise any of the Accounts (including by allowing such Accounts to become subject to contra accounts, set-offs, defenses or counterclaims by or available to account debtors obligated on the Accounts), the General Intangibles or the Related Rights without the written consent of Secured Party, other than in a manner that does not materially affect the aggregate value of the Collateral and is in the ordinary course of business or in respect of Permitted Encumbrances.

5.9 Expenses. Debtor agrees to pay to Secured Party at Secured Party's offices, all advances, charges, costs and expenses (including attorneys' fees and legal expenses) incurred by Secured Party in connection with the transaction which gives rise to this Security Agreement, in connection with confirming, perfecting and preserving the security interest created under this Security Agreement, in connection with protecting Secured Party against the claims or interests of any Person against the Collateral, and in exercising any right, power or remedy conferred by this Security Agreement or by Law or in equity (including, but not limited to, attorneys' fees and legal expenses incurred by Secured Party in the collection of instruments deposited with or purchased by Secured Party and amounts incurred in connection with the operation, maintenance or foreclosure of any or all of the Collateral). The amount of all such advances, charges, costs and expenses shall be due and payable by Debtor to Secured Party upon ten Business Days after invoice or demand by Secured Party together with interest thereon from the due date at the Default Rate as provided in the Note.

5.10 Financing Statement Filings; Notifications. Debtor recognizes that financing statements pertaining to the Collateral will be filed with the Office of the Secretary of State of the State of Tennessee. Debtor will promptly notify Secured Party of any condition or event that may change the proper location for the filing of any financing statements or other public notice or recordings for the purpose of perfecting a security interest in the Collateral. Without limiting the generality of the foregoing, Debtor will (a) promptly notify Secured Party of any change to a

jurisdiction other than as represented in Section 4.5 or Section 4.6 (i) in the location of Debtor's chief executive office or chief place of business; (ii) in the location of the Inventory (other than Inventory sold or leased in the ordinary course of business); (iii) in the location of the Equipment (other than Equipment removed in the ordinary course of business or disposed of as permitted by the Note); (iv) in the location of the office where Debtor keeps its records concerning the Accounts; or (v) in the "location" of Debtor within the meaning of the Code; (b) prior to any of the Collateral becoming so related to any particular real estate so as to become a fixture on such real estate, notify Secured Party of the description of such real estate and the name of the record owner thereof; and (c) promptly notify Secured Party of any change in Debtor's name, identity or limited liability company structure. In any notice furnished pursuant to this section, Debtor will expressly state that the notice is required by this Security Agreement and contains facts that will or may require additional filings of financing statements or other notices for the purpose of continuing perfection of Secured Party's security interest in the Collateral.

5.11 Maintenance of Collateral Generally. Except as otherwise provided in the Note, (a) Debtor will maintain all the Collateral in good condition, repair, and working order (ordinary wear and tear excepted), and substantially in accordance with any manufacturer's manual if applicable to maintain any manufacturer's warranty; (b) Debtor will not misuse, abuse, waste, destroy, endanger or allow the Collateral to deteriorate, except, with respect to the Equipment only, for ordinary wear and tear from its intended use; (c) Debtor will promptly, or in the case of material any loss or damage to any goods included in the Collateral as soon as practicable, make or cause to be made all repairs, replacements or other improvements to the Collateral as are reasonably necessary or desirable to accomplish the foregoing; and (d) Debtor will not use any Collateral in violation of any Law or allow it to be so used.

5.12 Account Obligations. The Debtor will duly perform or cause to be performed all obligations of Debtor with respect to the goods or services, the sale or lease or rendition of which gave rise or will give rise to each Account relating thereto.

5.13 Use of Inventory. If an Event of Default exists, Debtor may use its Inventory in any lawful manner not inconsistent with this Security Agreement and with the terms of insurance thereon and may sell, lease or otherwise dispose of its Inventory in the ordinary course of business. Debtor will not and shall not be permitted to use any item of Inventory in a manner inconsistent with the holding thereof for sale, lease or disposition in the ordinary course of business or in contravention of the terms of any agreement. A sale, lease or disposition in the ordinary course of business does not include the exchange of items of Inventory for goods in kind or otherwise or transfers of items of Inventory made in satisfaction of present or future Secured Obligations.

5.14 Proceeds. Upon the terms and conditions set forth in the Note, subject to the amounts owing by the Debtor thereunder being due and payable, and at the request of Secured Party, Debtor will deliver to Secured Party promptly upon receipt, all proceeds received by Debtor from the sale or disposition of the Collateral in the exact form in which they are received. To evidence Secured Party's rights in this regard, Debtor will assign or endorse proceeds to Secured Party as Secured Party reasonably requests. Secured Party may, from time to time, in its reasonable discretion, hold non-cash proceeds as part of the Collateral or apply cash proceeds received by Secured Party in the manner set forth in Section 6.2 of this Security Agreement.

Upon the terms and conditions set forth in the Note and at the written request of Secured Party, Debtor will notify obligors on all of the Collateral to make payments directly to Secured Party, and thereafter Secured Party may endorse as Debtor's agent any checks, instruments, chattel paper or other documents connected with the Collateral, take control of proceeds of the Collateral and may hold the non-cash proceeds as part of the Collateral and may apply cash proceeds received by Secured Party in the manner set forth in Section 6.2 of this Security Agreement and may take any action necessary to obtain, preserve and enforce the Liens granted hereunder and maintain and preserve the Collateral, subject to the provisions in the Note respecting use of casualty proceeds.

5.15 Insurance. Debtor shall have and maintain insurance as required in Section 3.38 and Section 5.8 of the Note.

5.16 Collateral not to be Fixture or Accession. Debtor will not permit any Collateral to become so related to any particular real estate in a manner contrary to ordinary business practices so as to become a fixture on such real estate or to be installed in or affixed to other goods so as to become an accession to such other goods unless such other goods are included in the Collateral; in the event that any Collateral, to Debtor's knowledge, is to become so related to any particular real estate or so installed or affixed to other goods, prior thereto Debtor will (a) notify Secured Party of such fact and (b) upon demand of Secured Party furnish (and with respect to third parties, diligently pursue) written consents to Secured Party's security interest and disclaimers of any interest in such Collateral signed by any Person having an interest in such real estate or such other goods, if applicable.

5.17 Delivery of Certificate of Title to Equipment. In the case of Equipment now owned constituting goods in which a security interest is perfected by a notation on the certificate of title or similar evidence of the ownership of such goods, Debtor shall, as soon as practicable after a written request by Secured Party, deliver to Secured Party any and all certificates of title, applications for title or similar evidence of ownership of such Equipment and shall cause Secured Party to be named as lienholder on any such certificate of title or other evidence of ownership. In the case of such Equipment hereafter acquired, Debtor shall provide evidence of ownership within ten days of its acquisition of such Equipment. Debtor shall provide notice to Secured Party of any material loss or damage to any Equipment and shall not permit any such Equipment in a manner contrary to ordinary business practices to become a fixture to real estate or an accession to other personal property other than as permitted in the Note.

5.18 Third-Party Acknowledgments; Control Agreements. If any of the Collateral is in the possession of a third-party, Debtor will join with Secured Party in notifying the third-party of Secured Party's security interest and diligently pursue obtaining an acknowledgment in form and substance reasonably satisfactory to Secured Party from such third-party that it is holding the Collateral for the benefit of the Secured Party. Debtor will fully cooperate with Secured Party in obtaining a control agreement in form and substance reasonably satisfactory to Secured Party with respect to any Collateral consisting of deposit accounts, investment property, electronic chattel paper or letter of credit rights.

ARTICLE VI
RIGHTS, REMEDIES AND DEFAULT

6.1 With Respect to Collateral. Secured Party is hereby fully authorized and empowered (without the necessity of any further consent or authorization from Debtor) and the right is expressly granted to Secured Party, and Debtor hereby constitutes, appoints and makes Secured Party as Debtor's true and lawful attorney-in-fact and agent for Debtor and in Debtor's name, place and stead with full power of substitution, in Secured Party's name or Debtor's name or otherwise, for Secured Party's sole use and benefit, but at Debtor's cost and expense, to exercise, without notice other than as required by the Note, all or any of the following powers at any time following an Event of Default hereunder, provided that such Event of Default continues to occur, with respect to all or any of the Collateral:

(a) notify account debtors or the obligors on the Accounts, the General Intangibles and the Related Rights to make and deliver payment to Secured Party;

(b) to demand, sue for, collect, receive and give acquittance for any and all monies due or to become due by virtue thereof and otherwise deal with proceeds;

(c) to receive, take, endorse, assign and deliver any and all checks, notes, drafts, documents and other negotiable and non-negotiable instruments and chattel paper taken or received by Secured Party in connection therewith;

(d) to settle, compromise, compound, prosecute or defend any action or proceeding with respect thereto;

(e) to sell, transfer, assign or otherwise deal in or with the same or the proceeds or avails thereof or the relative goods, as fully and effectively as if Secured Party were the absolute owner thereof; and

(f) to extend the time of payment of any or all thereof and to grant waivers and make any allowance or other adjustment with reference thereto; but Secured Party shall be under no obligation or duty to exercise any of the powers hereby conferred upon it and shall be without liability for any act or failure to act in connection with the collection of, or the preservation of any rights under, any Collateral.

6.2 Application of Cash Sums. All cash sums paid to and received by Secured Party on account of the Collateral pursuant to Section 5.14 will be (a) released to Debtor for use in Debtor's business or, at the option of Secured Party pursuant to the terms and conditions of the Note, (b) applied by Secured Party on the Secured Obligations as such amounts become due under the terms of the Note; but Secured Party need not apply or give credit for any item included in such sums until Secured Party has received final payment thereof at its banking quarters or solvent credits accepted as such by Secured Party; but Secured Party's failure to so apply any such sums shall not be a waiver of Secured Party's right to so apply such sums or any other sums at any time.

6.3 Events of Default. An “Event of Default” under this Security Agreement shall occur upon the failure of the Company to pay amounts owing as such amounts become due and payable under the terms of the Note.

6.4 Default Remedies. If an Event of Default has occurred and is continuing to occur, Secured Party may then, or at any time thereafter and from time to time while an Event of Default continues to occur, apply, set-off, collect, sell in one or more sales, lease, or otherwise dispose of, any or all of the Collateral, in its then condition or, at Secured Party’s option, following any commercially reasonable preparation or processing, in such order as Secured Party may elect, and any such sale may be made either at public or private sale at its place of business or elsewhere, or at any brokers’ board or securities exchange, either for cash or upon credit or for future delivery, and Secured Party may be the purchaser of any or all Collateral so sold and may hold the same thereafter in its own right free from any claim of Debtor or right of redemption. Such purchase or holding by Secured Party shall be deemed a retention by Secured Party in satisfaction of the Secured Obligations only to the extent of the fair market value of the Collateral so purchased or retained. All demands, notices and advertisements, and the presentment of property at sale are hereby waived except to the extent reasonably necessary to conduct a commercially reasonable sale. If, notwithstanding the foregoing provisions, any applicable provision of the Code or other Law requires Secured Party to give reasonable notice of any such sale or disposition or other action, Debtor hereby agrees ten days prior written notice shall constitute reasonable notice. Secured Party may require Debtor to assemble the Collateral and make it available to Secured Party at a place designated by Secured Party which is reasonably convenient to Secured Party and Debtor. Any sale hereunder may be conducted by an auctioneer or any officer or agent of Secured Party.

6.5 Proceeds. The proceeds of any sale or other disposition of the Collateral and all sums received or collected by Secured Party from or on account of the Collateral shall be applied by Secured Party in the manner set forth in the Code.

6.6 Deficiency. Debtor shall remain liable to Secured Party for any unpaid Secured Obligations, as well as reasonable advances, costs, charges and expenses, together with interest thereon and shall pay the same to Secured Party as set forth in the Note.

6.7 Secured Party’s Duties. The powers conferred upon Secured Party by this Security Agreement are solely to protect the interest of Secured Party in the Collateral and shall not impose any duty upon Secured Party to exercise any such powers. Secured Party shall be under no duty whatsoever to make or give any presentment, demand for performance, notice of nonperformance, protest, notice of protest, notice of dishonor, or other notice or demand in connection with any Collateral or the Secured Obligations, or to take any steps necessary to preserve any rights against prior parties. Secured Party shall not be liable for failure to collect or realize upon any or all of the Secured Obligations or Collateral, or for any delay in so doing, nor shall Secured Party be under any duty to take any action whatsoever with regard thereto. Secured Party shall use reasonable care in the custody and preservation of any Collateral in its possession but need not take any steps to keep the Collateral identifiable. Secured Party shall have no duty to comply with any recording, filing, or other legal requirements necessary to establish or maintain the validity, priority or enforceability of, or Secured Party’s rights in or to, any of the Collateral.

6.8 Secured Party's Actions. Debtor waives any right to require Secured Party to proceed against any Person, exhaust any Collateral, or have any Other Liable Party joined with Debtor in any suit arising out of the Secured Obligations or this Security Agreement or pursue any other remedy in Secured Party's power; waives any and all notice of acceptance of this Security Agreement or of creation, modification, rearrangement, renewal or extension for any period of any of the Secured Obligations from time to time; and waives any defense arising by reason of any disability or other defense of any Other Liable Party, or by reason of the cessation from any cause whatsoever of the liability of any Other Liable Party. All dealings between Debtor and Secured Party, whether or not resulting in the creation of the Secured Obligations, shall conclusively be presumed to have been had or consummated in reliance upon this Security Agreement. Until all the Secured Obligations shall have been paid in full (other than indemnity obligations and similar obligations that survive the termination of the Loan Documents for which no notice of a claim has been received by Debtor), Debtor shall have no right to subrogation, and Debtor waives until all the Secured Obligations shall have been paid in full (other than indemnity obligations and similar obligations that survive the termination of the Loan Documents for which no notice of a claim has been received by Debtor) any right to enforce any remedy which Secured Party now has or may hereafter have against any Other Liable Party and waives any benefit of and any right to participate in any Collateral or security whatsoever now or hereafter held by Secured Party. Debtor authorizes Secured Party, without notice or demand and without any reservation of rights against Debtor and without affecting Debtor's liability hereunder or on the Secured Obligations, from time to time to (a) take and hold any other property as collateral, other than the Collateral, for the payment of any or all of the Secured Obligations, and exchange, enforce, waive and release any or all of the Collateral or such other property; (b) apply the Collateral or such other property and direct the order or manner of sale thereof as Secured Party in its discretion may determine; (c) renew, extend for any period, accelerate, modify, compromise, settle or release the obligation of any Other Liable Party with respect to any or all of the Secured Obligations or the Collateral; (d) waive, enforce, modify, amend or supplement any of the provisions of any of the Security Documents, the Note or the Note or any other promissory note or document evidencing any of the Secured Obligations (except for an amendment or supplement to any of the foregoing to which Debtor is a party to the extent such amendment or supplement requires the consent of Debtor); and (e) release or substitute any Other Liable Party.

6.9 Transfer of Secured Obligations and Collateral. Secured Party may transfer any or all of Secured Party's interest in the Secured Obligations to the extent permitted under the Note, and upon any such transfer Secured Party may transfer any or all of the Collateral and shall be fully discharged thereafter from all liability with respect to the Collateral so transferred, and the transferee shall be vested with all rights, powers and remedies of Secured Party hereunder with respect to Collateral so transferred; but with respect to any Collateral not so transferred, Secured Party shall retain all rights, powers and remedies provided under this Security Agreement. Secured Party may at any time deliver any or all of the Collateral to Debtor whose receipt shall be a complete and full acquittance for the Collateral so delivered, and Secured Party shall thereafter be discharged from any liability therefor.

6.10 Cumulative Security. The execution and delivery of this Security Agreement in no manner shall impair or affect any other security (by endorsement or otherwise) for the Secured Obligations. No security taken hereafter as security for the Secured Obligations shall

impair in any manner or affect this Security Agreement. All such present and future additional security is to be considered as cumulative security.

6.11 Continuing Agreement. This is a continuing Security Agreement and the grant of a security interest hereunder shall remain in full force and effect and all the rights, powers and remedies of Secured Party hereunder shall continue to exist until (a) the Secured Obligations are paid in full (other than indemnity obligations and similar obligations that survive the termination of the Loan Documents for which no notice of a claim has been received by Debtor), (b) Secured Party has no further obligation to advance monies to Debtor under the Note and (c) Secured Party, upon written request of Debtor, has executed a written termination statement, reassigned to Debtor, without recourse, the Collateral and all rights conveyed hereby and returned possession of the Collateral to Debtor. Furthermore, it is contemplated by the parties hereto that there may be times when no Secured Obligations are owing; notwithstanding such occurrences, however, this Security Agreement shall remain valid and shall be in full force and effect as to subsequent Secured Obligations if Secured Party has not executed a written termination statement and returned possession of the Collateral to Debtor. Otherwise this Security Agreement shall continue irrespective of the fact that the liability of any Other Liable Party may have ceased, or irrespective of the validity or enforceability of the Note or any of the Security Documents, including the Note, to which any Other Liable Party may be a party, and notwithstanding the reorganization, death, incapacity or bankruptcy of any Other Liable Party, and notwithstanding the reorganization or bankruptcy of Debtor, or any other event or proceeding affecting Debtor or any Other Liable Party.

6.12 Cumulative Rights. The rights, powers and remedies of Secured Party hereunder shall be in addition to all rights, powers and remedies given by statute or rule of law and are cumulative. The exercise of any one or more of the rights, powers and remedies provided herein shall not be construed as a waiver of any other rights, powers and remedies of Secured Party. Furthermore, regardless of whether or not the Uniform Commercial Code is in effect in the jurisdiction where such rights, powers and remedies are asserted, Secured Party shall have the rights, powers and remedies of a secured party under the Code. Secured Party may exercise its bankers' Lien or right of set-off with respect to the Secured Obligations in the same manner as if the Secured Obligations were unsecured.

6.13 Exercise of Rights, Etc. Time shall be of the essence for the performance of any act under this Security Agreement or the Secured Obligations by Debtor or Other Liable Party, but neither Secured Party's acceptance of partial or delinquent payments nor any forbearance, failure or delay by Secured Party in exercising any right, power or remedy shall be deemed a waiver of any obligation of Debtor or of Other Liable Party or of any right, power or remedy of Secured Party or preclude any other or further exercise thereof; and no single or partial exercise of any right, power or remedy shall preclude any other or further exercise thereof, or the exercise of any other right, power or remedy.

6.14 Remedy and Waiver. Secured Party may remedy any Default or Event of Default without waiving the Default or Event of Default or waiving any prior or subsequent Default or Event of Default.

6.15 Non-Judicial Remedies. Secured Party may enforce its rights hereunder without prior judicial process or judicial hearing, and Debtor expressly waives, renounces and knowingly relinquishes any and all legal rights which might otherwise require Secured Party to enforce its rights by judicial process. In so providing for non-judicial remedies, Debtor recognizes and concedes that such remedies are consistent with the usage of the trade, are responsive to commercial necessity, and are the result of bargain at arm's length. Nothing herein is intended to prevent Secured Party or Debtor from resorting to judicial process at any party's option.

6.16 Compliance with Other Laws. Secured Party may comply with the requirements of any applicable Laws in connection with the disposition of all or any part of the Collateral, and compliance with such Laws will not be considered to adversely affect the commercial reasonableness of any sale of all or any part of the Collateral.

6.17 Disclaimer of Warranties. Secured Party may sell the Collateral without giving any warranties as to the Collateral. Secured Party may specifically disclaim any warranties of title or similar warranties. The disclaimer of any such warranties will not be considered to adversely affect the commercial reasonableness of any sale of all or any part of the Collateral.

6.18 Sales on Credit. If Secured Party sells all or any part of the Collateral upon credit, Debtor will be credited only with payments actually made by the purchaser, received by the Secured Party and applied against the Secured Obligations. In the event the purchaser fails to pay for the Collateral, Secured Party may resell the Collateral and Debtor shall be credited with the proceeds of such sale.

ARTICLE VII MISCELLANEOUS

7.1 Preservation of Liability. Neither this Security Agreement nor the exercise by Secured Party of (or the failure to so exercise) any right, power or remedy conferred herein or by Law shall be construed as relieving any Person liable on the Secured Obligations from liability on the Secured Obligations and for any deficiency thereon.

7.2 Notices. Any record, notice, demand or document which either party is required or may desire to give hereunder shall be in writing and given in accordance with Section 11.2 of the Note.

7.3 Choice of Law/Exclusive Venue. THIS SECURITY AGREEMENT HAS BEEN MADE IN AND THE SECURITY INTEREST GRANTED HEREBY IS GRANTED IN AND EACH SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK (EXCEPT TO THE EXTENT THAT THE LAWS OF ANY OTHER JURISDICTION GOVERN THE PERFECTION AND PRIORITY OF THE SECURITY INTEREST GRANTED HEREBY) WITHOUT REGARD TO ITS CONFLICTS OF LAWS PRINCIPLES.

7.4 Amendment and Waiver. This Security Agreement may not be amended (nor may any of its terms be waived) except in the manner provided in the Note.

7.5 Severability. If any provision of this Security Agreement is rendered or declared invalid, illegal or unenforceable by reason of any existing or subsequently enacted legislation or

by a judicial decision which shall have become final, Debtor and Secured Party shall promptly meet and discuss substitute provisions for those rendered invalid, illegal or unenforceable, but all of the remaining provisions shall remain in full force and effect

7.6 Survival of Agreements. All representations and warranties of Debtor herein, and all covenants and agreements herein not fully performed before the effective date of this Security Agreement, shall survive such date.

7.7 Counterparts. This Security Agreement may be executed in two or more counterparts, and it shall not be necessary that the signatures of all parties hereto be contained on any one counterpart hereof. Each counterpart shall be deemed an original, but all such counterparts taken together shall constitute one and the same instrument.

7.8 Successors and Assigns. The covenants and agreements herein contained by or on behalf of Debtor shall bind Debtor, Debtor's legal representatives, successors and assigns and all persons who become bound as a debtor to this Security Agreement and shall inure to the benefit of Secured Party, and its successors and permitted assigns.

7.9 Knowledge. Where any statement is made "to Debtor's knowledge," it is made to the best of Debtor's knowledge, after making due inquiry in good faith and with ordinary care. Inquiry to those Persons within Debtor's organization and among Debtor's consultants and contractors who are best situated to have information bearing on the statement made shall be deemed to have met this standard.

7.10 Titles of Articles, Sections and Subsections. All titles or headings to articles, sections, subsections or other divisions of this Security Agreement are only for the convenience of the parties and shall not be construed to have any effect or meaning with respect to the other content of such articles, sections, subsections or other divisions, such other content being controlling as to the agreement between the parties hereto.

7.11 WAIVER OF JURY TRIAL. TO THE MAXIMUM EXTENT NOT PROHIBITED BY LAW, EACH OF THE UNDERSIGNED, IN EXCHANGE FOR (AND ON THE CONDITION OF) THE SAME WAIVER BY BENEFICIARY, HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT WHICH IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY AT ANY TIME ARISING OUT OF, UNDER OR IN CONNECTION WITH THE NOTE, THIS SECURITY AGREEMENT OR THE OTHER SECURITY DOCUMENTS, OR ANY TRANSACTION CONTEMPLATED THEREBY, BEFORE OR AFTER MATURITY.

7.12 Interest. Secured Party, Debtor and the other Obligors intend to comply with all applicable usury Laws, whether existing on the date of this Security Agreement or to be enacted in the future. As such, and notwithstanding any provision of any Loan Document, no Loan Document will be construed to require the payment or permit the collection of interest in excess of the Highest Lawful Rate. If ever the performance of any provision of any Loan Document will result in the charging or collection of interest in excess of the Highest Lawful Rate, then the obligation to be fulfilled will, ipso facto, be reduced to the allowable limit. In addition, if Secured Party ever receives under any Loan Document anything of value as interest or that is

deemed to be interest under Law such that the amount of interest received by Secured Party would exceed the Highest Lawful Rate, then (i) the amount that would otherwise constitute excessive interest will instead be applied by Secured Party as a prepayment of the principal outstanding under the Note or on account of any other Obligations, and (ii) if no such principal amount or Obligations exists, then Secured Party will refund the excess amount to Debtor. In determining whether or not the interest paid or payable under the Loan Documents exceeds the Highest Lawful Rate, Debtor and Secured Party will, to the maximum extent permitted by Law, (i) characterize any non-principal payment as an expense, fee or premium rather than as interest, (ii) exclude voluntary prepayments and the effects of them, (iii) amortize, prorate, allocate and spread the total amount of interest actually paid throughout the full term of the indebtedness so that the actual rate of interest does not exceed the Highest Lawful Rate, and (iv) allocate interest between portions of the Obligations so that no portion will bear interest at a rate greater than that permitted by Law.

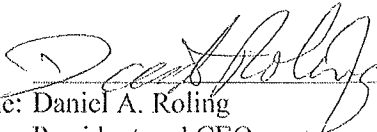
THIS SECURITY AGREEMENT, THE NOTE, THE NOTE AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES WITH RESPECT TO THE MATTERS ADDRESSED HEREIN AND THEREIN AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES. IN THE EVENT OF A CONFLICT BETWEEN THE TERMS OF THIS SECURITY AGREEMENT AND THE NOTE, THE TERMS OF THE NOTE SHALL CONTROL.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed by its duly authorized undersigned representative effective as of the date first written above.

DEBTOR:

PIONEER ENERGY, LLC,
a Tennessee limited liability company

By: 
Name: Daniel A. Roling
Title: President and CEO

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed by its duly authorized undersigned representative effective as of the date first written above.

SECURED PARTY:

ABACI CAPITAL LIMITED,
an exempted company incorporated with limited
liability under the laws of the Cayman Islands

By: 

Name: Ian Phillips

Title: Director

Exhibit A

[Redacted – payables]

**SECURITY AGREEMENT
(All Assets)**

THIS SECURITY AGREEMENT (this "Security Agreement"), is made and entered into as of August 13, 2014, by TIACME, LLC, a Kentucky limited liability company ("Debtor"), whose address is 620 North Campbell Station Road, Suite 22, Knoxville, TN 37934, in favor of ABACI CAPITAL LIMITED, an exempted company incorporated with limited liability under the laws of the Cayman Islands, as Holder ("Secured Party"), whose address is c/o ITA Global Trust Co., Ltd., Suite 410, 2nd Floor Canella Court, Camana Bay, P.O. Box 32203, Grand Cayman KY1-1208, Cayman Islands.

Background:

1. Debtor is a subsidiary of NovaDx Ventures Corp., a corporation organized under the British Columbia Business Corporations Act ("Company") which executed that certain First Replacement Promissory Note in favor of Secured Party dated August 13, 2014, in the principal amount of \$658,000.00, that certain First Replacement Promissory Note in favor of Secured Party dated August 13, 2014, in the principal amount of \$1,950,000.00 and that certain First Replacement Promissory Note in favor of Secured Party dated August 13, 2014, in the principal amount of \$700,000.00 (each as amended, replaced, modified or supplemented from time to time, referred to herein collectively as the "Note") pursuant to which, Holder agreed to make loans to Company from time to time on the conditions set forth in the Note.

2. Secured Party, as Holder under the Note, has conditioned its obligations under the Note upon, among other things, the execution and delivery by Debtor of this Security Agreement, and Debtor has agreed to enter into this Security Agreement.

3. Debtor will benefit directly from the advance of funds by Secured Party to the Company under the terms and conditions of the Note and the other Loan Documents.

Agreements:

In order to comply with the terms and conditions of the Note and for and in consideration of the premises and the agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, subject to receipt of the approval of the TSX Venture Exchange, Debtor hereby agrees with Secured Party as follows:

**ARTICLE I
DEFINITIONS**

1.1 Terms Defined Above. As used in this Security Agreement, the terms "Note," "Debtor," and "Secured Party" shall have the meanings indicated above.

1.2 Definitions Contained in the Note. Unless otherwise defined herein or context otherwise requires, all capitalized terms used but not defined in this Security Agreement have the meanings given to those terms in the Note.

1.3 Certain Definitions. As used in this Security Agreement, the following terms shall have the following meanings, unless the context otherwise requires:

“Accounts” has the meaning indicated in subsection 3.1(a) hereof.

“Code” means the Uniform Commercial Code as presently in effect in the State of Tennessee codified at Tenn. Code Ann. § 47-1-101 *et seq.*, and as amended from time to time.

“Collateral” means all property, including without limitation cash or other proceeds, in which Secured Party shall have a security interest pursuant to Section 3.1 of this Security Agreement.

“Default” means the occurrence of any event which, with the passage of time or the giving of notice or both, will become an Event of Default.

“Equipment” has the meaning indicated in subsection 3.1(b) hereof.

“Event of Default” means the occurrence of any of the events specified in Section 6.3 hereof; provided that any requirement for notice or lapse of time or other condition precedent has been satisfied.

“General Intangibles” has the meaning indicated in subsection 3.1(c) hereof.

“Inventory” has the meaning indicated in subsection 3.1(d) hereof.

“Material Adverse Effect” means any change that has a material adverse effect on the material assets and operations of the Debtor (considered as a whole), excluding a general change in political, economic or social conditions or a change in market or industry conditions applicable to the Debtor and similar businesses.

“Other Liable Party” means any person, other than Debtor, who is or becomes primarily or secondarily liable for any of the Secured Obligations or who grants Secured Party a lien on any property as security for the Secured Obligations.

“Permitted Encumbrance” includes:

- (i) Liens for taxes, assessments or governmental levies not yet due or which are being contested in good faith and for which adequate reserves with respect thereto are maintained in accordance with generally accepted accounting principles, so long as the same do not involve any imminent danger of the sale, forfeiture or loss of any of the material property of the Debtor or any interest therein;
- (ii) undetermined or inchoate Liens arising in the ordinary course of business, a claim for which has not been filed or registered pursuant to law or of which notice shall not have been given or become known to the Debtor;

- (iii) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other similar Liens arising in the ordinary course of business which are not overdue for a period of more than 30 days or which are being contested, so long as the same do not involve any imminent danger of the sale, forfeiture or loss of any of the material property of the Debtor or any interest therein;
- (iv) servitudes, rights-of-way, encumbrances, easements, restrictions and other similar encumbrances which, in the aggregate, do not materially detract from the value of the property subject thereto or interfere with the ordinary conduct of the business of the Debtor;
- (v) statutory Liens incurred or deposits made in the ordinary course of business of the Debtor in connection with worker's compensation, employment insurance and other social security legislation, so long as the same do not involve any imminent danger of the sale, forfeiture or loss of any of the material property of the Debtor or any interest therein; and
- (vi) Purchase Money Obligations in respect of mining equipment and related assets to be used in mining operations or mine construction or development purchased from arm's length parties, not exceeding, in the aggregate US \$150,000, without the prior approval of the Secured Party, such approval not to be unreasonably withheld.

"Related Rights" means all chattel papers, electronic chattel papers, payment intangibles, promissory notes, letter of credit rights, supporting obligations, documents and instruments relating to the Accounts or the General Intangibles and all rights now or hereafter existing in and to all security agreements, leases, and other contracts securing or otherwise relating to any Accounts or General Intangibles or any such chattel papers, electronic chattel papers, payment intangibles, promissory notes, letter of credit rights, documents and instruments.

"Secured Obligations" has the meaning indicated in Section 3.2 hereof.

"Security Agreement" means this Security Agreement, as the same may from time to time be amended, modified or supplemented.

"Security Documents" means this Security Agreement together with all deeds of trust and financing statements filed in connection with this Security Agreement.

1.4 Terms Defined in Code. Unless otherwise defined herein or in the Note, all terms used herein which are defined in the Code shall have the meaning given to those terms in the Code.

ARTICLE II
CONDITIONS PRECEDENT

2.1 The Secured Party hereby expressly acknowledges, covenants and agrees that any and all of the parties' respective rights, and obligations are subject to, and shall have no force or effect prior to the prior fulfillment of the following conditions precedent:

(a) Novadx Ventures Corp. shall be the sole beneficial shareholder of 0955615 US Inc.; and

(b) The TSX Venture Exchange shall have approved the granting by the Debtor of the security interest in favor of the Secured Party hereunder.

ARTICLE III
SECURITY INTEREST

3.1 Grant of Security Interest. As collateral security for all of the Secured Obligations, Debtor hereby grants to Secured Party a security interest in, a general lien upon, and a right of set-off against all of Debtor's assets, tangible or intangible, including but not limited to the following, to the extent of Debtor's rights therein (but not otherwise) and whether now owned or later acquired by Debtor:

(a) all of Debtor's accounts (as defined in the Code) of any kind (the "Accounts") and Related Rights;

(b) all of Debtor's equipment (as defined in the Code) in all of its forms, and wherever located, together with all parts thereof and all accessions or additions thereto, (collectively, the "Equipment");

(c) all of Debtor's general intangibles (as defined in the Code) of any kind (the "General Intangibles") and Related Rights;

(d) all of Debtor's inventory (as defined in the Code) in all of its forms, and wherever located, together with all accessions or additions thereto and products thereof (collectively the "Inventory");

(e) all of Debtor's investment property (as defined in the Code) wherever located;

(f) all of Debtor's deposit accounts (as defined in the Code) wherever located;

(g) any additional tangible or intangible property from time to time delivered to or deposited with Secured Party by or through Debtor as security for the Secured Obligations or otherwise pursuant to the terms of this Security Agreement; and

(h) the proceeds, products, supporting obligations, Related Rights, additions to, substitutions for and accessions of any and all Collateral now owned or later acquired by Debtor, as described in subparagraphs (a)-(g) in this Section 3.1.

3.2 Secured Obligations. The security interest in, general lien upon, and right of set-off against the Collateral is granted to secure the following (collectively, the “Secured Obligations”):

(a) the payment of all the obligations (as defined in the Note) of Company to Secured Party, now or hereafter existing including, without limitation, the Debt of Company under the Note, and any and all renewals, extensions for any period or rearrangement of the Obligations; and

(b) the performance of all obligations of Debtor under this Security Agreement and the other agreements giving rise to the Obligations (as defined in the Note).

ARTICLE IV REPRESENTATIONS AND WARRANTIES

In order to induce Secured Party to accept this Security Agreement, Debtor represents and warrants to Secured Party (which representations and warranties will survive the creation of any Secured Obligations and the extension of any credit under the Note) that:

4.1 Ownership and Liens. Except for the security interest of Secured Party granted in this Security Agreement and except for Permitted Encumbrances, Debtor owns good and valid title to the Collateral free and clear of any other Liens, adverse claims or options. Debtor has rights in or the right, power and authority to grant a security interest in the Collateral to Secured Party in the manner provided herein, free and clear of any other Liens, adverse claims and options other than Permitted Encumbrances. No other Lien, adverse claim or option has been created by Debtor or, to Debtor’s knowledge exist with respect to any Collateral other than Permitted Encumbrances. No financing statement or other security instrument, to Debtor’s knowledge, is on file in any jurisdiction covering any part of the Collateral other than those in favor of Secured Party and other than Permitted Encumbrances. At the time the security interest in favor of Secured Party attaches, good and valid title to all after-acquired property included within the Collateral, to Debtor’s knowledge, free and clear of any other Liens, adverse claims or options (other than those permitted by the first sentence of this Section 4.1) will be vested in Debtor.

4.2 Status of Accounts. Each Account hereafter arising will represent and each Account now existing represents, the valid and legally enforceable obligations of a bona fide account debtor and is not and will not be subject to contra accounts, set-offs, defenses or counterclaims by or available to account debtors obligated on the Accounts except as disclosed to Secured Party in writing and/or as provided below; and the amount shown as to each Account on Debtor’s books will be the true and undisputed amount owing and unpaid thereon, subject to any Permitted Encumbrance, discounts, allowances, rebates, credits and adjustments to which the account debtor has a right and which have arisen in Debtor’s ordinary course of business or which have otherwise been disclosed to Secured Party in writing.

4.3 Status of Related Rights. All Related Rights are, and those hereafter arising will be, valid and genuine.

4.4 Inventory Not Covered by Other Documents. None of the Inventory is, and at the time the security interest in favor of Secured Party attaches none of the Inventory hereafter acquired will be, covered by any document (as defined in the Code) created by or through Debtor other than the Mortgage.

4.5 Name; Organization; Authority. The exact legal name of Debtor is set forth in the opening paragraph of this Security Agreement. Debtor is a limited liability company, duly formed, validly existing, and with active right to transact business under the Laws of the State of Kentucky. Debtor is qualified to do business and in good standing in each other state in which the nature of its business requires it to be so qualified, except where the failure to so qualify could not reasonably be expected to cause a Material Adverse Effect. The execution, delivery and performance of this Security Agreement has been duly authorized by all company action, and this Security Agreement constitutes the valid and binding obligation of Debtor, enforceable against Debtor in accordance with its terms, except as the enforceability thereof may be limited or affected by bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting the enforcement of creditors rights generally and by general equitable principles.

4.6 Location. Debtor's chief executive office and chief place of business is located at the address set forth in the opening paragraph of this Security Agreement. The office where Debtor keeps its records concerning the Accounts and the General Intangibles and the original of all the Related Rights has the same address as Debtor's chief executive office and chief place of business. Debtor's Inventory and Equipment (other than mobile goods) are located in Campbell County and Scott County, Tennessee and such other states as Debtor shall have from time to time given notice of to Secured Party.

4.7 Secured Party's Security Interest. This Security Agreement creates a valid and binding security interest in the Collateral securing the Secured Obligations. Upon proper completion and filing of the financing statements described in Section 5.10 of this Security Agreement covering the Collateral in the State of Tennessee, Secured Party will have a fully perfected security interest in that Collateral in which a security interest may be perfected by such filing, subject only to Permitted Encumbrances. No further or subsequent filing, recording, registration or other public notice of such security interest is necessary in any office or jurisdiction in order to perfect such security interest or to continue, preserve or protect such security interest except for continuation statements or for filings upon the occurrence of any of the events stated in Section 5.10 of this Security Agreement. Such perfected security interest in the Collateral constitutes a first-priority security interest under the Code, subject only to Permitted Encumbrances.

ARTICLE V COVENANTS AND AGREEMENTS

A deviation from the provisions of this Article V shall not constitute a Default under this Security Agreement if such deviation is consented to in writing (in the manner provided in the Note) by Secured Party. Without the written consent of Secured Party, Debtor will at all times comply with the covenants contained in this Article V, from the date hereof and for so long as any part of the Secured Obligations (other than indemnity obligations and similar obligations that survive the termination of the Loan Documents for which no notice of a claim

has been received by Debtor) or the commitment of Secured Party to make loans under the Note is outstanding.

5.1 Title; Prohibited Liens and Filings. Debtor agrees to protect the title to the Collateral. Debtor will not pledge, mortgage, otherwise encumber, or create by or through it a Lien on any of the Collateral other than Permitted Encumbrances or sell, assign or otherwise transfer any of the Collateral (other than as permitted by the Loan Documents) to or in favor of any person other than Secured Party. Debtor will not file or permit to be filed or recorded any financing statement or other security instrument with respect to the Collateral other than (i) in favor of Secured Party, (ii) with respect to Permitted Encumbrances, (iii) as permitted by the Note, or (iv) with the prior written approval of the Secured Party.

5.2 Taxes, Etc. Debtor agrees to use best efforts to pay prior to delinquency all Taxes, charges, Liens and assessments against the Collateral which, if unpaid, would result in the imposition of a Lien on the Collateral; but Debtor shall not be required to pay any Tax, charge, Lien or assessment that is not yet past due or is being contested in good faith by appropriate proceedings diligently conducted by or on behalf of Debtor and if Debtor shall have set up reserves therefor adequate under GAAP. Notwithstanding the foregoing, the Debtor represents that as of the date hereof, the amounts listed on Exhibit A hereto are all of the unpaid, outstanding and owing debts of the Debtor, excluding any amounts that may have accrued or become owing by the Debtor under Section 5.9 of this Agreement, or otherwise arising in connection with the transactions contemplated hereunder. Secured Party acknowledges and agrees that the amounts set forth in Exhibit A are delinquent as at the date hereof.

5.3 Possession of Collateral. Secured Party shall be deemed to have possession of any of the Collateral in transit to it or set apart for it. Otherwise, the Collateral shall remain in Debtor's possession or control at all times (except where Secured Party chooses to perfect its security interest by possession in addition to the filing of a financing statement) at Debtor's risk of loss and shall (except for temporary removal consistent with its normal use) be kept at locations owned or leased by (or with surface or easement rights in favor of) Debtor.

5.4 Inspection of Collateral. Following reasonable, written notice, absent existing Default, Secured Party may from time to time during normal business hours, inspect Debtor's records concerning the Accounts and the General Intangibles, the originals of the Related Rights, the Equipment, the Inventory and other Collateral but not as to unreasonably interfere with the business of Debtor. Any onsite inspection shall be at the sole risk of Secured Party and its agents, representatives and employees vis a vis Debtor or its Affiliates but not third parties, absent any gross negligence or willful misconduct on the part of Company or its Affiliates.

5.5 Further Assurances.

(a) Debtor will, at its expense, take all actions and execute all Implementation Documents reasonably requested by Secured Party to create, perfect, maintain or continue in favor of Secured Party a first-priority security interest over all of the Collateral, subject to Permitted Encumbrances.

(b) Debtor appoints Secured Party and each of its designees as Debtor's attorney in fact to execute, on behalf of Debtor whenever an Event of Default exists, any Implementation Documents requested by Secured Party. This appointment is coupled with an interest and is irrevocable.

(c) In exercising the appointment described in Section 5.5(b), neither Secured Party nor its designees will be liable to any Person for any act, omission, error in judgment or mistake of law that is not intentional, willful or grossly negligent or in breach of this Security Agreement or the other Loan Documents.

5.6 Filing Reproductions. At the option of Secured Party, a carbon, photographic or other reproduction of this Security Agreement or of a financing statement covering the Collateral shall be sufficient as a financing statement and may be filed as a financing statement.

5.7 Delivery of Information. Debtor will transmit promptly to Secured Party all information that Debtor may have or receive with respect to (a) the Collateral or (b) account debtors or obligors in respect of the Accounts, the General Intangibles and the Related Rights, in each case of (a) or (b) which could reasonably be expected to materially and adversely affect the aggregate value of the Collateral or Secured Party's rights or remedies with respect thereto.

5.8 Compromise of Collateral. Debtor will not adjust, settle or compromise any of the Accounts (including by allowing such Accounts to become subject to contra accounts, set-offs, defenses or counterclaims by or available to account debtors obligated on the Accounts), the General Intangibles or the Related Rights without the written consent of Secured Party, other than in a manner that does not materially affect the aggregate value of the Collateral and is in the ordinary course of business or in respect of Permitted Encumbrances.

5.9 Expenses. Debtor agrees to pay to Secured Party at Secured Party's offices, all reasonable advances, charges, costs and expenses (including reasonable attorneys' fees and legal expenses) incurred by Secured Party in connection with the transaction which gives rise to this Security Agreement, in connection with confirming, perfecting and preserving the security interest created under this Security Agreement, in connection with protecting Secured Party against the claims or interests of any Person against the Collateral, and in exercising any right, power or remedy conferred by this Security Agreement or by Law or in equity (including, but not limited to, reasonable attorneys' fees and legal expenses incurred by Secured Party in the collection of instruments deposited with or purchased by Secured Party and amounts incurred in connection with the operation, maintenance or foreclosure of any or all of the Collateral). The amount of all such reasonable advances, charges, costs and expenses shall be due and payable by Debtor to Secured Party upon ten Business Days after invoice or demand by Secured Party together with interest thereon from the due date at the Default Rate as provided in the Note.

5.10 Financing Statement Filings; Notifications. Debtor recognizes that financing statements pertaining to the Collateral will be filed with the Office of the Secretary of State of the State of Tennessee. Debtor will promptly notify Secured Party of any condition or event that may change the proper location for the filing of any financing statements or other public notice or recordings for the purpose of perfecting a security interest in the Collateral. Without limiting the generality of the foregoing, Debtor will (a) promptly notify Secured Party of any change to a

jurisdiction other than as represented in Section 4.5 or Section 4.6 (i) in the location of Debtor's chief executive office or chief place of business; (ii) in the location of the Inventory (other than Inventory sold or leased in the ordinary course of business); (iii) in the location of the Equipment (other than Equipment removed in the ordinary course of business or disposed of as permitted by the Note); (iv) in the location of the office where Debtor keeps its records concerning the Accounts; or (v) in the "location" of Debtor within the meaning of the Code; (b) prior to any of the Collateral becoming so related to any particular real estate so as to become a fixture on such real estate, notify Secured Party of the description of such real estate and the name of the record owner thereof; and (c) promptly notify Secured Party of any change in Debtor's name, identity or limited liability company structure. In any notice furnished pursuant to this section, Debtor will expressly state that the notice is required by this Security Agreement and contains facts that will or may require additional filings of financing statements or other notices for the purpose of continuing perfection of Secured Party's security interest in the Collateral.

5.11 Maintenance of Collateral Generally. Except as otherwise provided in the Note, (a) Debtor will maintain all the Collateral in good condition, repair, and working order (ordinary wear and tear excepted), and substantially in accordance with any manufacturer's manual if applicable to maintain any manufacturer's warranty; (b) Debtor will not misuse, abuse, waste, destroy, endanger or allow the Collateral to deteriorate, except, with respect to the Equipment only, for ordinary wear and tear from its intended use; (c) Debtor will promptly, or in the case of material any loss or damage to any goods included in the Collateral as soon as practicable, make or cause to be made all repairs, replacements or other improvements to the Collateral as are reasonably necessary or desirable to accomplish the foregoing; and (d) Debtor will not use any Collateral in violation of any Law or allow it to be so used.

5.12 Account Obligations. The Debtor will duly perform or cause to be performed all obligations of Debtor with respect to the goods or services, the sale or lease or rendition of which gave rise or will give rise to each Account relating thereto.

5.13 Use of Inventory. If an Event of Default exists, Debtor may use its Inventory in any lawful manner not inconsistent with this Security Agreement and with the terms of insurance thereon and may sell, lease or otherwise dispose of its Inventory in the ordinary course of business. Debtor will not and shall not be permitted to use any item of Inventory in a manner inconsistent with the holding thereof for sale, lease or disposition in the ordinary course of business or in contravention of the terms of any agreement. A sale, lease or disposition in the ordinary course of business does not include the exchange of items of Inventory for goods in kind or otherwise or transfers of items of Inventory made in satisfaction of present or future Secured Obligations.

5.14 Proceeds. Upon the terms and conditions set forth in the Note, subject to the amounts owing by the Debtor thereunder being due and payable, and at the request of Secured Party, Debtor will deliver to Secured Party promptly upon receipt, all proceeds received by Debtor from the sale or disposition of the Collateral in the exact form in which they are received. To evidence Secured Party's rights in this regard, Debtor will assign or endorse proceeds to Secured Party as Secured Party reasonably requests. Secured Party may, from time to time, in its reasonable discretion, hold non-cash proceeds as part of the Collateral or apply cash proceeds received by Secured Party in the manner set forth in Section 6.2 of this Security Agreement.

Upon the terms and conditions set forth in the Note and at the written request of Secured Party, Debtor will notify obligors on all of the Collateral to make payments directly to Secured Party, and thereafter Secured Party may endorse as Debtor's agent any checks, instruments, chattel paper or other documents connected with the Collateral, take control of proceeds of the Collateral and may hold the non-cash proceeds as part of the Collateral and may apply cash proceeds received by Secured Party in the manner set forth in Section 6.2 of this Security Agreement and may take any action necessary to obtain, preserve and enforce the Liens granted hereunder and maintain and preserve the Collateral, subject to the provisions in the Note respecting use of casualty proceeds.

5.15 Insurance. Debtor shall have and maintain insurance as required in Section 3.38 and Section 5.8 of the Note.

5.16 Collateral not to be Fixture or Accession. Debtor will not permit any Collateral to become so related to any particular real estate in a manner contrary to ordinary business practices so as to become a fixture on such real estate or to be installed in or affixed to other goods so as to become an accession to such other goods unless such other goods are included in the Collateral; in the event that any Collateral, to Debtor's knowledge, is to become so related to any particular real estate or so installed or affixed to other goods, prior thereto Debtor will (a) notify Secured Party of such fact and (b) upon demand of Secured Party furnish (and with respect to third parties, diligently pursue) written consents to Secured Party's security interest and disclaimers of any interest in such Collateral signed by any Person having an interest in such real estate or such other goods, if applicable.

5.17 Delivery of Certificate of Title to Equipment. In the case of Equipment now owned constituting goods in which a security interest is perfected by a notation on the certificate of title or similar evidence of the ownership of such goods, Debtor shall, as soon as practicable after a written request by Secured Party, deliver to Secured Party any and all certificates of title, applications for title or similar evidence of ownership of such Equipment and shall cause Secured Party to be named as lienholder on any such certificate of title or other evidence of ownership. In the case of such Equipment hereafter acquired, Debtor shall provide evidence of ownership within ten days of its acquisition of such Equipment. Debtor shall provide notice to Secured Party of any material loss or damage to any Equipment and shall not permit any such Equipment in a manner contrary to ordinary business practices to become a fixture to real estate or an accession to other personal property other than as permitted in the Note.

5.18 Third-Party Acknowledgments; Control Agreements. If any of the Collateral is in the possession of a third-party, Debtor will join with Secured Party in notifying the third-party of Secured Party's security interest and diligently pursue obtaining an acknowledgment in form and substance reasonably satisfactory to Secured Party from such third-party that it is holding the Collateral for the benefit of the Secured Party. Debtor will fully cooperate with Secured Party in obtaining a control agreement in form and substance reasonably satisfactory to Secured Party with respect to any Collateral consisting of deposit accounts, investment property, electronic chattel paper or letter of credit rights.

ARTICLE VI
RIGHTS, REMEDIES AND DEFAULT

6.1 With Respect to Collateral. Secured Party is hereby fully authorized and empowered (without the necessity of any further consent or authorization from Debtor) and the right is expressly granted to Secured Party, and Debtor hereby constitutes, appoints and makes Secured Party as Debtor's true and lawful attorney-in-fact and agent for Debtor and in Debtor's name, place and stead with full power of substitution, in Secured Party's name or Debtor's name or otherwise, for Secured Party's sole use and benefit, but at Debtor's cost and expense, to exercise, without notice other than as required by the Note, all or any of the following powers at any time following an Event of Default hereunder, provided that such Event of Default continues to occur, with respect to all or any of the Collateral:

(a) notify account debtors or the obligors on the Accounts, the General Intangibles and the Related Rights to make and deliver payment to Secured Party;

(b) to demand, sue for, collect, receive and give acquittance for any and all monies due or to become due by virtue thereof and otherwise deal with proceeds;

(c) to receive, take, endorse, assign and deliver any and all checks, notes, drafts, documents and other negotiable and non-negotiable instruments and chattel paper taken or received by Secured Party in connection therewith;

(d) to settle, compromise, compound, prosecute or defend any action or proceeding with respect thereto;

(e) to sell, transfer, assign or otherwise deal in or with the same or the proceeds or avails thereof or the relative goods, as fully and effectively as if Secured Party were the absolute owner thereof; and

(f) to extend the time of payment of any or all thereof and to grant waivers and make any allowance or other adjustment with reference thereto; but Secured Party shall be under no obligation or duty to exercise any of the powers hereby conferred upon it and shall be without liability for any act or failure to act in connection with the collection of, or the preservation of any rights under, any Collateral.

6.2 Application of Cash Sums. All cash sums paid to and received by Secured Party on account of the Collateral pursuant to Section 5.14 will be (a) released to Debtor for use in Debtor's business or, at the option of Secured Party pursuant to the terms and conditions of the Note, (b) applied by Secured Party on the Secured Obligations as such amounts become due under the terms of the Note; but Secured Party need not apply or give credit for any item included in such sums until Secured Party has received final payment thereof at its banking quarters or solvent credits accepted as such by Secured Party; but Secured Party's failure to so apply any such sums shall not be a waiver of Secured Party's right to so apply such sums or any other sums at any time.

6.3 Events of Default. An “Event of Default” under this Security Agreement shall occur upon the failure of the Company to pay amounts owing as such amounts become due and payable under the terms of the Note.

6.4 Default Remedies. If an Event of Default has occurred and is continue to occur, Secured Party may then, or at any time thereafter and from time to time while an Event of Default continue to occur, apply, set-off, collect, sell in one or more sales, lease, or otherwise dispose of, any or all of the Collateral, in its then condition or, at Secured Party’s option, following any commercially reasonable preparation or processing, in such order as Secured Party may elect, and any such sale may be made either at public or private sale at its place of business or elsewhere, or at any brokers’ board or securities exchange, either for cash or upon credit or for future delivery, and Secured Party may be the purchaser of any or all Collateral so sold and may hold the same thereafter in its own right free from any claim of Debtor or right of redemption. Such purchase or holding by Secured Party shall be deemed a retention by Secured Party in satisfaction of the Secured Obligations only to the extent of the fair market value of the Collateral so purchased or retained. All demands, notices and advertisements, and the presentment of property at sale are hereby waived except to the extent reasonably necessary to conduct a commercially reasonable sale. If, notwithstanding the foregoing provisions, any applicable provision of the Code or other Law requires Secured Party to give reasonable notice of any such sale or disposition or other action, Debtor hereby agrees ten days prior written notice shall constitute reasonable notice. Secured Party may require Debtor to assemble the Collateral and make it available to Secured Party at a place designated by Secured Party which is reasonably convenient to Secured Party and Debtor. Any sale hereunder may be conducted by an auctioneer or any officer or agent of Secured Party.

6.5 Proceeds. The proceeds of any sale or other disposition of the Collateral and all sums received or collected by Secured Party from or on account of the Collateral shall be applied by Secured Party in the manner set forth in the Code.

6.6 Deficiency. Debtor shall remain liable to Secured Party for any unpaid Secured Obligations, as well as reasonable advances, costs, charges and expenses, together with interest thereon and shall pay the same to Secured Party as set forth in the Note.

6.7 Secured Party’s Duties. The powers conferred upon Secured Party by this Security Agreement are solely to protect the interest of Secured Party in the Collateral and shall not impose any duty upon Secured Party to exercise any such powers. Secured Party shall be under no duty whatsoever to make or give any presentment, demand for performance, notice of nonperformance, protest, notice of protest, notice of dishonor, or other notice or demand in connection with any Collateral or the Secured Obligations, or to take any steps necessary to preserve any rights against prior parties. Secured Party shall not be liable for failure to collect or realize upon any or all of the Secured Obligations or Collateral, or for any delay in so doing, nor shall Secured Party be under any duty to take any action whatsoever with regard thereto. Secured Party shall use reasonable care in the custody and preservation of any Collateral in its possession but need not take any steps to keep the Collateral identifiable. Secured Party shall have no duty to comply with any recording, filing, or other legal requirements necessary to establish or maintain the validity, priority or enforceability of, or Secured Party’s rights in or to, any of the Collateral.

6.8 Secured Party's Actions. Debtor waives any right to require Secured Party to proceed against any Person, exhaust any Collateral, or have any Other Liable Party joined with Debtor in any suit arising out of the Secured Obligations or this Security Agreement or pursue any other remedy in Secured Party's power; waives any and all notice of acceptance of this Security Agreement or of creation, modification, rearrangement, renewal or extension for any period of any of the Secured Obligations from time to time; and waives any defense arising by reason of any disability or other defense of any Other Liable Party, or by reason of the cessation from any cause whatsoever of the liability of any Other Liable Party. All dealings between Debtor and Secured Party, whether or not resulting in the creation of the Secured Obligations, shall conclusively be presumed to have been had or consummated in reliance upon this Security Agreement. Until all the Secured Obligations shall have been paid in full (other than indemnity obligations and similar obligations that survive the termination of the Loan Documents for which no notice of a claim has been received by Debtor), Debtor shall have no right to subrogation, and Debtor waives until all the Secured Obligations shall have been paid in full (other than indemnity obligations and similar obligations that survive the termination of the Loan Documents for which no notice of a claim has been received by Debtor) any right to enforce any remedy which Secured Party now has or may hereafter have against any Other Liable Party and waives any benefit of and any right to participate in any Collateral or security whatsoever now or hereafter held by Secured Party. Debtor authorizes Secured Party, without notice or demand and without any reservation of rights against Debtor and without affecting Debtor's liability hereunder or on the Secured Obligations, from time to time to (a) take and hold any other property as collateral, other than the Collateral, for the payment of any or all of the Secured Obligations, and exchange, enforce, waive and release any or all of the Collateral or such other property; (b) apply the Collateral or such other property and direct the order or manner of sale thereof as Secured Party in its discretion may determine; (c) renew, extend for any period, accelerate, modify, compromise, settle or release the obligation of any Other Liable Party with respect to any or all of the Secured Obligations or the Collateral; (d) waive, enforce, modify, amend or supplement any of the provisions of any of the Security Documents, the Note or the Note or any other promissory note or document evidencing any of the Secured Obligations (except for an amendment or supplement to any of the foregoing to which Debtor is a party to the extent such amendment or supplement requires the consent of Debtor); and (e) release or substitute any Other Liable Party.

6.9 Transfer of Secured Obligations and Collateral. Secured Party may transfer any or all of Secured Party's interest in the Secured Obligations to the extent permitted under the Note, and upon any such transfer Secured Party may transfer any or all of the Collateral and shall be fully discharged thereafter from all liability with respect to the Collateral so transferred, and the transferee shall be vested with all rights, powers and remedies of Secured Party hereunder with respect to Collateral so transferred; but with respect to any Collateral not so transferred, Secured Party shall retain all rights, powers and remedies provided under this Security Agreement. Secured Party may at any time deliver any or all of the Collateral to Debtor whose receipt shall be a complete and full acquittance for the Collateral so delivered, and Secured Party shall thereafter be discharged from any liability therefor.

6.10 Cumulative Security. The execution and delivery of this Security Agreement in no manner shall impair or affect any other security (by endorsement or otherwise) for the Secured Obligations. No security taken hereafter as security for the Secured Obligations shall

impair in any manner or affect this Security Agreement. All such present and future additional security is to be considered as cumulative security.

6.11 Continuing Agreement. This is a continuing Security Agreement and the grant of a security interest hereunder shall remain in full force and effect and all the rights, powers and remedies of Secured Party hereunder shall continue to exist until (a) the Secured Obligations are paid in full (other than indemnity obligations and similar obligations that survive the termination of the Loan Documents for which no notice of a claim has been received by Debtor), (b) Secured Party has no further obligation to advance monies to Debtor under the Note and (c) Secured Party, upon written request of Debtor, has executed a written termination statement, reassigned to Debtor, without recourse, the Collateral and all rights conveyed hereby and returned possession of the Collateral to Debtor. Furthermore, it is contemplated by the parties hereto that there may be times when no Secured Obligations are owing; notwithstanding such occurrences, however, this Security Agreement shall remain valid and shall be in full force and effect as to subsequent Secured Obligations if Secured Party has not executed a written termination statement and returned possession of the Collateral to Debtor. Otherwise this Security Agreement shall continue irrespective of the fact that the liability of any Other Liable Party may have ceased, or irrespective of the validity or enforceability of the Note or any of the Security Documents, including the Note, to which any Other Liable Party may be a party, and notwithstanding the reorganization, death, incapacity or bankruptcy of any Other Liable Party, and notwithstanding the reorganization or bankruptcy of Debtor, or any other event or proceeding affecting Debtor or any Other Liable Party.

6.12 Cumulative Rights. The rights, powers and remedies of Secured Party hereunder shall be in addition to all rights, powers and remedies given by statute or rule of law and are cumulative. The exercise of any one or more of the rights, powers and remedies provided herein shall not be construed as a waiver of any other rights, powers and remedies of Secured Party. Furthermore, regardless of whether or not the Uniform Commercial Code is in effect in the jurisdiction where such rights, powers and remedies are asserted, Secured Party shall have the rights, powers and remedies of a secured party under the Code. Secured Party may exercise its bankers' Lien or right of set-off with respect to the Secured Obligations in the same manner as if the Secured Obligations were unsecured.

6.13 Exercise of Rights, Etc. Time shall be of the essence for the performance of any act under this Security Agreement or the Secured Obligations by Debtor or Other Liable Party, but neither Secured Party's acceptance of partial or delinquent payments nor any forbearance, failure or delay by Secured Party in exercising any right, power or remedy shall be deemed a waiver of any obligation of Debtor or of Other Liable Party or of any right, power or remedy of Secured Party or preclude any other or further exercise thereof; and no single or partial exercise of any right, power or remedy shall preclude any other or further exercise thereof, or the exercise of any other right, power or remedy.

6.14 Remedy and Waiver. Secured Party may remedy any Default or Event of Default without waiving the Default or Event of Default or waiving any prior or subsequent Default or Event of Default.

6.15 Non-Judicial Remedies. Secured Party may enforce its rights hereunder without prior judicial process or judicial hearing, and Debtor expressly waives, renounces and knowingly relinquishes any and all legal rights which might otherwise require Secured Party to enforce its rights by judicial process. In so providing for non-judicial remedies, Debtor recognizes and concedes that such remedies are consistent with the usage of the trade, are responsive to commercial necessity, and are the result of bargain at arm's length. Nothing herein is intended to prevent Secured Party or Debtor from resorting to judicial process at any party's option.

6.16 Compliance with Other Laws. Secured Party may comply with the requirements of any applicable Laws in connection with the disposition of all or any part of the Collateral, and compliance with such Laws will not be considered to adversely affect the commercial reasonableness of any sale of all or any part of the Collateral.

6.17 Disclaimer of Warranties. Secured Party may sell the Collateral without giving any warranties as to the Collateral. Secured Party may specifically disclaim any warranties of title or similar warranties. The disclaimer of any such warranties will not be considered to adversely affect the commercial reasonableness of any sale of all or any part of the Collateral.

6.18 Sales on Credit. If Secured Party sells all or any part of the Collateral upon credit, Debtor will be credited only with payments actually made by the purchaser, received by the Secured Party and applied against the Secured Obligations. In the event the purchaser fails to pay for the Collateral, Secured Party may resell the Collateral and Debtor shall be credited with the proceeds of such sale.

ARTICLE VII MISCELLANEOUS

7.1 Preservation of Liability. Neither this Security Agreement nor the exercise by Secured Party of (or the failure to so exercise) any right, power or remedy conferred herein or by Law shall be construed as relieving any Person liable on the Secured Obligations from liability on the Secured Obligations and for any deficiency thereon.

7.2 Notices. Any record, notice, demand or document which either party is required or may desire to give hereunder shall be in writing and given in accordance with Section 11.2 of the Note.

7.3 Choice of Law/Exclusive Venue. THIS SECURITY AGREEMENT HAS BEEN MADE IN AND THE SECURITY INTEREST GRANTED HEREBY IS GRANTED IN AND EACH SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK (EXCEPT TO THE EXTENT THAT THE LAWS OF ANY OTHER JURISDICTION GOVERN THE PERFECTION AND PRIORITY OF THE SECURITY INTEREST GRANTED HEREBY) WITHOUT REGARD TO ITS CONFLICTS OF LAWS PRINCIPLES.

7.4 Amendment and Waiver. This Security Agreement may not be amended (nor may any of its terms be waived) except in the manner provided in the Note.

7.5 Severability. If any provision of this Security Agreement is rendered or declared invalid, illegal or unenforceable by reason of any existing or subsequently enacted legislation or

by a judicial decision which shall have become final, Debtor and Secured Party shall promptly meet and discuss substitute provisions for those rendered invalid, illegal or unenforceable, but all of the remaining provisions shall remain in full force and effect

7.6 Survival of Agreements. All representations and warranties of Debtor herein, and all covenants and agreements herein not fully performed before the effective date of this Security Agreement, shall survive such date.

7.7 Counterparts. This Security Agreement may be executed in two or more counterparts, and it shall not be necessary that the signatures of all parties hereto be contained on any one counterpart hereof. Each counterpart shall be deemed an original, but all such counterparts taken together shall constitute one and the same instrument.

7.8 Successors and Assigns. The covenants and agreements herein contained by or on behalf of Debtor shall bind Debtor, Debtor's legal representatives, successors and assigns and all persons who become bound as a debtor to this Security Agreement and shall inure to the benefit of Secured Party, and its successors and permitted assigns.

7.9 Knowledge. Where any statement is made "to Debtor's knowledge," it is made to the best of Debtor's knowledge, after making due inquiry in good faith and with ordinary care. Inquiry to those Persons within Debtor's organization and among Debtor's consultants and contractors who are best situated to have information bearing on the statement made shall be deemed to have met this standard.

7.10 Titles of Articles, Sections and Subsections. All titles or headings to articles, sections, subsections or other divisions of this Security Agreement are only for the convenience of the parties and shall not be construed to have any effect or meaning with respect to the other content of such articles, sections, subsections or other divisions, such other content being controlling as to the agreement between the parties hereto.

7.11 WAIVER OF JURY TRIAL. TO THE MAXIMUM EXTENT NOT PROHIBITED BY LAW, EACH OF THE UNDERSIGNED, IN EXCHANGE FOR (AND ON THE CONDITION OF) THE SAME WAIVER BY BENEFICIARY, HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT WHICH IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY AT ANY TIME ARISING OUT OF, UNDER OR IN CONNECTION WITH THE NOTE, THIS SECURITY AGREEMENT OR THE OTHER SECURITY DOCUMENTS, OR ANY TRANSACTION CONTEMPLATED THEREBY, BEFORE OR AFTER MATURITY.

7.12 Interest. Secured Party, Debtor and the other Obligors intend to comply with all applicable usury Laws, whether existing on the date of this Security Agreement or to be enacted in the future. As such, and notwithstanding any provision of any Loan Document, no Loan Document will be construed to require the payment or permit the collection of interest in excess of the Highest Lawful Rate. If ever the performance of any provision of any Loan Document will result in the charging or collection of interest in excess of the Highest Lawful Rate, then the obligation to be fulfilled will, ipso facto, be reduced to the allowable limit. In addition, if Secured Party ever receives under any Loan Document anything of value as interest or that is

deemed to be interest under Law such that the amount of interest received by Secured Party would exceed the Highest Lawful Rate, then (i) the amount that would otherwise constitute excessive interest will instead be applied by Secured Party as a prepayment of the principal outstanding under the Note or on account of any other Obligations, and (ii) if no such principal amount or Obligations exists, then Secured Party will refund the excess amount to Debtor. In determining whether or not the interest paid or payable under the Loan Documents exceeds the Highest Lawful Rate, Debtor and Secured Party will, to the maximum extent permitted by Law, (i) characterize any non-principal payment as an expense, fee or premium rather than as interest, (ii) exclude voluntary prepayments and the effects of them, (iii) amortize, prorate, allocate and spread the total amount of interest actually paid throughout the full term of the indebtedness so that the actual rate of interest does not exceed the Highest Lawful Rate, and (iv) allocate interest between portions of the Obligations so that no portion will bear interest at a rate greater than that permitted by Law.

THIS SECURITY AGREEMENT, THE NOTE, THE NOTE AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES WITH RESPECT TO THE MATTERS ADDRESSED HEREIN AND THEREIN AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES. IN THE EVENT OF A CONFLICT BETWEEN THE TERMS OF THIS SECURITY AGREEMENT AND THE NOTE, THE TERMS OF THE NOTE SHALL CONTROL.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed by its duly authorized undersigned representative effective as of the date first written above.

DEBTOR:

TIACME, LLC,
a Kentucky limited liability company

By: 

Name: Daniel A. Roling

Title: President and CEO

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed by its duly authorized undersigned representative effective as of the date first written above.

SECURED PARTY:

ABACI CAPITAL LIMITED,

an exempted company incorporated with limited liability under the laws of the Cayman Islands

By: 

Name: Ian Phillips

Title: Director

Exhibit A

[Redacted – payables]

FIRST REPLACEMENT PROMISSORY NOTE AND SECURITY AGREEMENT

Principal Amount: **US\$115,300.00**
August 13, 2014

On July 1, 2014, **0955615 US INC.** (the "Borrower"), a Delaware corporation, executed a Promissory Note in the amount of \$115,300.00 in favor of **ABACI CAPITAL LIMITED** (the "Lender") (the "First Note"). Subject to approval from the TSX Venture Exchange, Borrower and Lender, for value received, agree that this Note amends and restates the First Note and is in replacement of the First Note:

FOR VALUE RECEIVED, does hereby promise to pay to the order of:

ABACI CAPITAL LIMITED of Suite 4210, 2nd floor, Canella Court,
48 Market Street, Camana Bay, PO Box 32203, Grand Cayman KY1-
1208, Cayman Islands (the "Lender")

the principal amount of this Note in accordance with the terms hereof, adjusted for any early repayment from time to time pursuant to the terms hereof. The outstanding principal amount of this Note from time to time is referred to herein as the "Outstanding Principal".

1. **Interest.** The Outstanding Principal has been advanced and shall bear interest at 10% per annum until paid in full. Interest will be computed on the actual number of days over a year composed of 360 days. Interest is due and payable on the Maturity Date.
2. **Maturity Date.** The Outstanding Principal shall become due and payable in full on October 2, 2014 (the "Maturity Date").
3. **Pre-Payment.** The Borrower may at any time and from time to time repay any amounts owing under this Note, in whole or in part, without notice or penalty of any nature or kind.
4. **Security.** The Borrower's obligations under this Note are expressly secured by Certificates of Deposit in the First Bank of Jasper, dated July 8, 2014, bearing account numbers and amounts as follows: (i) #3370595153 for \$187,500.00; (ii) #3370682282 for \$91,300.00; (iii) #3370671417 for \$413,000.00; and (iv) #3370576482 for \$192,900, and Borrower expressly grants to Lender, a security interest in the above Certificates of Deposit and all interest accruing thereon.
5. **Expenses.** Borrower agrees to pay to Lender, all advances, charges, costs and expenses (including attorneys' fees and legal expenses) incurred by Lender in connection with the transaction which gives rise to this Note. The amount of all such advances, charges, costs and expenses shall be due and payable by Borrower to Lender upon ten business days after invoice or demand by Lender together with interest thereon from the due date at interest rate provided in Section 1 above.
6. **Effecting Payment.** The Borrower shall make any payments hereunder in lawful money of the United States of America delivered to the Lender at the address of the Lender as specified above.

7. **Assignment.** The Lender shall not sell, assign, transfer, pledge, charge, hypothecate or otherwise dispose of or encumber this Note or any right or obligation thereto or therein, in whole or in part, without the express written consent of the Borrower, which consent may be withheld in the Borrower's sole discretion.

8. **Successors.** This Note shall enure to the benefit of and be binding upon the parties hereto and their respective and permitted legal representatives, successors and assigns.

9. **Governing Law.** This Note shall be construed in accordance with and governed by the laws of the State of New York.

10. **Business Days and Deadlines.** A reference to a business day shall refer to a day on which banks are ordinarily open for business in Knoxville, Tennessee. If a date or the last day of a period for performing an act referred to herein ends on a day that is not a business day, such date or the last day of the period for performing such act shall be extended to the end of the next following business day.

The Borrower hereby waives presentment for payment, notice of dishonour, protest and notice of protest in respect of this Note.

Signatures appear on the following page.

IN WITNESS WHEREOF this promissory note has been executed as at and with effect from the date first above written.

0955615 US INC.

By: 
DANIEL A. ROLING, CEO

FIRST REPLACEMENT PROMISSORY NOTE AND SECURITY AGREEMENT

Principal Amount: **US\$884,700.00**
August 13, 2014

On July 1, 2014, **0955615 US INC.** (the "Borrower"), a Delaware corporation, executed a Promissory Note in the amount of \$884,700.00 in favor of **ABACI CAPITAL LIMITED** (the "Lender") (the "First Note"). Subject to approval from the TSX Venture Exchange, Borrower and Lender, for value received, agree that this Note amends and restates the First Note and is in replacement of the First Note:

FOR VALUE RECEIVED, 0955615 US INC. (the "Borrower"), a Delaware corporation, does hereby promise to pay to the order of:

ABACI CAPITAL LIMITED of Suite 4210, 2nd floor, Canella Court,
48 Market Street, Camana Bay, PO Box 32203, Grand Cayman KY1-
1208, Cayman Islands (the "Lender")

the principal amount of this Note in accordance with the terms hereof, adjusted for any early repayment from time to time pursuant to the terms hereof. The outstanding principal amount of this Note from time to time is referred to herein as the "Outstanding Principal".

1. **Interest.** The Outstanding Principal has been advanced and shall bear interest at 10% per annum until paid in full. Interest will be computed on the actual number of days over a year composed of 360 days. Interest is due and payable on the Maturity Date.
2. **Maturity Date.** The Outstanding Principal shall become due and payable in full on October 2, 2014 (the "Maturity Date").
3. **Pre-Payment.** The Borrower may at any time and from time to time repay any amounts owing under this Note, in whole or in part, without notice or penalty of any nature or kind.
4. **Security.** The Borrower's obligations under this Note are expressly secured by Certificates of Deposit in the First Bank of Jasper, dated July 8, 2014, bearing account numbers and amounts as follows: (i) #3370595153 for \$187,500.00; (ii) #3370682282 for \$91,300.00; (iii) #3370671417 for \$413,000.00; and (iv) #3370576482 for \$192,900, and Borrower expressly grants to Lender, a security interest in the above Certificates of Deposit and all interest accruing thereon.
5. **Expenses.** Borrower agrees to pay to Lender, all advances, charges, costs and expenses (including attorneys' fees and legal expenses) incurred by Lender in connection with the transaction which gives rise to this Note. The amount of all such advances, charges, costs and expenses shall be due and payable by Borrower to Lender upon ten business days after invoice or demand by Lender together with interest thereon from the due date at interest rate provided in Section 1 above.

6. **Effecting Payment.** The Borrower shall make any payments hereunder in lawful money of the United States of America delivered to the Lender at the address of the Lender as specified above.

7. **Assignment.** The Lender shall not sell, assign, transfer, pledge, charge, hypothecate or otherwise dispose of or encumber this Note or any right or obligation thereto or therein, in whole or in part, without the express written consent of the Borrower, which consent may be withheld in the Borrower's sole discretion.

8. **Successors.** This Note shall enure to the benefit of and be binding upon the parties hereto and their respective and permitted legal representatives, successors and assigns.

9. **Governing Law.** This Note shall be construed in accordance with and governed by the laws of the State of New York.

10. **Business Days and Deadlines.** A reference to a business day shall refer to a day on which banks are ordinarily open for business in Knoxville, Tennessee. If a date or the last day of a period for performing an act referred to herein ends on a day that is not a business day, such date or the last day of the period for performing such act shall be extended to the end of the next following business day.

The Borrower hereby waives presentment for payment, notice of dishonour, protest and notice of protest in respect of this Note.

Signatures appear on the following page.

IN WITNESS WHEREOF this promissory note has been executed as at and with effect from the date first above written.

0955615 US INC.

By: 
DANIEL A. ROLING, CEO

FIRST REPLACEMENT SECURED PROMISSORY NOTE

Principal Amount: **US\$1,950,000.00**
August 13, 2014

On December 11, 2013, **NOVADX VENTURES CORP.** (the "Borrower"), a corporation organized under the laws of British Columbia, executed a Promissory Note in the amount of \$1,950,000.00 in favor of **ABACI CAPITAL LIMITED** (the "Lender") (the "First Note"). Subject to approval from the TSX Venture Exchange, Borrower and Lender, for value received, agree that this Note replaces, amends, restates and modifies the First Note and is in full replacement of the First Note:

FOR VALUE RECEIVED, NOVADX VENTURES CORP. (the "Borrower"), a Delaware corporation, does hereby promise to pay to the order of:

ABACI CAPITAL LIMITED of Suite 4210, 2nd floor, Canella Court,
48 Market Street, Camana Bay, PO Box 32203, Grand Cayman KY1-
1208, Cayman Islands (the "Lender")

the principal amount of this Note in accordance with the terms hereof, adjusted for any early repayment from time to time pursuant to the terms hereof. The outstanding principal amount of this Note from time to time is referred to herein as the "Outstanding Principal".

1. **Interest.** The Outstanding Principal has been advanced and shall bear interest at 10% per annum until paid in full. Interest will be computed on the actual number of days over a year composed of 360 days. Interest is due and payable on the Maturity Date.
2. **Maturity Date.** The Outstanding Principal shall become due and payable in full on December 11, 2014 (the "Maturity Date").
3. **Advances.** Lender has advanced the full Principal Amount per terms of the First Note.
4. **Pre-Payment.** The Borrower may at any time and from time to time repay any amounts owing under this Note, in whole or in part, without notice or penalty of any nature or kind.
5. **Security.** The Borrower's obligations under this Note are expressly secured by the collateral subject to the Security Agreement and Deeds of Trust between the parties and of even date herewith.
6. **Expenses.** Borrower agrees to pay to Lender, all advances, charges, costs and expenses (including attorneys' fees and legal expenses) incurred by Lender in connection with the transaction which gives rise to this Note. The amount of all such advances, charges, costs and expenses shall be due and payable by Borrower to Lender upon ten business days after invoice or demand by Lender together with interest thereon from the due date at interest rate provided in Section 1 above.

7. **Effecting Payment.** The Borrower shall make any payments hereunder in lawful money of the United States of America delivered to the Lender at the address of the Lender as specified above.

8. **Assignment.** The Lender shall not sell, assign, transfer, pledge, charge, hypothecate or otherwise dispose of or encumber this Note or any right or obligation thereto or therein, in whole or in part, without the express written consent of the Borrower, which consent may be withheld in the Borrower's sole discretion.

9. **Successors.** This Note shall enure to the benefit of and be binding upon the parties hereto and their respective and permitted legal representatives, successors and assigns.

10. **Governing Law.** This Note shall be construed in accordance with and governed by the laws of the State of New York.

11. **Business Days and Deadlines.** A reference to a business day shall refer to a day on which banks are ordinarily open for business in Knoxville, Tennessee. If a date or the last day of a period for performing an act referred to herein ends on a day that is not a business day, such date or the last day of the period for performing such act shall be extended to the end of the next following business day.

The Borrower hereby waives presentment for payment, notice of dishonour, protest and notice of protest in respect of this Note.

Signatures appear on the following page.

IN WITNESS WHEREOF this promissory note has been executed as at and with effect from the date first above written.

NOVADX VENTURES CORP.

By: 
DANIEL A. ROLING, CEO

FIRST REPLACEMENT SECURED PROMISSORY NOTE

Principal Amount: **US\$658,000.00**
August 13, 2014

On August 13, 2014, **NOVADX VENTURES CORP.** (the "Borrower"), a corporation organized under the laws of British Columbia, executed a Promissory Note in the amount of \$658,000.00 in favor of **ABACI CAPITAL LIMITED** (the "Lender") (the "First Note"). Subject to approval from the TSX Venture Exchange, Borrower and Lender, for value received, agree that this Note replaces, amends, restates and modifies the First Note and is in full replacement of the First Note:

FOR VALUE RECEIVED, NOVADX VENTURES CORP. (the "Borrower"), a Delaware corporation, does hereby promise to pay to the order of:

ABACI CAPITAL LIMITED of Suite 4210, 2nd floor, Canella Court,
48 Market Street, Camana Bay, PO Box 32203, Grand Cayman KY1-
1208, Cayman Islands (the "Lender")

the principal amount of this Note in accordance with the terms hereof, adjusted for any early repayment from time to time pursuant to the terms hereof. The outstanding principal amount of this Note from time to time is referred to herein as the "Outstanding Principal".

1. **Interest.** The Outstanding Principal has been advanced and shall bear interest at 10% per annum until paid in full. Interest will be computed on the actual number of days over a year composed of 360 days. Interest is due and payable on the Maturity Date.
2. **Maturity Date.** The Outstanding Principal shall become due and payable in full on October 2, 2014 (the "Maturity Date").
3. **Advances.** Lender has advanced the full Principal Amount per terms of the First Note.
4. **Pre-Payment.** The Borrower may at any time and from time to time repay any amounts owing under this Note, in whole or in part, without notice or penalty of any nature or kind.
5. **Security.** The Borrower's obligations under this Note are expressly secured by the collateral subject to the Security Agreement and Deeds of Trust between the parties and of even date herewith.
6. **Expenses.** Borrower agrees to pay to Lender, all advances, charges, costs and expenses (including attorneys' fees and legal expenses) incurred by Lender in connection with the transaction which gives rise to this Note. The amount of all such advances, charges, costs and expenses shall be due and payable by Borrower to Lender upon ten business days after invoice or demand by Lender together with interest thereon from the due date at interest rate provided in Section 1 above.

7. **Effecting Payment.** The Borrower shall make any payments hereunder in lawful money of the United States of America delivered to the Lender at the address of the Lender as specified above.

8. **Assignment.** The Lender shall not sell, assign, transfer, pledge, charge, hypothecate or otherwise dispose of or encumber this Note or any right or obligation thereto or therein, in whole or in part, without the express written consent of the Borrower, which consent may be withheld in the Borrower's sole discretion.

9. **Successors.** This Note shall enure to the benefit of and be binding upon the parties hereto and their respective and permitted legal representatives, successors and assigns.

10. **Governing Law.** This Note shall be construed in accordance with and governed by the laws of the State of New York.

11. **Business Days and Deadlines.** A reference to a business day shall refer to a day on which banks are ordinarily open for business in Knoxville, Tennessee. If a date or the last day of a period for performing an act referred to herein ends on a day that is not a business day, such date or the last day of the period for performing such act shall be extended to the end of the next following business day.

The Borrower hereby waives presentment for payment, notice of dishonour, protest and notice of protest in respect of this Note.

Signatures appear on the following page.

IN WITNESS WHEREOF this promissory note has been executed as at and with effect from the date first above written.

NOVADX VENTURES CORP.

By: 
DANIEL A. ROLING, CEO

FIRST REPLACEMENT SECURED PROMISSORY NOTE

Principal Amount:
August 13, 2014

US\$700,000.00

On January 17, 2014, **NOVADX VENTURES CORP.** (the "Borrower"), a corporation organized under the laws of British Columbia, executed a Promissory Note in the amount of \$700,000.00 in favor of **ABACI CAPITAL LIMITED** (the "Lender") (the "First Note"). Subject to approval from the TSX Venture Exchange, Borrower and Lender, for value received, agree that this Note replaces, amends, restates and modifies the First Note and is in full replacement of the First Note:

FOR VALUE RECEIVED, NOVADX VENTURES CORP. (the "Borrower"), a Delaware corporation, does hereby promise to pay to the order of:

ABACI CAPITAL LIMITED of Suite 4210, 2nd floor, Canella Court,
48 Market Street, Camana Bay, PO Box 32203, Grand Cayman KY1-
1208, Cayman Islands (the "Lender")

the principal amount of this Note in accordance with the terms hereof, adjusted for any early repayment from time to time pursuant to the terms hereof. The outstanding principal amount of this Note from time to time is referred to herein as the "Outstanding Principal".

1. **Interest.** The Outstanding Principal has been advanced and shall bear interest at 10% per annum until paid in full. Interest will be computed on the actual number of days over a year composed of 360 days. Interest is due and payable on the Maturity Date.
2. **Maturity Date.** The Outstanding Principal shall become due and payable in full on January 17, 2015 (the "Maturity Date").
3. **Advances.** Lender has advanced the full Principal Amount per terms of the First Note.
4. **Pre-Payment.** The Borrower may at any time and from time to time repay any amounts owing under this Note, in whole or in part, without notice or penalty of any nature or kind.
5. **Security.** The Borrower's obligations under this Note are expressly secured by the collateral subject to the Security Agreement and Deeds of Trust between the parties and of even date herewith.
6. **Expenses.** Borrower agrees to pay to Lender, all advances, charges, costs and expenses (including attorneys' fees and legal expenses) incurred by Lender in connection with the transaction which gives rise to this Note. The amount of all such advances, charges, costs and expenses shall be due and payable by Borrower to Lender upon ten business days after invoice or demand by Lender together with interest thereon from the due date at interest rate provided in Section 1 above.

7. **Effecting Payment.** The Borrower shall make any payments hereunder in lawful money of the United States of America delivered to the Lender at the address of the Lender as specified above.

8. **Assignment.** The Lender shall not sell, assign, transfer, pledge, charge, hypothecate or otherwise dispose of or encumber this Note or any right or obligation thereto or therein, in whole or in part, without the express written consent of the Borrower, which consent may be withheld in the Borrower's sole discretion.

9. **Successors.** This Note shall enure to the benefit of and be binding upon the parties hereto and their respective and permitted legal representatives, successors and assigns.

10. **Governing Law.** This Note shall be construed in accordance with and governed by the laws of the State of New York.

11. **Business Days and Deadlines.** A reference to a business day shall refer to a day on which banks are ordinarily open for business in Knoxville, Tennessee. If a date or the last day of a period for performing an act referred to herein ends on a day that is not a business day, such date or the last day of the period for performing such act shall be extended to the end of the next following business day.

The Borrower hereby waives presentment for payment, notice of dishonour, protest and notice of protest in respect of this Note.

Signatures appear on the following page.

IN WITNESS WHEREOF this promissory note has been executed as at and with effect from the date first above written.

NOVADX VENTURES CORP.

By: 
DANIEL A. ROLING, CEO

**EXTENSION AGREEMENT
OF PROMISSORY NOTE
MATURITY DATES**

This **EXTENSION AGREEMENT** is entered into this 18th day of ~~October~~^{November} 2014, by between and among, **ABACI CAPITAL LIMITED** of Suite 4210, 2nd floor, Canella Court, 48 Market Street, Camana Bay, PO Box 32203, Grand Cayman KY1-1208, Cayman Islands (the "**Lender**"), **NOVADX VENTURES CORP.**, a company duly formed and validly subsisting under the laws of British Columbia ("**Borrower No. 1**"), and **0955615 US INC** a Delaware corporation, ("**Borrower No. 2**"), (collectively herein referred to as "**Borrowers**").

WITNESSETH:

WHEREAS, **Lender** has advanced various loans to **Borrowers** with different maturity dates;

AND WHEREAS, **Lender** and **Borrowers** have agreed to extend the **Maturity Dates** on all loans owed by **Borrowers** to **Lender** subject to the terms and conditions contained in this Agreement.

NOW THEREFORE, for Ten and No/100 Dollars (\$10.00), in hand paid, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Subject to **Borrower** completing on or before November 21, 2014: a) the conversion of the unsecured loans from **Lender** into loans secured against assets of **Borrowers** and their subsidiaries; and, b) the transfer of 20,000,000 common shares of **Borrower No. 1** from Sandstorm Metals & Energy (US) Inc. to **Lender**, the **Maturity Date** on the following loans made by **Lender** to **Borrowers** shall be extended to a date which shall be the earlier of: a) a day which is 6 months from the date that the shares of **Borrower No. 1** resume trading on the TSX Venture Exchange; and b) **JUNE 1, 2015**:

<u>Date of Loan</u>	<u>Amount of Loan</u>	<u>Original Maturity Date</u>	<u>Borrower</u>
12-11-13	\$1,950,000.00	12-11-14	Borrower No. 1
01-17-14	\$ 700,000.00	01-17-15	Borrower No. 1
07-02-14	\$ 884,700.00	10-02-14	Borrower No. 2
07-02-14	\$ 115,300.00	10-02-14	Borrower No. 2
08-13-14	\$ 658,000.00	10-02-14	Borrower No. 1

2. All other terms and conditions of the Original Promissory Notes shall remain in full force and effect with the exception of the **Maturity Date** being extended herein.

IN WITNESS WHEREOF this promissory note has been executed as at and with effect from the date first above written.

(Signatures on following page.)

ABACI CAPITAL LIMITED

Per 
Authorized Signature

Printed: Ian Mills

Title: Director

NOVADX VENTURES CORP.

Per 
Authorized Signature

Printed: Daniel A. Roling

Title: President & CEO

0955615 US INC

Per 
Authorized Signature

Printed: Daniel A. Roling

Title: CEO