

Form PTO-1594 (Rev. 12-11)  
OMB Collection 0651-0027 (exp. 04/30/2015)

U.S. DEPARTMENT OF COMMERCE  
United States Patent and Trademark Office

## RECORDATION FORM COVER SHEET TRADEMARKS ONLY

To the Director of the U. S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

### 1. Name of conveying party(ies):

6860966 Canada Inc.

- ☐ Individual(s)      ☐ Association  
☐ Partnership      ☐ Limited Partnership  
☒ Corporation- State: Canadian Corporation  
☐ Other \_\_\_\_\_

Citizenship (see guidelines) \_\_\_\_\_

Additional names of conveying parties attached? ☐ Yes ☒ No

### 3. Nature of conveyance/Execution Date(s) :

Execution Date(s) September 1, 2016

- ☐ Assignment      ☐ Merger  
☒ Security Agreement      ☐ Change of Name  
☐ Other \_\_\_\_\_

### 2. Name and address of receiving party(ies)

Additional names, addresses, or citizenship attached? ☐ Yes ☒ No

Name: BDC Capital Inc.

Street Address: 5 Place Ville-Marie, Suite 2220

City: Montreal

State: Quebec

Country: Canada Zip: H3B 5E7

- ☐ Individual(s) Citizenship \_\_\_\_\_  
☐ Association Citizenship \_\_\_\_\_  
☐ Partnership Citizenship \_\_\_\_\_  
☐ Limited Partnership Citizenship \_\_\_\_\_  
☐ Corporation Citizenship \_\_\_\_\_  
☒ Other Bank \_\_\_\_\_ Citizenship Canada

If assignee is not domiciled in the United States, a domestic representative designation is attached: ☐ Yes ☒ No  
(Designations must be a separate document from assignment)

### 4. Application number(s) or registration number(s) and identification or description of the Trademark.

A. Trademark Application No.(s) \_\_\_\_\_ Text \_\_\_\_\_

B. Trademark Registration No.(s)

3549188, 4333518

Additional sheet(s) attached? ☐ Yes ☒ No

C. Identification or Description of Trademark(s) (and Filing Date if Application or Registration Number is unknown):

### 5. Name & address of party to whom correspondence concerning document should be mailed:

Name: Kaufman Laramée L.L.P.

Internal Address: Kim Toffoli

Street Address: 800 René-Lévesque Blvd. West  
Suite 2220

City: Montreal

State: Quebec Zip: H3B 1X9

Phone Number 514-871-5313

Docket Number: 12529-55

Email Address: ktoffoli@klcanada.com

### 6. Total number of applications and registrations involved:

2

### 7. Total fee (37 CFR 2.6(b)(6) & 3.41) \$65.00

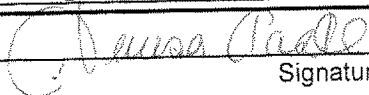
- ☐ Authorized to be charged to deposit account  
☒ Enclosed

### 8. Payment Information:

Deposit Account Number see PTO-2038

Authorized User Name \_\_\_\_\_

### 9. Signature:



Signature

Me Genesa Clarke, attorney

Name of Person Signing

2016-09-06

Date

Total number of pages including cover sheet, attachments, and document: 17

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to:  
Mail Stop Assignment Recordation Branch, Director of the USPTO, P.O. Box 1450, Alexandria, VA 22313-1450

**TRADEMARK**

700519519

REEL: 005872 FRAME: 0294

OP \$65.00 3549188

**COLLATERAL HYPOTHEC ON MOVABLE PROPERTY  
FOR PRESENT AND FUTURE OBLIGATIONS**

**A P P E A R E D:**

**BDC CAPITAL INC.**, a wholly-owned subsidiary of Business Development Bank of Canada, duly constituted in accordance with the *Canada Business Corporations Act*, having a place of business in the City of Montreal at 5 Place Ville-Marie, Suite 500, Province of Quebec, H3B 5E7, herein acting and represented by Mr. Louis-David Julien, its Managing Director, Growth & Transition Capital and Mr. Marc-André Crépeau, its Director, Growth & Transition Capital, hereunto duly authorized by a resolution of its sole shareholder, Business Development Bank of Canada, adopted on the 28<sup>th</sup> day of June, 2016, themselves represented by Kim Toffoli, of the law firm Kaufman Laramée L.L.P., pursuant to a power of attorney under private seal dated August 17, 2016; the certified extract of the resolution and the power of attorney are appended hereto as Schedule "A";

***The notice of address of BDC Capital Inc. is registered at the Personal and Movable Real Rights Registry Office under number 034336.***

("BDCC")

**A N D:**

**6860966 CANADA INC.**, a legal person duly incorporated having its head office located at 2760 Daniel-Johnson Blvd, in Laval, Province of Quebec, H7P 5Z7, represented hereto by Giacomo Dell'Accio, its President, duly authorized hereto by resolutions of the Board of Directors, a certified copy of which is appended hereto as Schedule "B";

(the "Debtor")

**WHO HAVE DECLARED AND AGREED AS FOLLOWS:**

**I. THE SECURED OBLIGATIONS**

The hypothec and security interest in this agreement are granted to secure:

- (a) all obligations, present and future, direct or indirect, absolute or contingent, matured or not, whether incurred alone or with any other person, in whatever capacity, as borrower, investee, guarantor or otherwise, of Essentia Group Inc. / Groupe Essentia Inc. (the "**Borrower**") towards BDCC, including, without limitation, all obligations of the Borrower towards BDCC under or pursuant to the Letter of Offer of Financing (to which the Debtor intervened) and its schedules issued by BDCC in favour of the Borrower on August 3, 2016 as amended pursuant to the Amendment Letter issued by BDCC in favour of the Borrower on August 16, 2016 (to which the Debtor intervened) (collectively, the "**Letter of Offer**") and all renewals, extensions, replacements, supplements or further amendments thereto, or substitutions or restatements thereof (a copy of the Letter of Offer is attached hereto as Schedule "C" to have effect as if stated herein at length); and
- (b) all obligations, present and future, direct or indirect, absolute or contingent, matured or not, incurred by the Debtor, whether alone or with any other person, towards BDCC.

(the "**Secured Obligations**").

Without limiting the generality of the foregoing, the Secured Obligations include, without limitation, all obligations incurred by the Debtor under or as a consequence of the following documents, as well as any renewals, replacements, additions or modifications, substitutions or reformulations made to them, where required:

- (a) The Letter of Offer;
- (b) Any other letter of offer, loan or credit agreement or any other document of similar nature, in relation to any other loan granted by BDCC to the Debtor from time to time;
- (c) Any guarantee granted from time to time by the Debtor to BDCC, including, without limitation, the guarantee executed by the Debtor in favour of BDCC on this day (the "**Guarantee**") (a copy of the Guarantee is attached hereto as Schedule "D" to have effect as if stated herein at length); and
- (d) The present deed.

## II. HYPOTHEC

1. To secure the performance and payment of the Secured Obligations, the Debtor hypothecates and creates a security interest in the following property (the "**mortgaged property**") for the sum of one million two hundred and fifty thousand dollars (\$1,250,000.00), with interest at the rate of twenty-five percent (25%) per annum from the date hereof. The terms "mortgaged property" also include the property described in paragraph 2.

### DESCRIPTION OF PROPERTY

All of the Debtor's movable property, corporeal and incorporeal, present and future, of whatever nature and wherever situated.

Without limiting the generality of the foregoing, the mortgaged property includes the universality of the intellectual property of the Debtor, present and future, including, without limitation, patents, trademarks, domain names, source codes, business names, trade names, licences, permits, copyrights, industrial designs, trade secret, know-how, goodwill and any other forms of intellectual property including those already known, including, without limitation, the intellectual property listed in Schedule "E" of this hypothec (the "**Intellectual Property**").

2. The following property, to the extent that it is not already included in the description in paragraph 1 above, is also charged by the hypothec and security interest constituted hereunder:
  - a) the proceeds of any sale, lease or other disposal of the property described in paragraph 1 hereinabove, any debt resulting from such sale, lease or other disposal, as well as any property acquired to replace the mortgaged property;
  - b) any insurance or expropriation proceeds payable in respect of the mortgaged property;
  - c) the principal and income of the mortgaged property as well as any rights, accessories and intellectual property attached to the mortgaged property;

- d) where the property described in paragraph 1 hereinabove includes shares or securities, all other shares and securities issued in replacement of these shares or securities; and
- e) all deeds, titles, documents, records, registers, invoices and books of account evidencing the mortgaged property or relating thereto.

### III. ADDITIONAL HYPOTHEC

To secure the payment of interest not already secured by the hypothec created in Article II and to further secure the performance and payment of the Secured Obligations hereunder, the Debtor hypothecates all of the property described or referred to in Article II for an additional amount equal to twenty percent (20%) of the principal amount of the hypothec created in Article II.

### IV. DEBTOR'S DECLARATIONS

The Debtor declares and warrants the following:

1. The Debtor is in compliance with all applicable laws, ordinances, regulations and policies, the breach of which could have an adverse effect on the Debtor's business or its ability to perform the Secured Obligations, including environmental laws and regulations.
1. The Debtor owns the mortgaged property and the mortgaged property is free and clear of all real rights, hypothecs or security other than the following:
  - a) a movable hypothec in the amount of \$300,000.00 granted in favour of Investissement Québec ("IQ") and registered at the *Registre des droits personnels et réels mobiliers* (the "RDPRM") on June 16, 2009 under number 09-0359121-0001, which shall be radiated forthwith;
  - b) a movable hypothec in the amount of \$1,200,000.00 granted in favour of Banque de Montreal ("BMO") and registered at the RDPRM on October 19, 2010 under number 10-0731625-0001, for which a cession of rank shall be granted by BMO in favour of BDCC in respect of the Intellectual Property;
  - c) a movable hypothec in the amount of \$480,000.00 granted in favour of Fonds AlterInvest II s.e.c. / AlterInvest II Fund L.P. and registered at the RDPRM on January 28, 2011 under number 11-0058175-0001, which shall be radiated forthwith;
  - d) a movable hypothec in the amount of \$1,200,000.00 granted in favour of IQ and registered at the RDPRM on November 28, 2011 under number 11-0917354-0001, which shall be radiated forthwith; and
  - e) a movable hypothec in the amount of \$1,200,000.00 (including the additional hypothec of 20%) granted by the Debtor in favour of IQ on this day, which shall rank pari-passu with BDCC in respect of the Intellectual Property of the Debtor.
3. The mortgaged property is and will be situated in the Province of Quebec, except for the following property: **N/A**

4. The mortgaged property is not intended to be used in more than one province or state, except for the following property: **N/A**
5. The Debtor's head or registered office is located at the following address: 2760 Daniel-Johnson Blvd., in Laval, Province of Quebec, H7P 5Z7, and the Debtor does not have any other places of business.
6. The Debtor represents and warrants that it does not own any patent, trademark, registered copyright or other Intellectual Property requiring registration other than the intellectual property set forth in Schedule "E". The Debtor undertakes by these presents to advise BDCC within a period of five (5) days from the filing of any Intellectual Property at the Canadian Intellectual Property Office and/or the United States Patent and Trademark Office and/or any other intellectual property office, in order for BDCC to perfect its security pursuant to the terms hereof.

**V. COVENANTS**

1. The Debtor shall inform BDCC without delay of any change to its name or to the contents of the representations made in Article IV. The Debtor shall provide at BDCC's request all original documents required to protect BDCC's right.
2. The Debtor shall pay, when due, all duties, taxes and charges relating to the mortgaged property, as well as any debt which could rank prior to the hypothec and security interest constituted hereby and shall provide to BDCC, on demand, evidence that the payments described herein have been made.
3. The Debtor 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. BDCC is hereby designated as the beneficiary of the indemnities payable under these policies. The Debtor shall cause such designation to be inscribed in the policies which must also contain the customary clauses protecting hypothecary creditors in the form approved by the Insurance Bureau of Canada. The Debtor shall provide BDCC with a copy of each policy and, at least thirty (30) days prior to the expiration or cancellation of a policy, the Debtor shall provide to BDCC evidence of the renewal or replacement thereof. Receipt by BDCC of such proceeds, whether or not remitted to or endorsed by the Debtor shall not reduce BDCC's rights and privileges unless said proceeds are applied expressly as a reduction of any outstanding balance and shall not in any case constitute novation.
4. The Debtor 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 Debtor shall protect and adequately maintain the mortgaged property and exercise its activities in such a manner as to preserve its value. The Debtor shall fully comply with all laws and regulations applicable to the operation of its business and to the mortgaged property, including without limitation environmental laws and regulations.

6. The Debtor shall keep all books, records and accounts which a prudent administrator would keep with respect to the mortgaged property; the Debtor shall permit BDCC to examine said books, records and accounts and to obtain copies of same.
7. The Debtor shall keep the mortgaged property free of all real rights, hypothecs or security interests, save those which BDCC has consented to in writing. The Debtor shall not give, grant, assume or permit to exist, any lien, hypothec, mortgage, security interest or other encumbrance on any of its assets that are subject to the hypothec and security interest constituted hereunder other than encumbrances agreed to in writing by BDCC and it shall not grant any licenses in or of its Intellectual Property other than as disclosed and consented to by BDCC.
8. The Debtor shall not sell, assign, dispose of the mortgaged property or lease same, including without limitation, the licensing of any Intellectual Property, unless BDCC consents thereto in writing. However, if not in default hereunder, the Debtor may sell its inventory or lease the mortgaged property at market conditions in the ordinary course of its business. Notwithstanding any such sale, assignment or disposal, the Debtor shall remain liable for the payment of the Secured Obligations and this agreement shall remain in full force and effect. Moreover, where a sale, assignment or disposal is made without BDCC's prior consent, BDCC shall be entitled to demand immediate repayment of the Secured Obligations, even if they are not yet due.
9. The Debtor shall neither change the use, destination or nature of the mortgaged property nor remove the mortgaged property from its present location unless BDCC consents thereto in writing, under reserve of paragraph 8 herein.
10. If the Debtor is a corporation, the Debtor shall not amalgamate with another person, nor proceed with an arrangement with its creditors, nor commence dissolution or liquidation proceedings, without the prior written consent of BDCC.
11. The Debtor shall provide BDCC with all information reasonably required by it to verify if the Debtor is in compliance with the covenants and obligations contained herein. The Debtor shall inform BDCC of any fact or event which could adversely affect the value of the mortgaged property or the financial condition of the Debtor.
12. The Debtor, with respect to the Intellectual Property, shall take all necessary steps and initiate all necessary proceedings, to maintain the registration or recording of the Intellectual Property, to defend the Intellectual Property from infringement and to prevent any licensed or permitted user from doing anything that may invalidate or otherwise impair the Intellectual Property.
13. The Debtor, with respect to copyrights forming part of the Intellectual Property, shall provide to BDCC waivers of the moral rights thereto executed by all contributors or authors of the copyrighted work.
14. The Debtor shall pay all costs incurred by BDCC with respect to this agreement and to any release relating thereto, including the

fees of BDCC's legal counsel and fees incurred in order to render BDCC's rights opposable to third parties.

15. On demand, the Debtor shall pay the amount of any loss suffered by BDCC due to the repayment before maturity of whole or part of the principal of the Secured Obligations, notwithstanding the cause of such repayment (including, where such repayment is made further to an event of default). The amount of this loss shall form part of the Secured Obligations.
16. The Debtor shall reimburse BDCC for all costs and expenses incurred by it in order to exercise its rights or to fulfill the obligations of the Debtor, the whole with interest from the date the costs and expenses are incurred or paid by BDCC at an annual rate equal to the highest applicable rate pursuant to all loan documents in effect then between the Debtor and BDCC. The hypothec and security interest granted hereby under Article II hereof shall also secure the reimbursement of said costs and expenses as well as the payment of said interest. All such costs and expenses incurred or paid by BDCC, with interest thereon, shall form part of the Secured Obligations.
17. The Debtor shall at all times pay BDCC, at the latter's request, all judicial fees, charges or other legal expenses as well as extra judicial fees in accordance with the tariffs established under the *Bar Act* and its ensuing regulations, the expenses and fees of an agent or trustee, or any costs incurred in the course of ensuring fulfillment of all of the Debtor's obligations hereunder, protecting and realizing the assets given as security for the Secured Obligations, or appraising the assets during the life of any of the Secured Obligations or in the event of their liquidation.

In addition, the Debtor covenants to pay the costs of any appraiser and any environmental investigator engaged by BDCC to effect any inspection, appraisal, investigation or environmental audit of the secured assets during the life of any of the Secured Obligations or in the event of their liquidation, and the cost of any environmental rehabilitation, removal, or repair necessary to protect, preserve or remediate the secured assets, including any fine or penalty BDCC is obliged to incur by reason of any statute, order or direction by competent authority.

18. Where the mortgaged property includes inventory and accounts receivable, the Debtor shall provide BDCC monthly with a statement (by category) 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).

#### VI. ENVIRONMENT

The Debtor represents and agrees that:

- a) it operates and will continue to operate in conformity with all environmental laws and will ensure its staff is trained as required for that purpose;
- b) its assets are and will remain free of environmental damage or contamination;
- c) there has been no complaint, prosecution, investigation or proceeding with respect to the Debtor's business or assets;

- d) it will advise BDCC immediately upon becoming aware of any environmental problem;
- e) it will provide BDCC with copies of all communications with environmental officials and all studies or assessments prepared for the Debtor and does consent to BDCC contacting and making inquiries of officials or assessors.

**VII. RIGHTS OF BDCC**

1. BDCC may inspect or have the mortgaged property appraised from time to time at the Debtor's expense and for that purpose, the Debtor shall permit BDCC to access the premises where the mortgaged property is located and to the Debtor's places of business for that purpose. The Debtor shall also allow BDCC to examine all accounting records and documents relating to the mortgaged property and to obtain copies thereof.
2. BDCC may inspect and copy the Debtor's books and records, either at the Debtor's premises or at the financial advisor's premises. BDCC may contact and make inquiries with the Debtor's lessors as well as environmental officials, assessors, municipal authorities and any taxing body.

In addition to the reporting requirements set out herein, BDCC may require the opinion of an independent qualified auditor.

3. BDCC may, without being bound to do so, fulfill any or all of the obligations of the Debtor hereunder.
4. The Debtor may collect all debts forming part of the mortgaged property until BDCC withdraws its authorization to the Debtor to do so. Upon such withdrawal, BDCC may collect such debts and shall be entitled to a reasonable commission which it may deduct from any amounts collected.
5. Where the mortgaged property includes shares or securities, BDCC may, without being bound to do so, cause itself 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.
6. If BDCC has possession of the mortgaged property, it shall have no obligation to maintain the use for which the mortgaged property is normally intended, to make it productive or to continue its use or operation. However, BDCC may, without being bound to do so, sell the mortgaged property in its possession where the mortgaged property is likely to perish, depreciate or decrease in value.
7. The Debtor constitutes and appoints BDCC as its irrevocable attorney, with full power of substitution, to do any act and to sign any document necessary or useful to the exercise of the rights conferred on BDCC hereunder.
8. BDCC shall register assignments of the Intellectual Property, and shall have the right to use, sell, assign, license or sub-license any of the Intellectual Property.



9. The rights conferred on BDCC under this Article VII may be exercised by BDCC irrespective of whether the Debtor is or is not in default hereunder.

#### **VIII. DEFAULTS AND RECOURSES**

1. The Debtor shall be in default in each and every one of the following events:
- a) If the Debtor and/or the Borrower is in default with respect to the performance or payment of any of the Secured Obligations;
  - b) If any of the representations made in Article IV or warranty made herein is inaccurate or ceases to be accurate;
  - c) If the Debtor does not fulfill any one of its covenants hereunder;
  - d) If the Debtor and/or the Borrower is in default under the Letter of Offer, and/or any document evidencing the Secured Obligations, or is in default in respect of any loan with any other lender or creditor;
  - e) If the Debtor and/or the Borrower and/or any other guarantor of the Secured Obligations is in default under any other contract or agreement between it and BDCC, and/or any other lender or creditor and/or is in default under any other hypothec or security granted in favour of BDCC and/or any other lender or creditor which affects the mortgaged property;
  - f) If the Debtor and/or the Borrower ceases to carry on its business, becomes insolvent or bankrupt;
  - g) 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;
  - h) An order of execution against the Debtor's assets or any part thereof remains unsatisfied for a period of ten (10) days;
  - i) The Lessor under any lease to the Debtor of any immovable/real or moveable/personal property, has taken any steps to or threatens to terminate such lease, or otherwise exercises any of its remedies under such lease as a result of any default thereunder by the Debtor;
  - j) The Debtor causes or allows hazardous materials to be brought upon any land or premises occupied by the Debtor or incorporated into any of its assets without BDCC's prior consent, or if the Debtor causes, permits or fails to remedy any environmental contamination upon, in or under any of its lands or assets, or fails to comply with any abatement or remediation order given by a responsible authority;
  - k) Default under any operating permit, lease of land or movable property or personal property or in arrears of payment to any tax authority;

- l) Default under the Guarantee, and/or if any other guarantor defaults under any other guarantee granted in favour of BDCC to guarantee the obligations of the Borrower.
2. Upon the Debtor's default, BDCC may terminate any obligation it may have had to grant credit or make advances to the Borrower and/or the Debtor and declare exigible all obligations of the Borrower and/or the Debtor which are not yet due. Upon such default, BDCC may also exercise all recourses available to it under applicable law and realize on its hypothec and security interest, including enforcing the hypothecary rights provided in the *Civil Code of Quebec*.
3. In order to realize on its hypothec and security interest, BDCC may use the premises where the mortgaged property and other property of the Debtor are situated at the expense of the Debtor. Where the mortgaged property includes debts, BDCC may also compromise or transact with the debtors of these debts and may grant releases and discharges in respect of same. Where the mortgaged property includes inventory, BDCC may complete the manufacture of such inventory and do all things necessary or useful to its sale.

#### **IX. GENERAL PROVISIONS**

1. The hypothec and security interest created hereby are in addition to and not in substitution for any other hypothec or security held by BDCC.
2. This hypothec and security interest constitute continuing security which shall continue in effect notwithstanding any payment from time to time, in whole or in part, of the Secured Obligations. Furthermore, any new obligation of the Borrower and/or the Debtor towards BDCC secured hereby will be one for which the Debtor has obligated itself again in accordance with Article 2797 of the *Civil Code of Quebec*. The Debtor shall not, without BDCC's written consent, subrogate a third party in the hypothec or BDCC's rights hereunder.
3. In each case provided in paragraph 1 of Article VIII, the Debtor shall be in default by the mere lapse of time, without the necessity of any notice or demand.
4. Any sum collected by BDCC in the exercise of its rights may be held by BDCC as mortgaged property or may be applied to the payment of the obligations secured hereunder, whether or not yet due. BDCC shall have discretion as to how any such collected sum shall be applied.
5. BDCC shall not be bound to exercise its rights resulting from these presents and shall not be responsible for the non-exercise of such rights. The Debtor shall use its best efforts to ensure that the debts forming part of the mortgaged property be regularly paid and BDCC shall have no obligation to inform the Debtor of any payment irregularity which it may know of.
6. The exercise by BDCC of any of its rights shall not preclude BDCC from exercising any other right; all the rights of BDCC are cumulative and not alternative. The failure of or forbearance by BDCC to exercise any of its rights arising from this agreement shall

not constitute a renunciation to the later exercise of such right. BDCC may exercise its rights arising from this agreement without being required to exercise any right against the Debtor or against any other person liable for the payment of the obligations secured hereunder or to realize on any other security held for the payment of such obligations. No action or omission on the part of BDCC shall constitute or imply a renunciation of its rights to decide the Debtor is in default or to avail itself of its rights pursuant to such default, unless BDCC explicitly declares otherwise after the default has occurred.


7. BDCC shall only be required to exercise reasonable care in the exercise of its rights or the performance of its obligations hereunder and, in any event, shall only be liable for its intentional fault or gross negligence.
8. BDCC may delegate to another person the exercise of its rights or the performance of its obligations resulting from this agreement. In such a case, BDCC may provide that person with any information it may have concerning the Debtor or the mortgaged property.
9. The rights of BDCC hereunder shall also benefit any successor of BDCC, including any entity resulting from the amalgamation of BDCC with another entity.
10. Neither the signature of the present agreement, nor the registration of the rights created hereby shall constitute, nor be interpreted as an undertaking by BDCC to provide the Borrower and/or the Debtor with any financial assistance of any type whatsoever.
11. Any notice to the Debtor may be given at the address indicated above or any other address communicated in writing by the Debtor to BDCC.

#### **X. INTERPRETATION**

1. If the word "Debtor" designates more than one person, each such person shall be jointly and severally liable to BDCC for the performance of all the obligations provided in this agreement.
2. The rights and recourses of BDCC may be exercised against all the mortgaged property or separately against any portion thereof.
3. This agreement shall be governed and interpreted by the law in force in the Province of Quebec and the applicable federal laws. This agreement must also be interpreted as to ensure that the mortgaged property located in another jurisdiction be charged by a valid hypothec and/or security interest in accordance with the law in force in said jurisdiction.
4. The parties hereto have expressly agreed that this deed be executed in the English language. *Les parties aux présentes ont expressément convenu que le présent acte soit rédigé en anglais.*

WHEREOF the parties have signed on this 1<sup>st</sup> day of September, 2016.

**6860966 CANADA INC.**

Per:  Giacomo Dell'Accio

**BDC CAPITAL INC.**

Per:  Kim Toffoli

**SCHEDULE "E"**

**TO**

**COLLATERAL HYPOTHEC ON MOVABLE PROPERTY  
FOR PRESENT AND FUTURE OBLIGATIONS**

**BETWEEN**

**BDC CAPITAL INC.**

**AND**

**6860966 CANADA INC.**

**INTELLECTUAL PROPERTY**

**(SEE FOLLOWING PAGES)**

**SCHEDULE "E"**  
**INTELLECTUAL PROPERTY**

**1. Canadian Intellectual Property Office ("CIPO")**

*Trademarks – Trademarks Application*

- a. **"ESSENTIA & DESSIN"**, trademark registered at CIPO on May 30, 2008 under number TMA 715589 ;
- b. **"GRATEFUL BED"**, trademark application advertised at CIPO on August 20, 2014 under number 1647487;
- c. **"ESSENTIA"**, trademark registered at CIPO on October 22, 2012 under number TMA 834782.

*Patents – Patents Application*

N/A

**2. United States Patent and Trademark Office ("USPTO")**

*Trademarks – Trademarks Application*

- a. **"ESSENTIA (design plus words, letters and/or numbers)"**, trademark registered at the USPTO on December 23, 2008 under number 3549188;
- b. **"ESSENTIA"**, trademark registered at the USPTO on May 14, 2013 under number 4333518.

*Patents / Patents Application*

N/A

**K A U F M A N**  
**L A R A M É E**  
ATTORNEYS

Montreal, September 6, 2016

**BY FACSIMILE**

**UNITED STATES PATENT AND TRADEMARK OFFICE**

Mail Stop Assignment Recordation Services  
Director of the USPTO  
P.O. Box 1450  
Alexandria VA, 22313-1450

Subject: Collateral Hypothec on Movable Property for Present and  
Future Obligations (Lien) granted by 6860966 Canada  
Inc. ("**Conveying Party**") in favour of BDC Capital Inc.  
("**Receiving Party**")  
Our File : 12529-55

Madam:  
Sir:

Please find enclosed herewith a copy of an agreement entitled "Collateral Hypothec on Movable Property for Present and Future Obligations" executed by the Conveying Party in favour of the Receiving Party on September 1, 2016 (the "**Security Agreement**"). Under the terms of the enclosed Security Agreement, the Conveying Party granted a hypothec (lien) in favour of the Receiving Party on all of its Trademarks and on all the Trademarks Applications duly registered with the United States Patent and Trademark Office under the names and registration numbers described hereinafter (the "**Trademarks**"):

<b>Name</b>	<b>Trademark Registration Number/ Application Number</b>
ESSENTIA (design plus words, letters and/or numbers)	<b>3549188</b>
ESSENTIA	<b>4333518</b>

K A U F M A N  
L A R A M É E

2

**CREDITOR**

Mr. Marc-André Crépeau  
**BDC CAPITAL INC.**  
5 Place Ville-Marie  
Suite 500  
Montreal, Quebec, H3B 5E7

**DEBTOR / REGISTERED OWNER OF PATENTS**

**6860966 CANADA INC.**  
2760 Daniel-Johnson Blvd.  
Laval, Quebec, H7P 5Z7

In accordance with the Federal Rules of Practice 37 C.F.R. 1.21 (h) and 3.41, we enclose herewith a PTO-1594 Form for recordation and would hereby request that the Security Agreement be recorded against the aforementioned Trademarks and/or Trademarks Applications and confirmation of same be returned to the undersigned.

Please find enclosed herewith a PTO2038 Form for payment of the fees required for the registration of the aforementioned Security Agreement.

We trust you will find the whole in order and would ask you to communicate with the undersigned should you have any questions or require further documentation with respect to the above and the enclosed.

Yours very truly,



Genesa Clarke  
Attorney

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1-514-871-5312

Encl.

cc. Marc-André Crépeau