

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Circul-Aire Inc.		05/29/2006	COMPANY: CANADA

RECEIVING PARTY DATA

Name:	HSBC Bank Canada
Street Address:	2001 McGill College Avenue
Internal Address:	Suite 150
City:	Montreal, Quebec
State/Country:	CANADA
Postal Code:	H3A 1G1
Entity Type:	COMPANY: CANADA

PROPERTY NUMBERS Total: 4

Property Type	Number	Word Mark
Registration Number:	1801779	CIRCUL-AIRE
Serial Number:	76239540	DESIGNER INDOOR AIR
Serial Number:	76239541	DIA DESIGNER INDOOR AIR
Registration Number:	1326509	MULTI-MIX

CORRESPONDENCE DATA

Fax Number: (212)949-9190
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 2129499022
 Email: LBAILEY@LAWABEL.COM
 Correspondent Name: VICTOR M. TANNENBAUM
 Address Line 1: 666 THIRD AVENUE
 Address Line 4: NEW YORK, NEW YORK 10017

DOMESTIC REPRESENTATIVE

CH \$115.00 1801779

Name: Abelman Frayne & Schwab
Address Line 1: 666 Third Avenue
Address Line 4: New York, NEW YORK 10017

NAME OF SUBMITTER:	VICTOR M. TANNENBAUM
Signature:	/VMT/
Date:	07/11/2006

Total Attachments: 11
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HSBC Bank Canada

HYPOTHEC ON MOVEABLE PROPERTY

Form 8072014 (06-1999)

I. Hypothec

1. For good and valuable consideration, the undersigned ("Customer") hereby grants to **HSBC Bank Canada** ("Bank") a hypothec on and a security interest in the following property ("mortgaged property"), for the sum of Fifteen Million Dollars (\$15,000,000), with interest at the rate of 25% per annum from the date hereof:

"All movable property and assets of the Customer corporeal and incorporeal, present and future, wherever situated, including without limitation all trade-marks, patents and other intellectual property set forth in Schedule I hereof."

2. The following property constitutes "mortgaged property" and, to the extent that it is not already specifically included in the property described in paragraph 1, is also charged by the hypothec and security interest constituted hereunder:
 - (a) the proceeds of any sale, lease or other disposition of the property described in paragraph 1, any debt resulting from such sale, lease or other disposition, as well as any property acquired to replace the mortgaged property, the Customer not being hereby permitted to dispose of the mortgaged property in violation of the provisions hereof;
 - (b) any insurance or expropriation indemnity payable in respect of the mortgaged property;
 - (c) any rights attached to the mortgaged property, as well as the fruits and revenues produced thereby;
 - (d) where the property described in paragraph 1 includes shares or securities, all shares and securities issued in replacement of these shares or securities;
 - (e) all deeds, documents, registers, invoices and books of account evidencing the mortgaged property or relating thereto.

II. Obligations Secured

1. This hypothec and security interest are granted to secure all indebtedness and other obligations of the Customer to the Bank arising from this deed and from the following guarantee and any renewal or replacement thereof or substitution therefor:

“guarantee granted by the Customer in favour of the Bank dated _____, 2006 of the liability and indebtedness of Dectron Internationale Inc., Dectron Inc., RefPlus Inc., Thermoplus Air Inc., Cascade Technologies Inc. and Purafil Canada Ltd.”

2. This hypothec and security interest are also granted to secure all other present and future, direct and indirect, obligations of the Customer to the Bank.
3. This hypothec and security interest are also granted to secure all indebtedness and other obligations of _____ N/A _____ to the Bank arising from the following credit facility and any renewal or replacement thereof or substitution therefor:

III. Representations

The Customer represents and warrants the following:

1. The Customer owns the mortgaged property free and clear of all real rights, hypothecs and security interests other than with respect to existing hypothecary rights of Business Development Bank of Canada on certain movable properties and patents.
2. The mortgaged property is situated in the Province of Quebec, except for the property described in section “C” of the attached schedule.
3. The mortgaged property is not intended to be used in more than one province or country, except for the property described in section “D” of the attached schedule.
4. The Customer's head or registered office (or domicile, if the Customer is an individual) is located at the address indicated in section “E” of the attached schedule.

IV. Covenants

1. The Customer shall inform the Bank without delay of any change in or to the Customer's name or to the veracity of the representations made in Article III.

2. The Customer shall pay, when due, all duties, taxes and charges relating to the mortgaged property and, unless otherwise agreed upon in writing by the Bank, any debt which could rank prior to the hypothec and security interest constituted hereunder. The Customer will furnish to the Bank, on demand, evidence that the payments described herein have been made.
3. The Customer shall insure the mortgaged property and keep it constantly insured for its full insurable value against damage caused by theft, fire and all other risks against which a prudent administrator would insure the mortgaged property. The Bank is hereby designated as the beneficiary of the indemnities payable under and in virtue of these policies and the Customer shall cause such designation to be inscribed in the policies. The Customer shall provide the Bank with a copy of each policy and, at least thirty (30) days prior to the expiration or cancellation of a policy, a copy of the renewal or replacement thereof.
4. The Customer shall do all things and sign all documents necessary for the hypothec and security interest constituted hereunder to have full effect and be constantly perfected and enforceable against third parties.
5. The Customer shall protect, use and adequately maintain the mortgaged property and exercise its activities in such a manner as to preserve its value. The Customer shall fully comply with all laws and regulations applicable to the operation of its enterprise and to the mortgaged property, including without limitation environmental laws and regulations.
6. The Customer shall keep all books, records and accounts that a prudent administrator would keep with respect to the mortgaged property and shall permit the Bank to examine and obtain copies of same.
7. The Customer shall keep the mortgaged property free of all real rights, hypothecs and security interests, save those to which the Bank has consented in writing.
8. The Customer shall not dispose of the mortgaged property or lease same, unless the Bank consents thereto in writing. However, the Customer may, if not in default hereunder, sell or lease its inventory in the ordinary course of carrying on its enterprise.
9. The Customer shall not change the use, destination or nature of the mortgaged property nor remove the mortgaged property from its present location, unless the Bank consents thereto in writing. If the Customer is a corporation, the Customer shall not amalgamate with another person nor commence winding-up proceedings, without the written consent of the Bank.
10. Where the mortgaged property includes inventory or accounts receivable, the Customer shall furnish to the Bank monthly a statement of the value of its inventory (calculated at the lesser of cost or market value) and a list of its accounts receivable indicating their amount and age.

11. The Customer shall furnish to the Bank all information reasonably required by it with respect to the mortgaged property or the Customer's compliance with the covenants and obligations contained herein. The Customer shall inform the Bank of any fact or event which could adversely affect the value of the mortgaged property or the financial condition of the Customer.
12. The Customer shall pay all costs related to this hypothec, including the costs incurred to perfect the rights of the Bank hereunder.
13. The Customer shall reimburse the Bank for all costs and expenses incurred by the Bank to exercise its rights or to fulfil the obligations of the Customer, with interest at the prime rate of the Bank in effect from time to time, plus 3%. The prime rate of the Bank is the annual rate it announces as its reference rate for determining the rate of interest on loans in Canadian dollars it makes in Canada.

V. Rights of the Bank

1. The Bank may inspect or appraise the mortgaged property from time to time at the Customer's expense and shall be permitted access to the premises where the mortgaged property is located and to the Customer's places of business for that purpose. The Customer shall also permit the Bank to examine and take copies of all books of account and documents relating to the mortgaged property.
2. The Bank may, without being bound to do so, fulfil any or all the obligations of the Customer hereunder.
3. The Customer may collect all debts forming part of the mortgaged property until the Bank withdraws its authorization for the Customer to do so but the Customer must deposit all sums collected into its account at the Bank unless the Bank otherwise consents. Upon such withdrawal, the Bank may collect such debts and shall be entitled to a reasonable commission which it may deduct from amounts collected.
4. Where the mortgaged property included shares or securities, the Bank may, without being bound to do so, cause itself or its nominee to be registered as the holder of these shares or securities and exercise any right attached thereto, including any right to vote and any right of conversion or redemption.
5. If the Bank has possession of the mortgaged property, it shall have no obligation to maintain the use for which the mortgaged property is normally intended nor to make it productive nor to continue its use or operation.

6. The Customer constitutes and appoints the Bank its irrevocable attorney, with power of substitution, in order to do any act and to sign any document necessary or useful to the exercise of the rights conferred on the Bank hereunder.
7. The rights conferred on the Bank under this Article V may be exercised by the Bank before or after default by the Customer hereunder.

VI. Defaults and Recourses

1. The Customer shall be in default in each and every one of the following events:
 - (a) If any or all of the indebtedness or other obligations secured under this deed are not paid or performed when due;
 - (b) If any of the representations made in Article III is untrue;
 - (c) If the Customer does not fulfil any of its obligations hereunder;
 - (d) If the Customer is in default under any other contract or agreement between it and the Bank or under any other hypothec or security agreement affecting the mortgaged property;
 - (e) If the Customer ceases to carry on its business, becomes insolvent or bankrupt; or
 - (f) If any or all of the mortgaged property is seized or is subject to a taking of possession by a creditor, a receiver or any other person performing similar functions.
2. Upon the Customer's default, the Bank may terminate any obligation it may have to grant credit or make advances to the Customer and declare exigible all obligations of the Customer which are not yet due. The Bank may also exercise all legally available recourses upon such default and may realize its hypothec and security interest in accordance with the hypothecary rights provided in the Civil Code of Quebec.
3. In order to realize its hypothec and security interest, the Bank may use the premises where the mortgaged property and other property of the Customer are situated at the expense of the Customer. Where the mortgaged property includes debts or rights of action, the Bank may compromise or transact with the debtors of these debts or rights of action and may grant releases and discharges thereto. Where the mortgaged property includes inventory, the Bank may complete the manufacture of such inventory and do all things necessary or useful to its sale.

VII. Additional Hypothec

To secure the payment of interest not secured by the hypothec created at Article I and to further secure the performance of its obligations hereunder, the Customer hypothecates all of the property described at Article I for an additional amount equal to twenty percent (20%) of the principal amount of the hypothec set forth in that Article.

VIII. General Provisions

1. The hypothec and security interest created hereby are in addition to and not in substitution for any other hypothec or security interest held by the Bank.
2. This hypothec and security interest are continuing security and shall subsist notwithstanding the payment from time to time, in whole or in part, of any of the obligations secured hereby.
3. In each case provided in paragraph 1 of Article VI, the Customer shall be in default by the mere lapse of time, without the necessity of any notice or demand.
4. If the word "Customer" designates more than one person, each such person shall be jointly and severally liable to the Bank for the fulfilment of the obligations provided herein.
5. Any sum collected by the Bank in the exercise of its rights may be held by the Bank, as mortgaged property, or may be applied to the payment of the obligations secured hereby, whether or not due. The Bank shall have the choice of how any such sum will be applied.
6. The exercise by the Bank of any recourse shall not preclude the Bank from exercising any other recourse provided hereunder or by law. All the recourses of the Bank are cumulative and not alternative. The failure of or forbearance by the Bank to exercise any recourse hereunder does not constitute a renunciation to the later exercise of such recourse. The Bank may exercise its recourses hereunder without being required to exercise any recourse against any other person liable for the payment of the obligations secured hereby or to realize any other security held for the payment of such obligations.
7. The Bank is only required to exercise reasonable care in the exercise of its rights and the performance of its obligations and, in any event, is only liable for its intentional fault or gross negligence.
8. The Bank may delegate the exercise of its rights or the performance of its obligations hereunder to another person. In that event, the Bank may furnish that person with any information it may have concerning the Customer or the mortgaged property.

9. "Dollars" or "\$" means Canadian dollars, unless the context requires otherwise.
10. The rights of the Bank hereunder shall benefit any successor of the Bank, including any person resulting from the amalgamation of the Bank with any other person.
11. Any notice to the Customer may be given at the address indicated below or any other address communicated in writing by the Customer to the Bank.
12. This deed shall be governed and interpreted by the law in force in the Province of Quebec.
13. The parties hereto have expressly required that this agreement be drafted in English. Les parties aux présentes ont expressément exigé que la présente entente soit rédigée en anglais.

EXECUTED in Montreal, this 31st day of May, 2006.

Witness:



CIRCUL-AIRE INC.

Per: 

Address of the Customer

3999 Côte Vertu Boulevard
St-Laurent, Quebec
H4R 1R2

Schedule to the Hypothec on Moveable Property Executed this 21st day
of July, 2006 between HSBC Bank Canada
and the Undersigned Customer.

- A. Additional description of the mortgaged property:
N/A
- B. Real rights, hypothecs or security interests encumbering the mortgaged property:
N/A
- C. Description of the property not situated in the Province of Quebec:
N/A
- D. Description of the property intended to be used in more than one province or country:
N/A
- E. Address of the Customer's head or registered office (or his/her domicile, if the Customer is an individual):


3999 Côte-Vertu Boulevard, St-Laurent, Quebec H4R 1R2

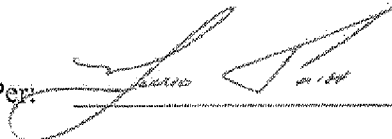
This schedule forms an integral part of the above-mentioned deed.

EXECUTED in Montreal, this 21st day of July, 2006.

Witness:

CIRCUL-AIRE INC.



Per: 

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SCHEDULE 1

(See attached)

Circul-Aire Inc. – Trade Marks (Canada)

TRADE-MARK	FILED	APPL. #	REG. DATE	REG. #
CA & Design	14-10-1975	390,600	07-01-1977	218,191
Circul-Aire	06-02-2002	1130390	29-09-2005	649,325
Circul-Aire	17-12-1980	463,033	25-06-1982	270,639
Designer Indoor Air	11-10-2000	1078828	04-11-2005	652,267
DIA Designer Indoor Air & Design	11-10-2000	1078829	02-11-2005	652,137
E & Design	13-07-1981	0472472	16-12-1983	285,871
Ecosaire	10-10-2003	1193337		
Indoor Air Security	30-10-2003	1195699		
MM Multi-Mix	27-05-1983	504,154	22-06-1984	292,313
Multi-Mix	12-12-1983	0513704	24-08-1984	294,360
Multi-Mix Communications				551,083 Radiée
Supervisaire	10-10-2003	1193336		
Surveyor	27-05-1992	705,738	11-11-1994	435,272
Surveyor Plus	27-05-1992	705,750	11-11-1994	435,273
Test Tube Design	11-10-2000	1078827		
Thermo-Wright	24-04-1192	703,721	04-02-1994	422,968
Vent -X-Changer	05-04-1984	519,837	28-06-1985	304,148
Xcel-Air	14-10-2005	1275645		

Circuit-Aire Inc. - Trade Marks (USA)

TRADE-MARK	FILED	APPL. #	REG. DATE	REG. #
Circuit-Aire (U.S.)	22-01-1992	74/239,375	02-11-1993	1,801,779
Designer Indoor US Air (U.S.)	11-04-2001	76/239,540		
DIA Designer US Indoor Air (U.S.)	11-04-2001	76/239,541		
Multi-Mix (U.S.)	12-12-1983	513,704	26-03-1985	1,326,509
Surveyor Plus				1,932,435