SECURITY AGREEMENT

For valuable consideration, HydraLogic Systems Inc. (the "**Grantor**") hereby agrees with StratBand Enterprises Ltd.. (the "**Lender**") as follows:

1. **Grant of Security Interest**. As general and continuing collateral security for the due payment and performance of the Liabilities, the Grantor pledges, mortgages, charges and assigns (by way of security) to the Lender, and grants to the Lender a continuing, specific and fixed security interest in, all the Grantor's undertaking and real and personal property, both present and future (including, without limitation, all Accounts (including Receivables), Books and Records, Chattel Paper, Documents of Title, Equipment, Goods, Instruments, Intangibles, Inventory, Investment Property, Money, and Securities, including all such property in which the Grantor now or in the future has any right, title or interest whatsoever, whether owned, leased, licensed, possessed or otherwise held by the Grantor, and all Proceeds thereof, wherever located (collectively, the "**Collateral**").

2. **Governing Law**. This Agreement is governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

3. **Chief Executive Office, Corporate Names and Location of Collateral**. The Grantor represents and warrants: (i) that its chief executive office for the purposes of the PPSA is located at 59 Penn Drive, Toronto, Ontario M9L 2A6; (ii) that it does not have any other places of business; (iii) that it does not carry on business under or use any name or style other than the name specified in this Agreement.

4. **Change of Name, Books and Records, Collateral Free of Liens**. The Grantor represents and warrants that it has all necessary corporate power, authority and capacity to own its assets including the Collateral and to grant a security interest in the Collateral. The Grantor covenants (i) that the Collateral is and at all times hereafter will be, free of any Lien except for any Permitted Liens; and (ii) that it shall not change its name as it appears in official filings in the jurisdiction of its organization or change its chief executive office, the location of the Collateral or the location of its Books and Records without giving the Lender 30 days' prior written notice. The Lender may, but shall have no obligation to, pay any amount required to remove any Lien and any amount so paid by the Lender shall be immediately reimbursed by the Grantor to the Lender. The Grantor agrees that, immediately upon the release of any Permitted Liens, it shall take all such action as is reasonably necessary to perfect a security interest in the released Collateral in favour of the Lender.

5. **Use of Collateral**. Without the prior written consent of the Lender, the Grantor shall not sell, lease or otherwise dispose of any of the Collateral except in the ordinary course of the Grantor's Business. All Proceeds, whether or not arising in the ordinary course of the Grantor's Business (including without limitation all Money received in respect of Receivables), will, from and after Default, be received by the Grantor as trustee for the Lender and shall be immediately paid to the Lender.

6. **Information and Inspection**. The Grantor will from time to time immediately furnish to the Lender in writing all information reasonably requested by the Lender relating to the Collateral. The Grantor will promptly, on request, advise the Lender of the Vehicle Identification Number of each Motor Vehicle at any time included in the Collateral. The Lender may, upon two Business Days prior verbal notice to the President of the Grantor, from time to time inspect any Books and Records and any Collateral, wherever located, and for that purpose the Lender shall, without charge, have access to each place where any of the Collateral is located and to all mechanical or electronic equipment, devices and processes where any thereof may be stored or from which any thereof may be retrieved.

7. **Receivables**. If the Collateral includes Receivables, the Lender may on Default advise any person liable to make any payment in respect thereof of the existence of this Agreement, and may from time to time while Default continues confirm the existence and the amount of the Receivables with such persons. Upon Default, the Lender may collect and otherwise deal with the Receivables in such manner and upon such terms as the Lender considers appropriate.

8. **Receipts**. Except as otherwise agreed, all Moneys received by the Lender as Proceeds of the Collateral may be applied on account of the Liabilities, or, at the option of the Lender, may be held unappropriated in a collateral account or released to the Grantor.

9. **Default**.

(1) Rights upon Default. Upon Default, the Lender shall have the following rights:

(a) Appointment of a Receiver. The Lender may by instrument in writing appoint any person as a receiver or receiver and manager (a "**Receiver**") of the Collateral or any part thereof. The Lender may from time to time remove or replace a Receiver or make application to any court of competent jurisdiction for the appointment of a Receiver. Any Receiver appointed by the Lender shall (for purposes relating to responsibility for the Receiver's acts or omissions) be considered to be the Grantor's agent. The Lender may from time to time fix the Receiver's remuneration. The Lender shall not be liable to the Grantor or any other person in connection with appointing or not appointing a Receiver or in connection with the Receiver's actions or omissions.

(b) Dealings with the Collateral. The Lender or a Receiver may take possession of all or any part of the Collateral and retain the same for as long as it considers appropriate, receive any rents and profits therefrom, carry on (or concur in carrying on) the Grantor's Business or any part thereof or refrain from doing so, borrow on the security of the Collateral, and sell or lease or concur in the selling or leasing of the Collateral. The Lender or a Receiver may (without charge and to the exclusion of all other persons including the Grantor) enter upon all or any of the places of Business.

(c) Realization. The Lender or a Receiver may use, collect, sell or otherwise dispose of, realize upon, release to the Grantor or other persons, and otherwise deal with the Collateral in such manner, upon such terms and at such times as the Lender or the Receiver considers appropriate.

(d) Application of Proceeds After Default. All Proceeds of Collateral received by the Lender or a Receiver may be applied to discharge or satisfy any reasonable expenses (including the Receiver's remuneration), charges, borrowings, taxes and other outgoings affecting the Collateral or which are considered advisable by the Lender or the Receiver to preserve, maintain or enhance the Collateral, or to keep in good standing any Liens on the Collateral ranking in priority to any Lien created by this Agreement. The balance of such Proceeds shall be applied to the Liabilities in such manner and at such times as the Lender considers appropriate and thereafter shall be accounted for as required by law.

(2) Other Legal Rights. Upon Default, the Lender will have, in addition to the rights specifically provided in this Agreement, the rights of a secured party under the PPSA, as well as the rights recognized at law and in equity. No right shall be exclusive of or dependent upon any other right and one or more of such rights may be exercised independently or in combination from time to time.

(3) Deficiency. The Grantor will remain liable to the Lender for payment of any Liabilities which are outstanding following realization of the Collateral or any part thereof.

10. **Lender not Liable**. The Lender shall not be liable to the Grantor or any other person for any failure or delay in exercising any of their rights under this Agreement including any failure to take possession of, collect, sell or otherwise dispose of any Collateral.

11. **Charges and Expenses**. The Grantor agrees to pay all reasonable costs and expenses (including without limitation legal fees on a solicitor and client basis) incurred by the Lender in connection with obtaining or discharging this Agreement or establishing or confirming the priority of the Liens created hereby, and by the Lender or any Receiver in exercising any remedy under this Agreement including preserving, preparing for disposition and disposing of the Collateral and in operating the Grantor's Business. All such amounts shall from the date of disbursement be deemed advanced to the Grantor by the Lender and shall be deemed to be Liabilities secured hereby and shall bear interest from time to time at the highest interest rate then applicable to any of the Liabilities and shall be reimbursed by the Grantor to the Lender upon demand.

12. **Further Assurances**. The Grantor will from time to time immediately upon request by the Lender take such action, including the signing of financing statements and financing change statements, further assignments and other documents and the registration of this Agreement against any real property of the Grantor, as the Lender may reasonably require in connection with the Collateral or as the Lender may reasonably consider necessary to give effect to this Agreement. If permitted by law, the Grantor waives the right to sign any financing statement or financing change statement relating to this Agreement. The Grantor irrevocably appoints each officer of the Lender as the Grantor's attorney (with full powers of substitution and delegation) to sign, upon Default, all documents required to give effect to this section.

13. **Dealings by the Lender**. The Lender may from time to time, in writing, grant extensions of time and other indulgences, take and give up any Lien, abstain from taking, perfecting or registering any Lien, accept compositions, grant releases and discharges and otherwise deal with the Grantor, Borrowers of the Grantor, guarantors and others, and with the Collateral, as the Lender considers appropriate without affecting the Grantor's obligations to the Lender or the Lender's rights hereunder.

14. **Release of Grantor**. Upon the written request of the Grantor given at any time on or after the Release Date, the Lender shall, at the expense of the Grantor, release the Grantor and the Collateral from the Security Interests and such release shall serve to terminate any licence granted in this Agreement. Upon such release, and at the request and expense of the Grantor, the Lender shall execute and deliver to the Grantor such releases and discharges as the Grantor may reasonably request.

15. **Definitions**. In this Agreement:

"**Accessions**, "**Accounts**", "**Chattel Paper**", "**Consumer Goods**", "**Document of Title**", "**Equipment**", "**Goods**", "**Instrument**", "**Intangible**", "**Inventory**", "**Investment Property**", "**Money**", "**Motor Vehicle**", "**Proceeds**", "**Purchase-Money Security Interest**", "**Security**", "**Security Interest**" and "**Vehicle Identification Number**" have the respective meanings given to them in the PPSA;

"**Business**" means the money remittance and other businesses, operations, technology and-facilities of the Grantor including the goodwill appurtenant to such businesses and assets thereof and the furnishing of services to customers therewith;

"**Books and Records**" means all books, records, files, papers, disks, documents and other repositories of data recording, evidencing or relating to the Collateral to which the Grantor (or anyone on the Grantor's behalf) has access;

"**Business Day**" means a day on which banks are open in the city of Toronto, Ontario;

"**Default**" means the occurrence of any "Event of Default" as defined in the Investment Agreement;

"**Documents**" means the Loan Agreements or other closing documents that may be amended, supplemented, restated or replaced from time to time;

"**Loan Agreement**" means the Loan Agreement between HydraLogic Systems Inc. and the Lender dated November 24, 2011;

"**Liabilities**" means all present and future indebtedness, liabilities and obligations of any and every kind, nature and description (whether direct or indirect. joint or several, absolute or contingent, matured or unmatured) of the Grantor to the Lender under, in connection with or with respect to the Documents, including (i) the prompt payment of all amounts now or subsequently owing by the Grantor to the Lender under, in connection with or with respect to the Documents including all obligations and any unpaid balance in connection therewith; and (ii) the strict performance and observance by the Grantor of all agreements, warranties, representations, covenants, and conditions of the Grantor made pursuant to the Documents;

"**Lien**" means any charge, mortgage, pledge, lien, hypothec, security interest or other encumbrance;

"**Permitted Liens**" means any and all security interests granted by:

(a) HydraLogic Systems Inc. in favour of IKON Office Solutions pursuant to PPSA and registered under file number 897146595; and

(b) HydraLogic Systems Inc., in favour of future third party lenders in connection with indebtedness up to an aggregate amount of $75,000, provided that any such indebtedness incurred shall be junior to the Promissory Note granted to the Lender hereunder, and shall be consented to, in writing, by the Lender.

"**PPSA**" means the *Personal Property Security Act* (Ontario) and includes such legislation as amended from time to time and all regulations from time to time made thereunder;

"**Receivables**" means all debts, claims, choses in action, including Accounts and Chattel Paper now or hereafter due or owing to or owned by the Grantor; and

"**Release Date**" means the date on which all the Liabilities have been indefeasibly paid and discharged in full and the Lender has no further obligations to the Grantor under the Documents pursuant to which further Liabilities might arise;

16. **General.**

(1) Reservation of the Last Day of any Lease. The Liens created by this Agreement shall not extend to the last day of the term of any lease or agreement for lease; however, the Grantor will hold such last day in trust for the Lender and, upon the exercise by the Lender of any of its rights under this Agreement following Default, will assign such last day as directed by the Lender.

(2) Consumer Goods. The Liens created by this Agreement do not attach to Consumer Goods.

(3) Fixed Nature of Security Interest and Attachment of Security Interest. The security interest granted in clause 1 of this Agreement is intended to operate as a fixed and specific charge on all of the Collateral presently existing and with respect to all future Collateral, to operate as a fixed and specific charge of such future Collateral. The Grantor acknowledges that value has been given. The Security Interests created by this Agreement are intended to attach (a) to Collateral existing when the Grantor signs this Agreement, and (b) to Collateral subsequently acquired by the Grantor, immediately upon the Grantor acquiring any rights therein. The parties do not intend to postpone the attachment of any Security Interest hereby created.

(4) Severability; Headings. Any provision of this Agreement that is void or unenforceable in any jurisdiction is, as to that jurisdiction, ineffective to that extent without invalidating the remaining provisions of this Agreement. The

headings in this Agreement are for convenience only and do not limit or extend the provisions of this Agreement.

(5) Copy of Agreement. The Grantor acknowledges receipt of a copy of this Agreement.

(6) Notice. Subject to the requirements of applicable law, all notices that are required or permitted hereunder shall be in writing and shall be sufficient if personally delivered or sent by registered or certified mail, facsimile message, or Federal Express or other nationally recognized overnight delivery service. Any notices shall be deemed given upon the earlier of the date when received at, or the third day after the date when sent by registered or certified mail or the day after the date when sent by Federal Express or facsimile to the address or facsimile number set forth below, unless such address or facsimile number is changed by written notice to the other Party:

(a) to the Grantor at:

HydraLogic Systems Inc..
59 Penn Drive
Toronto, Ontario M9L 2A6

Attn: Michael Beckley
Facsimile: 705-735-9540
Email: beckley@hydralogic.ca

with a required copy to: (which shall not constitute notice)

Blaney McMurtry LLP
2 Queen Street East, Suite 1500
Toronto, Ontario M5C 3G5

Attn: Patrick Cummins
Facsimile: 416-593-5437
Email: pcummins@blaney.com

(b) To the Lender at:

StratBand Enterprises Ltd.
9251 Young Street, Suite 8285
Richmond Hill, Ontario L4C 9T0

Attn: Earl Marek
Facsimile: ________________
e-mail: earlmarek@gmail.com

with a copy to (which shall not constitute notice):

Alliance Legal Partners, Inc.
9 Chatelaine
Newport Coast, CA 92657

Attention:	Jeffrey Marks
Facsimile:	(714) 464-5382
e-mail:	jlaw@cox.net

(7) Assignment. This Agreement shall enure to the benefit of and be binding upon the Lender and the Grantor and their respective heirs, executors, administrators; successors and permitted assigns. Neither Party shall assign this Agreement without the prior written consent of the other, except that the Lender may assign this Agreement to an affiliate at any time and without restriction.

(8) Statutory Waiver. To the fullest extent permitted by law, the Grantor waives all of the rights, benefits and protections given by the provisions of any existing or future statute which imposes limitations upon the powers, rights or remedies of a Lender or upon the methods of realization of security, including any seize or sue or anti-deficiency statute or any similar provisions of any other statute.

(9) Entire Agreement. This Agreement, together with the Documents, constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior agreements, negotiations, discussion and understanding, written or oral, between the Parties. Except as specifically set forth in this Agreement, and the Documents, there are no representations, warranties, covenants, conditions, or other agreements or acknowledgements, whether direct or indirect, express or implied, that form part of or affect this Agreement, or which induced any Party to enter into this Agreement or on which reliance is placed by any Party.

(10) If Grantor defaults under this Agreement, Grantor shall pay to the Lender all reasonable attorneys' fees, plus all other reasonable expenses, incurred by the Lender in exercising any of its rights and remedies.

[signature page follows]

The Grantor has signed this Agreement effective the 24th day of November, 2011.

HydraLogic Systems Inc.

By: ______________________________
Name: Michael Beckley
Title: President